



### THE FINANCIAL SITUATION.

Next to the presentation of the Peace Treaty to the Germans and the calling by President Wilson of an extra session of Congress, the most encouraging feature of the week has been the strikingly favorable monthly report of the Agricultural Bureau at Washington, issued on Thursday. The brilliant winter wheat crop prospect indicated by the official report on condition for April 1 is more than upheld by the condition report for May 1. In other words, the Department of Agriculture confirms private accounts in showing no retrogression, but further improvement in April, and places condition on May 1 the highest on record for that date. Nor is that the only extremely favorable feature. Heretofore the abandonment of area as a result of winter killing, &c., has been more or less of a factor to be reckoned with each spring. In some years it has been quite moderate; in others a very important item, reaching, for instance, last year 13.7% of the area planted the previous fall, in 1917 nearly one-third, and averaging for the 10-year period 11.9%. But this year the amount of land lost to winter wheat has been insignificant—even less than seemed probable earlier in the season. The area remaining under cultivation therefore, at this time, is over 12 million acres greater than that from which last year's crop was harvested.

With the situation as thus depicted, it is not surprising that the report should be officially construed as indicating a yield, under normal conditions, about 63 million bushels greater than the promise held out by the April 1 condition and 341 million bushels in excess of a year ago—foreshadowing, consequently, a winter wheat crop by 215 million bushels the heaviest in the history of the country. And an even better return is possible, should conditions continue auspicious the next few weeks. The situation as regards moisture this spring has been highly satisfactory, practically everywhere except in California, and there has been a minimum of complaint of damage from any cause. An interesting fact gleaned from private reports is that in more southerly sections the harvest will be unusually early this year, leading to the probability of the marketing of wheat in fair volume before the first of July.

We have stated above that the abandonment of area under winter wheat has been insignificant this spring, and the fact that it has reached only 1.1%, or 544,000 acres, substantiates the reports of favorable weather during the winter, including the absence of alternate freezing and thawing. In a number of States the amount of land thrown out has, in fact, been so meagre as to be strictly negligible, this being particularly true of Kansas and Oklahoma, where last year's abandonment was especially heavy, and of other large producers like Missouri, Nebraska and Ohio.

As regards the condition of the crop, the Department of Agriculture reports an average improvement of .7 point during April, the condition on May 1 at 100.5 comparing with 99.8 a month earlier, 86.4 at the same time last year, 73.2 in 1917 and a ten-year mean of 85.4. Assuming an average season hereafter, the conclusion is officially arrived at that a condition of 100.5 on May 1 forecasts a production of approximately 18.4 bushels per acre; that figure applied to the 48,933,000 acres estimated as remaining under cultivation at this time would give a yield of about 899,915,000 bushels. This aggregate

contrasts with the final estimate of last year of 558,449,000 bushels, with 673,947,000 bushels in 1915 and 684,990,000 bushels in 1914, the previous high record. The increase over last year, it will be noted, is 341,466,000 bushels. Of this gain Kansas is expected to contribute no less than 95½ million bushels (practically doubling its yield of 1918), Nebraska 37¼ millions (more than its total crop a year ago), Texas 24¼ millions (almost three times its 1918 production), Oklahoma 21¼ millions, Missouri 19½ millions and Washington 17½ millions, while Michigan, Montana, Ohio, Illinois and Iowa, are slated for gains ranging from 10 to 12¾ million bushels.

Supplementing the very excellent winter wheat outlook in the United States, reports from Canada indicate that fall-sown wheat, which entered the winter looking vigorous and full of promise, withstood the extra exposure of an unusually bare season surprisingly well—in fact, never better. A spell of cold weather with strong, drying winds, which prevailed in early April, caused some anxiety as to its effect upon the young crop, but late reports are quite reassuring.

Our compilations of bank clearings continue to indicate quite general activity in the mercantile and industrial affairs of the United States, even though in some localities—more particularly those most affected by the cancellation of war contracts—there is evidence of a slacking up in business. To some extent, of course, the further ascent in the prices of many commodities, already high a year ago, has been a factor in the gains in clearings over 1918 recently disclosed, but it would be fallacious to accept that development as the chief explanation. The truth is that, contrary to the quite widely entertained opinion prior to the close of the war that the cessation of hostilities would witness more or less of a slump, the demand for almost all classes of goods either for home use or export has continued active. Obviously, in the rehabilitation of the devastated areas of Europe, there is an urgent and great demand for many things that we alone at this time can furnish. A not unimportant influence in the swelling of clearings recently, moreover, has been the broadening of speculation at New York and other leading financial centres.

The latest monthly total of clearings covers 174 cities, of which 54 fail to record increases over April a year ago, though at only a few points are the losses worthy of note, and these are, as a rule, explained by locally operating influences. On the other hand, new high records for any monthly period continue to be reported, the places distinguished in this way for April including Los Angeles, Akron, Lima, Mansfield, Flint, Lorain, Long Beach and Jackson, Mich. Of the remaining 112 cities, all but a very few set high-water marks for April, and the augmentation over the month a year ago is in many instances quite heavy. In this category are to be found New York, Pittsburgh, Baltimore, Detroit, Portland (Ore.), Oakland, Minneapolis, Duluth, Memphis, Birmingham, Jacksonville (Fla.), Dallas, Canton, Youngstown, Bloomington, Pasadena, Fresno, Yakima, San Jose, Sioux Falls, Fargo, Charleston, Austin, Tampa, Franklin, Reno, Iowa City, Kansas City (Kan.), Adrian and Lewistown.

The aggregate of clearings for April 1919 at the 174 cities included in our compilation on the first page of this issue, is \$30,592,623,146, which con-

trasts with \$26,484,009,255 for 1918, and, consequently, registers an increase of 15.5%, while contrasted with the like period in 1917 the augmentation reaches 22.3%. For the four months of the current calendar year the total at \$118,878,034,598 is not only a high record for the period by 17.3%, showing that increase over 1918, but runs ahead of 1917 by 22.2%. At New York the gain over 1918 for the month is 23% and for the four months 19.9%, and the results of two years ago are overtopped by 18.3% and 16%, respectively. Outside of this city the April 1919 aggregate is 7% in excess of last year and the four months' total is 14.1% in excess. Comparison with 1917 discloses gains of 28% and 31.6%. Analyzed by groups, the totals for the period since January 1 are in all sections heavier than last year. New England registers an expansion of 12.6%; the Middle Division, exclusive of New York, 26.4%; the Middle West, 11.4%; the Pacific Slope, 22.8%; the "Other Western," 3.1%; and the South, 10.5%.

Stock dealings on the New York Stock Exchange in April were of considerably greater volume than in March, very decidedly in excess of those of the same period in 1918, and the heaviest for the month since 1905. Transactions, in fact, totaled 28,587,431 shares, against only 7,404,174 shares a year ago and 14,258,162 shares in 1917. For the four months of 1919, moreover, the sales reached 74,060,168 shares, against but 40,858,087 shares and 63,444,334 shares, respectively. The record total for the four months was 120,967,731 shares in 1901. Bond operations, also, were on a larger scale than in March, but activity was most noticeable in Liberty bond issues, in which the dealings were phenomenally heavy—over 232 million dollars, par value. In all, \$297,874,700 bonds were traded in, against \$127,549,000 a year ago. For the four months the bond sales reached 1,073 million dollars par value (of which 777 millions Liberty issues) against 439 millions last year. Boston's share transactions for the month were 544,667 shares, against only 194,732 shares last year, with the four months' aggregate 1,707,389 shares, against 971,386 shares. Chicago's dealings for the month totaled 631,907 shares, against 123,470 shares, and for the four months 1,450,111 shares, against 392,937 shares.

At several points in Canada clearings have latterly shown a declining tendency, but for the Dominion as a whole the exhibit is a satisfactory one. In all, 25 cities have furnished comparative returns, and in the aggregate for the month a gain of 7.5% over 1918 is exhibited, while, contrasted with 1917 there is an improvement of 10%. Most noteworthy expansion is indicated at Montreal, Moose Jaw, Kitchener and New Westminster. For the four months the augmentation over 1918 is 14.6%, and over 1917 reaches 20.3%.

Generally speaking, until this week, Thursday and Friday have been the days on which the most important announcements relative to the Peace Conference have been made. Naturally during the following two or three days there has been somewhat of a lull, and those most vitally interested, and the public as well, have had an opportunity to give more careful consideration to what had happened. From all accounts it has been perfectly apparent that, with a few exceptions, the Peace Commissioners, their advisers and assistants, have not taken the week-end holiday so generally observed by English

professional and business men. On the contrary, the week-end has been the very time when the Peace Conference authorities have been most busily engaged in private conference upon some of the knottiest problems with which they have had to contend. This has enabled them to hold plenary sessions toward the close of the following week, and to let the public know something, if not all, of what had been accomplished with respect to one big task after another.

As last week drew to a close the most important matter still unsettled was the bringing of the Italian delegates back into the Peace Conference fold. Saturday and Sunday the advices from Paris indicated a steadily growing confidence in the ability of the Council of Three and their advisers to devise a plan with respect to Fiume and the other demands of the Italians that would be acceptable to the latter. Rome advices revealed a growing degree of calmness on the part of the people and a spirit of conciliation on the part of Premier Orlando and his associates in the Government. Announcement was made in Paris on Sunday that Count Macchi di Cellere, the Italian Ambassador to the United States, had had a conference with President Wilson, which was sought by the former, and which was regarded as particularly significant. At about the same time Thomas Nelson Page, United States Ambassador, and Camille Barrere, French Ambassador to Italy, held conversations in Rome with Premier Orlando in the hope of finding "a formula which would heal the breach caused by the withdrawal of the Italian delegation to the Peace Conference." The Italian Premier was said to have shown a disposition to resume negotiations, but he thought overtures should come from Paris. Some of his friends suggested that the easiest way to obtain harmony would be for him to resign. There was nothing to indicate that he really believed this to be necessary, although earlier in the rupture he had been reported as having signified his willingness to do so.

However much or little foundation there may have been for this and many other rumors relative to the Italian incident, certain it is that Orlando and his associates did not have long to wait after the conferences referred to for an invitation to rejoin the Peace Conference. Monday it became known that it had been sent the day before by Premiers Lloyd George and Clemenceau and President Wilson, comprising the Council of Three. The message was said to have been "couched in the friendliest of terms," and even then the belief was expressed in Peace Conference circles that the invitation would be accepted. Major Fiorrello H. La Guardia, a Member of the United States House of Representatives from New York, and a well known Italian, was quoted in Paris, after an interview with Colonel E. M. House on Sunday, as expressing the opinion that "the entire Italian question could be settled within 48 hours," and added that "he was urging that pride should not stand in the way of Italy's acceptance of the first overtures made from Paris." The latter statement indicated clearly a full realization on his part of the importance of Italy retaining her position as one of the five great Powers, and also of the importance of her participating in the final acts of the Peace Conference, particularly the signing of the treaty with Germany. Paris cablegrams that came to hand over the week-end contained well-defined intimations that President Wilson realized that he

had gone too far in the stand that he had taken with respect to Italy's territorial demands, and that, to quote one correspondent, "there seems to be a desire on the part of President Wilson to avoid causing further difficulties." Announcement was made as early as last Saturday that he would invite the Italian Ambassador to attend the preliminary meeting of the Organization Committee of the League of Nations that had been called for Monday.

At any rate, it became known in Paris that afternoon, through an official announcement, that Premier Orlando and Foreign Minister Baron Sonnino would return to Paris to resume their places at the Peace Conference. In fact, it was stated positively that they would leave Rome that night with the intention of reaching Paris Wednesday morning. This information was conveyed to the French Foreign Ministry by the Italian Ambassador to Paris. In turn the news was conveyed promptly to the heads of the Allied and Associated Governments.

While the Italian delegates were en route the meeting of the Organization Committee of the League of Nations, to which reference has been made, was held at the residence of Colonel House Monday afternoon. He called the gathering to order and moved that Stephen Pichon, French Foreign Minister, serve as Chairman both of the meeting and of the preliminary organization of the League. Sir James Eric Drummond formally assumed the duties of Secretary-General, to which office he was elected last week. The injured feelings of the Italian delegates to the Peace Conference must have been soothed greatly by the placing of Marquis Imperiali, Italian Ambassador to London, who had been invited to represent his country at the meeting, in the seat of honor at the right hand of Chairman Pichon. The meeting adjourned subject to call of the Secretary-General, but it is believed that the further preliminaries of the organization will be disposed of in London prior to the initial formal meeting of the League of Nations in Washington next October. The following day the Organization Committee of the International Labor Conference, provided for in the peace treaty, held its first meeting in London, at which the United States was represented by Professor J. T. Shotwell. Further meetings will be held to collect and tabulate information for the initial conference, which will also convene in Washington in October.

A plenary session of the Peace Conference—secret in character and the last before the peace treaty was presented to the Germans at Versailles on Wednesday—was held in Paris Tuesday afternoon at the French Foreign Office. Premier Clemenceau presided. President Wilson was seated at his right and Lloyd George at his left, while the full membership of the Peace Conference was grouped around the table. It was for the purpose of communicating the treaty to all the smaller nations represented at the Peace Conference before the document should be finally handed to the Germans. Captain Andre Tardieu represented France and is understood to have explained the chief provisions of the treaty and to have answered numerous questions. Various protests against some of its provisions were said to have been made. Probably one of the most important was the declaration by Marshal Foch that "the security given France was inadequate, from a

military point of view." He was even reported to have asserted that "it was his personal conviction that the treaty should not be signed." Lu Cheng-hsiang, the Chinese Foreign Minister, presented what was characterized as a "brief, formal and dignified protest" against the disposition of the controversy with Japan. He asked for a reconsideration of the decision of the Council of Three with respect to Kiao-Chau and the Shantung peninsula, saying that in the opinion of the Chinese delegation "the decision had been made without regard for justice or for the protection of the territorial integrity of China."

The clause of the treaty providing for the trial of the former German Emperor for "a supreme offense against international morality and the sanctity of treaties," which had not been acted upon at the previous plenary session of the Peace Conference, was incorporated in the final draft. It provides, as announced some weeks ago by the "Chronicle," for trial by a tribunal composed of representatives of the United States, Great Britain, France, Italy and Japan. The credentials of the Italian delegates to the Peace Congress were presented earlier in the day to the German delegates, so that the former were in "good and regular standing" for the all-important initial session to be held Wednesday afternoon.

As far back as last Saturday it was reported from Paris that the Peace Conference authorities were trying to find an Adriatic port that could be developed within the next two years for the use of the Jugo-Slavs, so that Italy could get Fiume, which she so eagerly desires. The Paris "Temps," suggested that the port of Zeng, located about 30 miles south of Fiume, might be found desirable for the purpose. The Bay of Buccari, which opens into the Gulf of Fiume, was suggested by a prominent French engineer. Still other possibilities were said to be under consideration. Tuesday London had a report from Paris that a settlement with Italy regarding Fiume had been reached, which provided that the city would remain an autonomous port until 1921, when it would be assigned to Italy. The next day the positive statement was made in Paris that Premier Orlando had accepted a proposal made by Camille Barrere, French Ambassador at Rome, in behalf of the Council of Three. According to the statement, "Italy will administer Fiume as a mandatory of the League of Nations until 1923, after which it will revert to Italian sovereignty." In the meantime, as already suggested, the statement said that "a harbor for the Jugo-Slavs will be built a few miles lower down the Adriatic coast, which will have railroad communication with Agram and various other cities." In return it was set forth that Italy would make sacrifices of some of her other claims on the Dalmatian coast. Thursday the Council of Three took up the Italian problem and was expected to continue its discussions until all the details were worked out. American Ambassador Page left Rome for Paris Thursday morning after having had a long conference with the French Ambassador at Rome over the matter. The rumor was current in Paris last night that upon the conclusion of peace he would resign. Ten days or so ago, it was claimed in a Rome dispatch that he had already resigned as a result of the Italian incident. Apparently there is keen disappointment, and resentment even, in Rome

over the failure of Italy to secure a mandatory over at least one German colony.

The day of days toward which the Peace Commissioners had been striving since about the middle of January, and toward which the people of the whole world, as well as they, had been looking, was that on which the peace treaty should be completed and actually handed to the Germans. This memorable and historic day was Wednesday, May 7, the fourth anniversary of the sinking of the *Lusitania* and 177 days after the firing of the last shot of the war, on Nov. 11 1918. The place was the great hall of the Trianon Palace Hotel, in Versailles, and the hour 3:10 in the afternoon. All of the peace delegates, including the Italians, were in their places. This was the first formal and plenary session of the Peace Congress, for, with the admission of the German delegates, the name changed from Conference to Congress. The venerable Clemenceau, Chairman of the Conference from the start, served in the same capacity for the Congress. Seated on his right was President Wilson, while on his left was Premier Lloyd George. Secretary of the Congress Dautasta handed the copies of the treaty, translated into German, to the enemy delegates. They in turn presented a reply in their own tongue, which was interpreted in English and French, two sentences at a time. In a word, the reply admitted that wrong had been done to Belgium and signified a willingness to make reparation. On the other hand, the Germans stated plainly their unwillingness to accept entire blame for the war.

The advices state that the treaty was handed to the Germans at 3:17, or seven minutes after the session came to order, and that at 3:51 adjournment was taken. Within these forty-one minutes two addresses were made, one by Chairman Clemenceau and the other by Count von Brockdorff-Rantzau, Chairman of the German delegation. Both are likely to become historic and are well worth reading as illustrative of the attitude and purposes of the victors and the vanquished. Only a sentence or two from each can be snatched for use at this juncture. With characteristic conciseness and precision Clemenceau declared in his first sentence, "It is neither the time nor the place for superfluous words." A little further on he said: "The time has come when we must settle our account. You have asked for peace. We are ready to give you peace." And finally he assured the German plenipotentiaries that "Everything will be done with the courtesy that is the privilege of civilized nations." How striking the contrast between these words and those of Bismarck in the same place on Jan. 28 1871, when he took his pen and signed the armistice that ended the Franco-Prussian War. He is reported to have jeeringly said: "This, gentlemen, is the death of the beast." Clemenceau also outlined the procedure that the Germans must follow in dealing with the treaty. He informed them that no oral discussions would be permitted and that all "observations" or replies must be made in English and French within fifteen days.

Count von Brockdorff-Rantzau, at the beginning of his address, said: "We are under no illusions as to the extent of our defeat and the degree of our want of power. We know that the power of the German army is broken." Continuing, he said: "It is demanded from us that we shall confess ourselves to be the only ones guilty for the war. Such a

confession in my mouth would be a lie." Per contra he declared that the "hundreds of thousands of non-combatants who had perished since November 11th by reason of the blockade were killed with cold blooded deliberateness after our adversaries had conquered and victory had been assured to them." "Think of that," he added, "when you speak of guilt and punishment." The statements of the German delegate made it clear that he and his associates and the German Government proposed to stand firmly on President Wilson's fourteen points in the matter of making a peace treaty. In substantiation of this idea he said, "The principles of President Wilson have thus become binding upon both parties to the war—for you as well as us, and also for our former allies."

After finishing his address, and as he led the German delegation out of the hall, von Brockdorff-Rantzau is said to have been extremely pale and his countenance to have revealed great seriousness of expression. He and his associates, according to Versailles advices, remained up the greater part of the night studying the treaty. At 9 o'clock the same evening a trusted courier was dispatched to Berlin with a copy of the document, together with what was said to be the first report of Count von Brockdorff on important happenings in Versailles up to that time. Thursday's cablegrams did not contain much relative to the impression made upon the Allied Commissioners by his address on Wednesday afternoon. Advices received yesterday, however, indicated clearly that Premiers Lloyd George and Clemenceau and President Wilson, and the other members of their respective delegations, were greatly incensed over what he said and regarded many of his statements as gross insults.

The treaty itself undeniably is one of the most memorable that was ever handed by a victorious to a vanquished nation. As to length the statement was made upon authority in Paris that it has no equal, consisting of 15 main sections and approximately 80,000 words. Attention was called to the fact by those who were most familiar with the making of the document that it represented the "combined product of over a thousand experts working continuously, through a series of commissions, for three and a half months since Jan. 18." It is printed in parallel pages in English and French. The principal features had become pretty well known prior to the publication of the official synopsis on Wednesday afternoon. Lack of space makes it possible to refer only in the briefest way, and chiefly for the sake of emphasis, to a few of the most striking provisions. The official synopsis will be found in subsequent pages of the "Chronicle."

First of all Alsace-Lorraine is returned to France, for which all the people of that nation and their many sympathizers throughout the world ever since the ending of the Franco-Prussian war, will be devoutly thankful. Secondly, the German army is reduced to 100,000 men, including officers, a number only a little in excess of the so-called standing army of the United States prior to the war. Thirdly, the German navy is to comprise only six battleships, 6 light cruisers and 12 torpedo boats, without submarines, and a personnel of not over 15,000. All other vessels are to be surrendered or destroyed. Fourthly, Germany is compelled to re-

nounce all her territorial and political rights outside of Europe, and also to give up a vast amount of territory formerly held within the limits of that continent. Fifthly, shipping must be restored ton for ton; all civilian damages are to be reimbursed, the initial payment being \$5,000,000,000. Reference has been made in earlier paragraphs to provisions for the trial of the former German Emperor. Germany, it is set forth in the treaty, will accept the League of Nations only in principle, and will not be a member. Finally, German prisoners are to be repatriated, but German officers are to be held by the Allies as hostages for Germans accused of crimes.

It is impossible to give a comprehensive idea of the treaty in anything short of the official synopsis. In some circles there is a disposition to stress the practical wiping out of Germany's military and naval forces. Important as this is to the whole world, sight should not be lost, when considering the economic future of that country, of the extent to which she is stripped of territory by the terms of the treaty. Only a few figures are necessary to give a fair idea of what the provisions of the document in that regard will mean to Germany. According to careful estimates made in Washington, she will lose in colonies and former dependencies alone 1,027,820 square miles, within the limits of which there is a white population of 24,389, and an estimated native population of 12,041,603 in Africa, Asia and the Pacific. In addition Germany must renounce all claims to both territorial and political rights in Morocco, Egypt, Siam, Liberia and the Shantung peninsula. Germany is compelled to recognize the independence of Czecho-Slovakia, Poland and of German-Austria. Furthermore, she will lose control of territory in Europe amounting to 47,787 square miles. In other words, it is calculated that about 20% of the territory in Europe formerly embraced by the German Empire must be given up. Putting the situation in still another form it is pointed out that German-ruled domain will be only one-eighth of what it was before the war. The Council of Three on Wednesday announced the mandatories which it had agreed upon for the former German colonies. Thursday it was reported once again that probably the United States would accept a mandate for Armenia and Great Britain one for Turkey.

In view of all the rumors that were in circulation a few weeks ago relative to secret pledges of aid said to have been made to France by the United States and Great Britain, it is worth while reprinting here the brief statement given out for publication, together with the official summary of the peace treaty. It reads as follows: "In addition to the securities afforded in the treaty of peace, the President of the United States has pledged himself to propose to the Senate of the United States, and the Prime Minister of Great Britain has pledged himself to propose to the Parliament of Great Britain, an engagement, subject to the approval of the Council of the League of Nations, to come immediately to the assistance of France in case of unprovoked attack by Germany." In a cablegram yesterday afternoon to his private secretary, Joseph P. Tumulty, President Wilson explained this plan for an alliance with France. He declared that, "happily there is no

mystery about what I have promised the Government here," and added that in what he had done he was "merely hastening the action through which we should be bound by the covenant of the League of Nations."

The treaty having been completed and delivered to the Germans, the most important point now to be considered is what they will do with it. In London and Washington the comment has been generally favorable. As might have been expected, the Paris press was more or less critical. United States Senators have been quoted as expressing unwillingness to make extended comment at this time. Yesterday dispatches from Berlin stated that the leading papers there were denouncing the treaty in strong terms. Rumors were said to be in circulation that Count von Brockdorff-Rantzau, head of the German peace delegation, would refuse to sign it and would resign. The general opinion, however, appeared to be that "Germany must accept since she is helpless." A Paris dispatch under date of Wednesday, the 7th, stated without reservation that "the German delegates to the Peace Congress declare that they will sign the peace treaty, but that Germany will not pay an indemnity." The authority for this unequivocal assertion has not even been intimated. With respect to the matter of indemnity, it should be noted that all along the Germans have differentiated between that word and reparation, claiming that the former represents punitive damages. The prevailing opinion on the part of those in Paris closest to the situation appears to be that "in the end and without great delay, the signatures of the German plenipotentiaries will be affixed to the document."

Advices received from Berlin last evening, however, contained fresh evidence of the displeasure of prominent men in the Ebert Government over the terms of the treaty. Herr Lansburg was quoted as saying: "The cruel announcements of the press have been exceeded. We can do nothing but say yes or no. That is the quintessence of a peace of force." Professor Schurcking declared that "the document is simply awful." The latest reports from Versailles say that "it is impossible yet to gain an indication of the attitude of the German plenipotentiaries here, but information coming from German sources show it is quite possible the Ebert-Scheidemann Government is considering its fate if it should accept such a drastic treaty. It may choose to refuse to sign the treaty and go down in a blaze of patriotic glory." In an address before the National Assembly in Berlin on Thursday, Chancellor Scheidemann declared that "the German delegates had been instructed to make counter-proposals and to demand the right of oral discussion."

Ever since the abandonment of the original plan for an international police force to make the League of Nations and the peace treaty effective, the advices from Paris and London relative to the extent to which the economic boycott would be made use of for this purpose, were extremely conflicting for many weeks. More than once it was claimed that this idea had been abandoned altogether. The whole question was effectually put at rest by an official announcement of the Supreme Economic Council on Tuesday of recommendations for the use of the boycott to an extent that would isolate

Germany if she refused to sign the treaty. On Thursday afternoon the following statement appeared in a Paris cablegram: "The blockade division of the Supreme Economic Council, under direction of the 'Big Three,' has begun preparation of plans under which an even more vigorous blockade will be clamped down on Germany in the event of her defiance."

Except as to some general provisions, the treaty presented to Germany does not relate to Austria and Turkey. Thursday afternoon the word came from Paris that already the Council of Four, with Premier Orlando in his place, had begun to "arrange the program for the presentation of the peace terms to the Austrian, Hungarian and Bulgarian delegates." Parts of the treaty had been drafted already, it was declared. The dispatch further stated that Austria will be called upon to pay at least 5,000,000,000 crowns (\$1,000,000,000) of the indemnity levied upon Germany. The committee charged with gathering data for the Austrian treaty has been directed to report by next Monday. It was stated in Paris yesterday that the naval terms provide for the surrender of all the ships of the Austrian navy. A dispatch from Vienna which came to hand on Thursday stated that the Austrian delegates had left that centre and were expected to reach St. Germain, probably yesterday. The personnel of the delegation as given in the dispatch is as follows:

Dr. Frank Klein, Chairman; Prof. Heinrich Lamarsch, former Austrian Premier; Prof. von Laun, Under Secretary of Foreign Affairs Pflugel and Deputies Stegliger and Ludgemann.

A week ago to-day it became evident that Belgium was not satisfied with the terms of the peace treaty, as its delegates understood them. Special objection was made to the territory that had been granted. M. Hymans, Chairman of the Belgium Peace Delegation, was reported in a Brussels dispatch to have been sent a telegram by the Committee Politique Nationale, urging him not to sign the document. The Belgians were reported to have been displeased upon being informed that of the \$500,000,000 mentioned recently "as an immediate indemnity for Belgium, more than one-half of the amount merely has been placed to the Belgians' credit in Allied countries as part payment of war loans." Saturday, also, the Belgian Cabinet held a conference with King Albert, lasting three hours, after which it was announced that decision as to what action should be taken on the treaty by the peace delegates had been deferred until the following day, when the matter would be discussed with them. This conference lasted from 8 o'clock in the evening until midnight, according to Brussels advices on Monday. Upon adjournment official announcement was made that the Belgian Government had decided to sign the treaty. Chairman Hymans of the peace delegation was reported to have "expressed the opinion that the treaty, as it now stands, gave honorable and satisfactory terms to Belgium and recommended that it should be signed." While the Crown Council was said to have endorsed Hymans's ideas unanimously, still its members thought that "the attention of the Powers should be drawn to the financial and economic situation in Belgium and to the necessity that the Allies assure Belgium of complete support looking to her economic restoration." The peace treaty gives

Belgium conditionally the Malmedy and Eupen districts of Prussia bordering on Belgium. It became known last evening that the Belgian delegation had issued a statement in which further dissatisfaction was expressed over Great Britain's being appointed a mandatory for German East Africa. The statement also says that "Belgium is unable to admit that German East Africa could be disposed of by agreements in which she has not participated," because of "Belgium's military operations in Africa." It was reported also that the Chinese delegation had been instructed by its Government not to sign the treaty because of displeasure over the decision of the Council of Three in favor of Japan with respect to Kioa-Chau and Shantung. The probability is that all will sign in time. What else can they do, or how else can they hope to establish and maintain peace and order and get started with reconstruction plans?

A careful perusal of the British budget presented by Chancellor of the Exchequer Chamberlain produced an even more favorable impression in London than was obtained from the first and rather cursory readings. The document disclosed a stronger financial position than had been supposed to exist. The fact that after certain changes in the scheme of taxation had been effected the net deficit for the fiscal year would be only £233,000,000 received special attention from close students of Great Britain's finances. Throughout the week an official announcement of the Government's new loan to take care of the floating debt was awaited with special interest.

In a recent issue of the London "Statist" there were presented statistics that gave an outline of the revenues and expenditures of the United Kingdom for the five fiscal years ended with March 31 1919. The figures show that for the 12 months' period ended with that date the revenue was approximately four times that for the corresponding period of 1914-1915. Total receipts from taxes in the last named 12 months were only \$921,252,775, against \$3,816,688,875 for 1918-1919. Non-tax revenue for the two years respectively was \$181,953,575 and \$509,726,950. The total revenues were \$1,103,206,350 for 1914-15 and \$4,326,451,825 for 1918-19. War expenditures expanded from \$1,762,096,375 in the former fiscal period to \$11,562,322,225 in the latter. Out of the grand total of the expenditures for the five years of \$41,824,637,875, \$8,439,844,425 was met out of revenue, and \$33,403,135,275 from loans.

According to report of the British Board of Trade, which was received here Thursday afternoon, imports into the United Kingdom in April decreased £7,671,043, while exports expanded £18,410,534, compared with April 1918. The following figures give a summary of the total trade of the United Kingdom for April, compared with that of the corresponding month of last year, and also the totals for the first four months of this year and those for the corresponding period of 1918:

	April		Jan. 1 to Apr. 30	
	1919.	1918.	1919.	1918.
Imports .....	£112,210,000	£119,881,043	£549,573,000	£425,229,048
Exports .....	58,482,000	40,071,466	205,846,000	156,839,197
Excess of imports	£53,728,000	£79,809,577	£253,727,000	£268,389,851

During the greater part of the week oil and rubber shares were active on the London Stock Exchange, as they were in New York. Standard issues were

relatively quiet there as they were here. Whereas for some weeks the annual budget was spoken of as one of the principal restricting influences upon the British markets for securities, this week the terms of the new Government loan that are expected to be announced at any time were said to be awaited by conservative investors and speculators. Wednesday's market was somewhat broader with the sentiment somewhat cheerful. There were no striking changes in the general trend on Thursday and Friday.

Outside of the reported overthrow of the Communist Government in Munich and of the Soviet Government in Budapest early in the week, and further losses by the Bolshevik forces in the Archangel district of Russia, little came to hand relative to the political disturbances in eastern and south-eastern Europe that have attracted so much attention in recent weeks. Thursday it was reported from Berne, Switzerland, that the Government forces were not in full control of Munich and that the Rumanian troops in or about Budapest had met with a repulse. Whatever may be true regarding these particular situations, it is quite apparent that the Bolsheviks and Communists are losing ground rapidly. Thursday the London "Times" declared: "There are many signs of the approaching break of the Bolshevik Government. Petrograd is going, Budapest is said to have gone, and alike in the East and West the Bolshevik tyranny is contracting." Yesterday Washington dispatches stated that representatives of the Associated Governments in Paris might recognize the Omsk Government in North Russia at a comparatively early date and extend a loan of \$20,000,000 for immediate use on the Siberian Railroad. Paris advices received last evening stated that the "various Russian factions apparently are coming together on a platform for the support of any Government which guarantees a constitutional assembly elected by universal suffrage." It is to be hoped that strong central governments will be established in all the countries in which various self-established factions have flourished more or less for a time.

British revenues and ingoes for the week ended May 3 made a better showing, having exceeded expenses, and resulted in an increase of £456,000 in the Exchequer balance. Sales of new Treasury bills, however, continue to exceed the amount repaid, so that the total volume of Treasury bills outstanding has once again passed the billion pound mark, and now stands £1,000,179,000, against £985,941,000 a week ago. Expenditures for the week were £41,058,000 (against £32,737,000 for the week ending April 26), while the total outflow, including repayments of Treasury bills and other items, amounted to £106,261,000, comparing with £89,301,000 a week ago. Receipts from all sources totaled £106,717,000, as against £88,826,000 the week preceding. Of this total revenues contributed £14,961,000, against £13,679,000; war savings certificates yielded £500,000, against £1,500,000, and war bonds brought in £4,230,000, against £5,875,000. From other debts the large sum of £24,270,000 was received, comparing with £2,329,000, while advances yielded £7,000,000, against £10,000,000 last week. The total of Treasury bills sold equaled £55,756,000, in contrast with £55,342,000 the week

before. Repayments were only £41,541,000. Exchequer balances are now £6,589,000, as against £6,133,000 a week ago. Temporary advances outstanding are reported at £477,392,000.

War bond sales last week through the banks totaled £4,466,000, as against £3,877,000 a week ago, and making the aggregate £53,319,000. Sales through the post offices during the week preceding were £218,000, bringing the total under this head to £2,428,000.

Official discount rates at leading European centres continue to be quoted at 5% in London, Paris, Berlin, Vienna and Copenhagen; 5½% in Switzerland, 6% in Petrograd and Norway, 6½% in Sweden and 4½% in Holland and Spain. In London the private bank rate has not been changed from 3% for sixty-day and ninety-day bills. Money on call in London remains as heretofore at 3⅛%. So far as we have been able to ascertain, no reports have been received by cable of open market rates elsewhere.

Another increase in gold holdings was shown by the Bank of England statement, amounting this week to £251,583, while total reserves were expanded £631,000, and the proportion of reserve to liabilities moved up to 19.90%, as compared with 18.38% a week ago and 18.20% last year. Other changes of importance included an increase of £1,761,000 in public deposits and a decline of no less than £9,561,000 in other deposits. Government securities were reduced £5,635,000, while loans (other securities) registered a contraction of £2,750,000. Note circulation decreased £380,000. Threadneedle Street's stock of gold on hand now stands at £85,927,395, which compares with £61,365,503 last year, £55,019,611 in 1917 and £35,941,599 in 1914. Reserves aggregate £27,595,000, as against £30,132,523 in 1918 and £34,745,456. Note circulation is £76,781,000, in comparison with only £49,682,980 the preceding year and £38,724,155 in 1917. Loans total £79,477,000. A year ago they stood at £97,410,123 and in 1917 at \$111,479,848. Clearings through the London banks for the week amounted to £490,650,000, in contrast with £459,931,000 last week and £384,904,000 the year previous. Our special correspondent is not as yet able to give details by cable of the gold movement into and out of the Bank for the Bank week, inasmuch as the Bank has not resumed publication of such reports. We append a tabular statement of comparisons:

	1919. May 7.	1918. May 8.	1917. May 9.	1916. May 10.	1915. May 12.
	£	£	£	£	£
Circulation.....	76,781,000	49,682,980	38,724,155	34,426,130	35,002,715
Public deposits....	23,961,000	37,573,152	54,172,724	54,833,814	127,864,334
Other deposits....	115,181,000	128,129,817	119,375,972	83,441,006	95,614,594
Government securities..	49,452,000	55,871,732	45,049,406	33,187,474	51,042,491
Other securities....	79,477,000	97,410,123	111,479,848	79,409,760	143,072,712
Reservenotes & coin	27,595,000	30,132,523	34,745,456	43,386,597	47,075,727
Coin and bullion....	85,927,395	61,365,503	55,019,611	59,362,727	63,628,442
Proportion of reserve to liabilities.....	19.90%	18.20%	20.01%	31.37%	21%
Bank rate.....	5%	5%	5%	5%	5%

The Bank of France in its weekly statement shows a further gain of 476,764 francs in its gold item this week. The total gold holdings now amount to 5,547,736,214 francs, comparing with 5,380,407,039 francs last year and with 5,258,601,580 francs the year before; of these amounts 1,978,308,484 francs were held abroad in 1919, 2,037,-



108,484 francs in 1918 and 1,948,706,126 francs in 1917. During the week advances rose 24,309,386 francs and general deposits were augmented by 64,053,267 francs. On the other hand, silver decreased 2,076,787 francs, bills discounted were reduced 21,262,837 francs and Treasury deposits fell off 20,004,339 francs. A further expansion of 329,355,510 francs occurred in note circulation, bringing the total outstanding to the new high mark of 34,429,666,820 francs. In 1918 and 1917 at this time, the amounts outstanding were 27,011,835,645 francs and 19,275,171,195 francs respectively. On July 30 1914, just prior to the outbreak of war, the amount outstanding was only 6,683,184,785 francs. Comparisons of the various items in this week's return with the statement of last week and corresponding dates in 1918 and 1917 are as follows:

BANK OF FRANCE'S COMPARATIVE STATEMENT.

Gold Holdings—	Changes for Week.	Status as of		
		May 8 1919.	May 9 1918.	May 10 1917.
	Francs.	Francs.	Francs.	Francs.
In France.....Inc.	476,704	3,569,427,730	3,343,298,554	3,309,895,453
Abroad.....No change		1,978,308,484	2,037,108,484	1,948,706,126
Total.....Inc.	476,704	5,547,736,214	5,380,407,039	5,258,601,580
Silver.....Dec.	2,076,787	308,024,395	258,824,688	257,073,698
Bills discounted.....Dec.	21,262,837	894,941,984	1,177,399,179	645,624,626
Advances.....Inc.	24,309,386	1,246,304,100	1,011,880,107	1,152,849,828
Note circulation.....Inc.	329,355,510	34,429,666,820	27,011,835,645	19,275,171,195
Treasury deposits.....Dec.	20,004,339	23,005,826	46,969,452	31,756,422
General deposits.....Inc.	64,053,267	3,167,415,967	3,052,029,553	2,518,154,054

A large expansion in the loan item was about the most interesting feature of Saturday's bank statement of New York Clearing House members. In some quarters this was held to reflect the recent activity on the Stock Exchange, but bankers were of the opinion that participation in the latest offering of Treasury certificates of indebtedness was largely responsible. In round numbers, the increase totaled \$117,430,000, the second largest of the year. Net demand deposits were expanded \$25,868,000, to \$4,040,391,000 (Government deposits of \$337,526,000 deducted). This is an increase of over \$79,000,000 in Government deposits for the week. Net time deposits also increased, viz., \$610,000, to \$155,099,000. Cash in own vaults (members of the Federal Reserve Bank) decreased \$3,413,000 to \$94,677,000 (not counted as reserves.) Reserves in the Reserve Bank of member banks declined \$4,727,000 to \$548,156,000, while there was also a decrease of \$318,000 in the reserves in own vaults (State banks and trust companies) to \$11,989,000, and of \$253,000 in reserves in other depositories, (State banks and trust companies) to \$12,121,000. There was a loss in aggregate reserves, amounting to \$5,298,000, which brought the total to \$572,266,000, as against \$540,931,000 in the corresponding week of 1918, while surplus declined \$8,743,720 to \$36,744,180, comparing with \$37,199,580, the amount held a year ago. Reserve requirements showed an increase of \$3,445,720. The totals here given for surplus reserves are on the basis of 13% reserves for member banks of the Federal Reserve system, but not including cash in vault, amounting last Saturday to \$94,677,000. The bank statement in more complete form will be found on a later page of the "Chronicle."

With the daily transactions in stocks on the New York Stock Exchange running from 1,500,000 to 1,750,000 shares a day, the most remarkable feature of the local money market again this week was its steadiness. About half way through the week the rates on mixed collateral and all industrial call

loans displayed a tendency to advance, but the changes were slight in comparison with the volume of money which it was reasonable to assume was being used to finance the enormous turnover in stocks. While it has been claimed practically ever since the big upward movement started that many stocks were being paid for and taken out of the market, and that speculators who were trading on a marginal basis, were not making commitments for long periods, it is useless to claim that the buying and selling of 1,500,000 shares of stock in a day can be handled without a substantial amount of borrowed money. Yesterday morning it was reported that the financial institutions were calling loans on a large scale, but verification was not obtainable. It is admitted that in special cases precaution has been taken to protect individual commitments, but that it could not be said that loans were being called promiscuously. Before the organization of the Federal Reserve banking system, rates for call money of anywhere from 20 to 30 or 40% would not have been surprising in a stock market like that of this week. With the closing of the Victory Loan campaign to-night it is probable that more will be heard and done next week and in the succeeding weeks, relative to financing for corporations, municipalities, &c. If at least \$4,500,000,000 of Victory Loan notes can be sold within three weeks, and at the same time a stock market of the magnitude of that of the last month can be financed, it ought to be possible for the financial institutions to sell good bonds, stocks and notes on fairly favorable terms.

Referring to detailed rates for money, loans on call have ruled easier, with the range  $3\frac{1}{4}@5\frac{1}{2}\%$ , as compared with  $4\frac{1}{2}@6\%$  last week. On Monday and Tuesday the high was 5%, the low  $3\frac{1}{4}\%$  and renewals at  $4\frac{1}{2}\%$  on both days. Wednesday the maximum was reduced to  $4\frac{1}{2}\%$ , but this was still the basis at which renewals were negotiated, while the minimum was 4%. There was an advance on Thursday to  $5\frac{1}{2}\%$  for the high; the low was 5%, and this was also the ruling rate. Friday's range was  $5@5\frac{1}{2}\%$  and  $5\frac{1}{2}\%$  the renewal basis. These figures are for loans on mixed collateral, as "all-industrials" continue to be quoted  $\frac{1}{2}$  of 1% higher. In time money very little change was noted during the opening days of the week, but on Friday there was a decided easing and quotations were lowered to  $5\frac{1}{2}\%$  for sixty and ninety days, against  $5\frac{3}{4}@6\%$ ;  $5\frac{1}{2}@5\frac{3}{4}\%$  for four months, against  $5\frac{3}{4}@6\%$ , and  $5\frac{1}{2}@5\frac{3}{4}\%$  for five and six months, against  $5\frac{1}{2}@6\%$  last week. For the first time in several weeks lenders manifested a willingness to put out funds for the longer periods, and a moderate amount of business was transacted in five and six months' money, as well as for the shorter maturities. This is undoubtedly incidental to the approaching close of the Victory Loan campaign and the expectation that easier conditions are likely to prevail in the money market. In the same week of a year ago, all periods from sixty days to six months were quoted at 6%.

Mercantile paper was quiet and featureless. Out of town banks were in the market as customers, but the volume of offerings was small so that business was restricted. Sixty and ninety days' endorsed bills receivable and six months' names of choice character remain as heretofore at  $5\frac{1}{4}@5\frac{1}{2}\%$  with names not so well known at  $5\frac{1}{2}\%$ .

Banks' and bankers' acceptances were rather more active than for some little time, though transactions in the aggregate were not extensive. A good undertone was reported, but rates were still unchanged. Demand loans on bankers' acceptances have not been changed from 4½%. Quotations in detail are as follows:

	Spot Delivery		Delivery within	
	Ninety Days.	Sixty Days.	Thirty Days.	30 Days.
Eligible bills of member banks.....	4¼@4¼	4¼@4¼	4¼@4	4¼ bid
Eligible bills of non-member banks.....	4¼@4¼	4¼@4¼	4¼@4	4¼ bid
Ineligible bills.....	5¼@4¼	5¼@4¼	5¼@4¼	6 bid

The Federal Reserve Bank made known this week special rates, effective May 5, on paper secured by War Finance Corporation bonds; these are indicated in the footnote to the table, along with the special rates previously established by the Federal Reserve Banks of Boston, Minneapolis, Chicago and St. Louis. Prevailing rates for various classes of paper at the different Reserve banks are shown in the following:

DISCOUNT RATES OF FEDERAL RESERVE BANKS.

CLASSES OF DISCOUNTS AND LOANS	Boston.		New York.		Philadelphia.		Cleveland.		Richmond.		Atlanta.		Chicago.		St. Louis.		Minneapolis.		Kansas City.		Dallas.		San Francisco.		
	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	
Discounts—																									
Within 15 days, incl. member banks' collateral notes.....	4	4	4	4	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4	4	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼
16 to 60 days' maturity.....	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼
61 to 90 days' maturity.....	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼
Agricultural and live-stock paper over 90 days.....	5	5	5	5	5¼	5	5	5	5¼	5	5	5¼	5¼	5¼	5¼	5¼	5¼	5¼	5¼	5¼	5¼	5¼	5¼	5¼	5¼
Secured by U. S. certificates of indebtedness or Liberty Loan bonds—																									
Within 15 days, including member banks' collateral notes.....	4	4	4	4	4¼	4¼	4	4	4¼	4	4	4c	4	4	4	4¼	4	4¼	4	4¼	4	4¼	4¼	4¼	4¼
16 to 90 days' maturity.....	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼
Trade Acceptances—																									
16 to 60 days' maturity.....	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼
61 to 90 days' maturity.....	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼	4¼

<sup>1</sup> Rates for discounted bankers' acceptances maturing within 15 days, 4%; within 16 to 60 days, 4¼%, and within 61 to 90 days, 4½%.

<sup>2</sup> Rate of 4% on paper secured by Fourth Liberty Loan bonds when paper rediscouted has been taken by discounting member banks at rate not exceeding interest rate on bonds.

<sup>3</sup> The Federal Reserve Bank of St. Louis has announced a rate of 5% for member banks' promissory notes maturing within 15 days when secured by War Finance Corporation bonds; also 5% for rediscouts maturing within 15 days secured by War Finance Corporation bonds, and 5¼% for rediscouts from 16 to 90 days secured by War Finance Corporation bonds.

<sup>4</sup> The Federal Reserve Bank of Minneapolis announced on April 4 a rate of 5¼% for member banks' collateral notes and customers' notes, drafts and bills of exchange of 15 days and under secured by War Finance Corporation bonds; also 5¼% for customers' notes, drafts and bills of exchange of 16-60 days when secured by War Finance Corporation bonds and 6% for such paper running from 61 to 90 days.

<sup>5</sup> The Boston Federal Reserve Bank on April 12 announced the following rates on rediscouts secured by bonds of the War Finance Corporation: Either customers' notes or promissory notes of member banks and having 15 days or less to run, 5%; customers' notes having from 16 to 90 days to run, 5¼%.

<sup>6</sup> The Federal Reserve Bank of Chicago announced, effective on April 21, a rate of 4¼% for member banks' promissory notes maturing within 15 days when secured by U. S. Government bonds or Victory Loan notes, and 5¼% for such paper of 15-day maturity when secured by War Finance Corporation bonds; for rediscouts maturing within 15 days, secured by War Finance Corporation bonds, a rate of 5¼% was established effective April 21, while for the same paper with maturities from 16 to 90 days the rate is 5¼%; the rate for rediscouts maturing within 90 days, secured by War Finance Corporation bonds, is 4¼%.

<sup>7</sup> The Federal Reserve Bank of Philadelphia has announced, effective May 5, a rate of 5% for member banks' collateral notes maturing within 15 days, when secured by War Finance Corporation bonds; for rediscouts, secured by War Finance Corporation bonds, the rate is 5%; in the case of maturities within 15 days, and 5¼% for maturities from 16 to 90 days.

<sup>a</sup> Fifteen days and under, 4¼%.

<sup>b</sup> Fifteen days and under, 4%.

<sup>c</sup> Until further notice, there is authorized a special rate of 4% for paper, with 16 to 90 day maturity, secured by Fourth Liberty Loan bonds; provided such paper has been taken by the member bank at a rate not in excess of the Fourth Liberty Loan coupon rate.

Note 1. Acceptances purchased in open market, minimum rate 4%.

Note 2. In case the 60-day trade acceptance rate is higher than the 15-day discount rate, trade acceptances maturing within 15 days will be taken at the lower rate.

Note 3. Whenever application is made by member banks for renewal of 15-day paper, the Federal Reserve banks may charge a rate not exceeding that for 90-day paper of the same class.

Rates for commodity paper have been merged with those for commercial paper of corresponding maturities.

Strength and activity have again marked dealings in sterling exchange, and although conditions surrounding the market as a whole have not materially altered, further progress was made in the upward movement which developed a week ago, so that the demand rate has moved up to 4 68¼ and cable transfers to 4 69¼. As, however, this was largely a result of the continued heavy buying of sterling bills believed to be for account of French interests and coincidental to the maturing of French loans in London, it is hardly looked upon as indicative of permanently higher levels, and exchange experts remain in doubt as to the future course of exchange. Keen interest was, of course, shown in exchange

circles in the publication of the details of the Peace Treaty, and considerable optimism expressed, since it is felt that the terms, though harsh, are pre-eminently just and the acquiescence of Germany can be only a matter of a few days. All now awaits upon this important event, which it is still thought may be followed by a general broadening of market operations with substantial increases in rates. Whether this will be so or not remains to be seen, but one thing would seem likely and that is that it will be the precursor of a return to pre-war and normal activities as well as the widespread removal of the remaining war restrictions upon exchange business.

As regards quotations in greater detail, sterling exchange on Saturday was a trifle easier and demand bills declined fractionally to 4 66⅞@4 67, cable transfers to 4 67⅞@4 68, and sixty days to 4 64⅞@4 64¼. On Monday increased activity developed and a renewal of buying orders brought about an advance in sterling to 4 67@4 68 for demand, 4 68@4 69 for cable transfers and 4 64¾@4 65¼ for sixty days. Trading was quiet on Tuesday, and the market was more or less of a holiday affair, due to local observance of the day as a holiday on account of the parade in honor of the return of the 77th Division; quotations, however, were well maintained and demand bills ruled at 4 67⅞@4 68, cable transfers at 4 68⅞@4 69, and sixty days at 4 65@4 65¼. Wednesday's dealings were rather more active and the undertone continued firm, with rates still quoted at the figure current on the day preceding. A further advance to 4 68¼ for demand bills, the highest point of the week, was noted on Thursday, following the publication of the peace pact, and the range was 4 67⅞@4 68¼, with cable transfers at 4 68⅞@4 69¼ and sixty days at 4 65¼@4 65½; while this was largely a sentimental influence, market operators expressed optimism as to its ultimate results, and the close was at the best. On Friday the market was a shade easier, though the range was not changed. This was regarded as a natural reaction and without special significance. Closing quotations were 4 65⅞ for sixty days, 4 67⅞ for demand and 4 68⅞ for cable transfers. Commercial sight bills finished at 4 67⅞, sixty days at 4 64½, ninety days at 4 63⅞, documents for payment (sixty days) at 4 64, and seven-day grain bills at 4 67. Cotton and grain for payment closed at 4 67⅞. No gold engagements were reported this week.

In Continental exchange the most conspicuous feature of the week's operations has been the unprecedented weakness in francs, which, under the continued pressure of heavy offerings of bills, dropped to as low as 6 18 for checks, or 4 points below last week's low level and 8 points lower than the record figure established in April of 1916. As already explained, this is obviously the result of France's unfortunate trade balance, and constitutes a problem, which is likely to prove difficult of solution, since as one prominent international banker rather bluntly expressed it, "France needs enormous quantities of almost everything we have, but is at present unable to pay for them." The recent action of the French authorities, furthermore, with regard to tightening its embargo on gold, makes it plain that France has no intention of allowing importations of American goods to be paid for by exports of French gold. Prior to the promulgation on Thursday of the

details of the peace treaty, rumors were current to the effect that a plan was to be incorporated in the treaty looking to the stabilization of exchange rates, and while a cursory examination of the summary in question failed to indicate any such plan, it is argued that some action will have to be taken, for the reason that if the market is left entirely to take care of itself, prevailing rates, under existing conditions, cannot possibly be maintained. The view most generally entertained is that, following the formal declaration of peace, and as soon as the Victory Loan campaign is out of the way, negotiations for the establishment of liberal credits here for European account will be reopened. It is conceded that American banks are not particularly keen about tying up their funds in this manner, and as a matter of fact look with actual disfavor upon the granting of credits to certain of the neutral nations, but as matters now stand, the opinion is that if we expect to continue our exports to Europe, it will be necessary to furnish the means of paying for them, which in this instance resolves itself into simply affording suitable accommodation until the war-torn nations of Europe are once more in a position to enter into normal trade relations. One factor which is pointed to with considerable pride by international financiers here is that for a long time to come, Europe is likely to be a borrower, and that, consequently, the United States is, temporarily, at least, in the position of the world's leading creditor nation. Toward the close of the week firmness developed at all Allied centres and francs recovered to the extent of 6 13<sup>3</sup>/<sub>4</sub> for checks, while lire, which had also shown extreme weakness because of an oversupply of offerings, rallied to 7 48 for sight bills, an advance of 10 points from the lowest point, though at the extreme close rates sagged again slightly. Belgian francs were heavy, declining to 6 47 for checks, but turned firm and finished well above this figure. Trading has not yet been resumed in either Russian rubles or German and Austrian exchange. In a recent statement commenting upon the peculiarly unfavorable financial conditions in Germany brought about by the country's obligations to pay the costs of the war, the Department of Commerce declares that the value of the German mark has fallen so low that in Switzerland exactly 10 marks are paid for an American dollar, while in the Netherlands almost 11 marks can be purchased for one dollar.

The official London check rate in Paris closed at 28.94, against 28.42 last week. In New York sight bills on the French centre finished at 6 15, against 6 07; cable transfers at 6 13, against 6 05; commercial sight bills at 6 16, against 6 08, and commercial sixty days at 6 21, against 6 12 on Friday of last week. Belgian francs closed at 6 38 for checks and 6 35 for cable remittances. Lire finished at 7 56 for bankers' sight bills and 7 54 for cable transfers. A week ago the close was 7 49 and 7 47. Greek exchange remains as heretofore at 5 16<sup>1</sup>/<sub>2</sub> for checks and 5 15 for cable transfers.

Dealings in the neutral exchanges were quiet and featureless, and transactions in the aggregate not large. The trend this week has been downward, with declines noted at practically all centres. Swiss francs and guilders ruled weak. Scandinavian rates were all fractionally lower, while Spanish pesetas ruled easy throughout. This was attributed to nervousness over approaching changes, expected to develop with the advent of peace.

Bankers' sight on Amsterdam closed at 39<sup>7</sup>/<sub>8</sub>, against 40<sup>1</sup>/<sub>8</sub>; cable remittances at 40, against 40<sup>3</sup>/<sub>8</sub>; commercial sight at 39 13-16, against 40 1-16; and commercial sixty days at 39<sup>1</sup>/<sub>2</sub>, against 39 13-16 the week before. Swiss francs finished at 5 02 for bankers' sight bills and 4 98<sup>1</sup>/<sub>2</sub> for cable transfers. This compares with 4 96 and 4 93 a week ago. Copenhagen checks closed at 24.30 and cable remittances at 24.60, against 24.85 and 25.00. Checks on Sweden finished at 25.80 and cable transfers at 26.10, against 26.60 and 26.80, while checks on Norway closed at 24.30 and cable transfers at 24.60, against 25.60 and 25.80 in the week preceding. Spanish pesetas finished at 20.18 for checks and 20.28 for cable transfers. This compares with 20.25 and 20.35, the previous close.

As to South American quotations, increased firmness developed and further advances were recorded. The rate for checks on Argentina finished at 44.50 and cable transfers 44<sup>5</sup>/<sub>8</sub>, comparing with 44.10 and 44.25 last week. For Brazil the check rate closed at 27<sup>3</sup>/<sub>4</sub> and cable transfers at 27<sup>7</sup>/<sub>8</sub>, against 27.15 and 27.25 the previous week. Chilean exchange has not been changed from 9 31-32 and Peru from 50.125@50.375.

Far Eastern rates are as follows: Hong Kong, 82@83, against 80<sup>1</sup>/<sub>4</sub>@80.40; Shanghai, 120@121, against 118<sup>1</sup>/<sub>2</sub>@119; Yokohama, 51<sup>3</sup>/<sub>8</sub>@51<sup>5</sup>/<sub>8</sub>, against 51<sup>3</sup>/<sub>8</sub>@51<sup>5</sup>/<sub>8</sub>; Manila, 50 (unchanged); Singapore, 56<sup>1</sup>/<sub>4</sub> (unchanged); Bombay, 36 (unchanged), and Calcutta (cables) at 36<sup>1</sup>/<sub>4</sub> (unchanged).

The New York Clearing-House banks, in their operations with interior banking institutions, have gained \$3,529,000 net in cash as a result of the currency movements for the week ending May 9. Their receipts from the interior have aggregated \$8,013,000, while the shipments have reached \$4,484,000. Adding the Sub-Treasury and Federal Reserve operations, which together occasioned a loss of \$81,446,000, the combined result of the flow of money into and out of the New York banks for the week appears to have been a loss of \$77,917,000, as follows:

Week ending May 9.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks' interior movement.....	\$8,013,000	\$4,484,000	Gain \$3,529,000
Sub-Treasury and Federal Reserve operations.....	28,484,000	109,930,000	Loss \$81,446,000
Total.....	\$36,497,000	\$114,414,000	Loss \$77,917,000

The following table indicates the amount of bullion in the principal European banks:

Banks of	May 8 1919.			May 9 1918.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England..	£ 85,927,395	£	85,927,395	£ 61,365,503	£	61,365,503
France..	142,778,307	12,320,000	155,098,307	133,701,951	10,240,000	143,941,951
Germany..	95,692,250	1,055,790	96,748,040	117,259,600	5,988,150	123,247,750
Russia *..	129,650,000	12,375,000	142,025,000	129,650,000	12,375,000	142,025,000
Aust-Hun c..	11,000,000	2,373,000	13,373,000	11,000,000	2,289,000	13,289,000
Spain.....	90,445,000	26,010,000	116,455,000	81,104,000	28,281,000	109,385,000
Italy.....	33,850,000	3,900,000	37,750,000	33,455,000	3,196,000	36,651,000
Netherl'ds..	55,279,000	875,000	56,154,000	60,787,000	536,400	61,323,000
Nat. Bel. b..	16,380,000	609,000	17,000,000	15,880,000	600,000	16,480,000
Switz'land..	18,702,000	2,633,000	21,335,000	15,061,000	-----	15,061,000
Sweden....	15,977,000	-----	15,977,000	14,321,000	-----	14,321,000
Denmark...-	10,382,000	137,000	10,522,000	10,269,000	136,000	10,405,000
Norway....-	8,197,000	-----	8,197,000	6,735,000	-----	6,735,000
Tot. week..	711,582,952	61,178,760	772,761,712	690,097,051	63,700,150	753,797,201
Prev. week..	712,069,851	61,018,510	773,088,361	689,773,388	63,642,550	753,416,138

\* Gold holdings of the Bank of France this year are exclusive of 479,131,137 held abroad.

\* No figures reported since October 29 1917.

c Figures for both years are those given by "British Board of Trade Journal" for Dec. 7 1917.

b August 6 1914 in both years.

THE TREATY OF PEACE.

Owing to the sincerity of the promise by the Paris Conference, to allow fair publicity to its proceedings, there are few provisions in the Treaty as published Thursday which had not been known beforehand by the general public. This is much more than could have been said regarding the Treaty of Berlin in 1878, or even regarding the Treaty of Portsmouth,

which terminated the Russo-Japanese war in 1905. The profound impression made by this present treaty on its readers, the sense of the appalling judgment which is visited on Germany, arise not from the fact of new and unexpected requisitions or penalties, but from the fact that the entire sentence against the prisoner at the bar is now presented. Thus studied, the historic penalty confronts the mind in its full magnitude.

Fearful as is the punishment thus prescribed, it is impossible to say that it is disproportionate to the offense. Moreover, nothing that the terms of the present treaty impose will compare in severity with the terms which we feel certain Germany intended to impose on her enemies after her own anticipated victory. The conduct of the war by Germany was not only of a character to remove from the consideration of her judges any extenuating circumstances such as chivalrous action towards a temporarily defeated foe, or magnanimity towards the people of an invaded country, but the recognized rules of civilized warfare, the principles of diplomatic intercourse, the ordinary restraints of humanity, were violated from start to finish, in pursuance of a concerted plan. It was no mere flight of rhetoric to say that Germany's complete victory would have arrested the course of modern civilization.

We do not recur to these well-known facts for the purpose of increasing the odium which surrounds the recent German public leaders, or of depriving the German people of such legitimate sympathy as may belong to them in their present plight. But it is impossible to understand the terms of peace, or to pass judgment on their rightfulness, without keeping firmly in mind the nature of the offense for which these penalties are set down. Considered in this light, moreover, the logic and propriety of some of the severest of the penalties will appear.

The salient conditions of the treaty are the restoration of Alsace-Lorraine to France; the reduction of Germany's army to 100,000, with conscription prohibited; the reduction of her naval armament to 24 vessels and a personnel of 15,000; the surrender of her colonies to the mandatory control of the League of Nations; the return to an independent Poland of the territory stolen from her a century and a quarter ago; the payment through cession of her own ships, ton for ton, for her unlawful depredation on enemy and neutral merchant shipping; the devoting of her own economic resources to the rebuilding of the devastated regions, and the payment of an unprecedentedly large indemnity based on her unlawful injury to persons and property during her campaign. The financial requisitions are unprecedented; the territorial cessions would reduce the area of Germany by one-fifth. In what position these exacting terms will leave the German nation it is far too early to say. That will depend on the manner in which the German people accept the situation.

Nations have been dismembered before this as a result of war, and yet have prospered politically and industrially afterward; and Germany, except for one or two outlying and never wholly assimilated provinces, is not dismembered. Nations have similarly prospered after paying huge war indemnities, whose burden (like that imposed on France in 1871) had to be carried through future history. As for the reduction of Germany's military and naval forces to somewhat the footing of our own armament in years before this war, it is to be remarked that the Entente

Powers are contemplating a more or less similar program of disarmament on their own account.

That there should be an outcry of anger and protest throughout Germany is natural. This attitude, along with what is called the "absence of repentance," in Brockholst-Ranzau's address to the Conference on Wednesday, was altogether to be expected. Our own South yielded to the provisions of the Federal Government after the Civil War, but it did not profess contrition. As a matter of fact, the German spokesman did go further than any German official has yet gone, in admitting Germany's original culpability; but he went no further. It is difficult to see, however, in what way the German Government can refuse to sign. Such refusal would not only create for them an impossible position, but, with the penalty of an "economic boycott" still held over Germany, would probably compromise them with their own constituents.

We suppose that the part of the treaty which will cause the most divergent views will be the section providing for the trial of the Kaiser and of the military commanders, where "acts in violation of the laws and customs of war" are alleged against them. The bringing of military men under such circumstances before military tribunals is not unprecedented; after our own Civil War, the Confederate officer in charge of the notorious Andersonville prison was hanged on sentence of a United States court-martial. But for the case of the Kaiser no precedent whatever could be found. Blucher was determined, after Waterloo, and the abdication, to have Napoleon tried and shot by a military court of the Prussian army; but Wellington intervened with indignation, and overruled the Prussian commander. Napoleon was eventually sent to St. Helena by the British Government, only after he had placed himself unreservedly in that Government's hands.

The danger in the proposal to try and sentence William of Hohenzollern lies in the impossibility of constructing an absolutely impartial court. No such body could be organized whose verdict, if severe and exemplary, would be accepted in subsequent history as based exclusively on the merits of the evidence. But there is, in fact, a second possibility which might arise from the consciousness of these things by high-minded jurists in the trial court. It is, that they might prefer to acquit the Kaiser despite the evidence rather than incur the odium of a biased verdict. In other words, this experiment, if carried out, might result either in making a martyr of a man who is now regarded as a public offender, or in defeating the very purpose of the court through acquitting him. We cannot help thinking that this part of the treaty program may take a different turn; whether through abandonment of their purpose by the Allies, or through the attitude of Germany, or through refusal of Holland, on the ground of right of asylum, to deliver up the Kaiser.

Particular interest will converge on the indemnity imposed. This had from the start been in many respects the real crux of the negotiations. It was primarily so because of the possibility that the Allies might demand a sum impossible for Germany or any other Government to pay. That this was no mere imagined danger, every one learned when Lloyd George declared to the English electors in December that Germany should and would be made to pay the entire cost of the war to the Allies, which he estimated at a sum equivalent in American values to

\$120,000,000,000. Three weeks ago the Associated Press, cabling from Paris what appeared to be the conclusions of the Reparations Committee of the Conference, announced that the total indemnity would be 100,000,000,000 marks, gold value, or \$23,800,000,000, of which 20,000,000,000 marks, or \$4,760,000,000, was to be paid within two years, 40,000,000,000 marks, or \$9,520,000,000, to be paid in German Government bonds during the thirty ensuing years, the remaining 40,000,000,000 marks to be paid according to the subsequent decision of the Commission.

This statement of the case certainly seemed more in line with reasonable possibilities. But almost at the same time, Lloyd George, facing a Parliamentary accusation that he had abandoned his original position, answered that when the terms should be published, it would be found that all of his claims and predictions had been realized. In fact, the London version of the plan of indemnity has very lately and insistently set forth £11,000,000,000, or approximately \$55,000,000,000, would be called for. This was more than double what the Associated Press had named, although less than half what Lloyd George had predicted.

Now come the actual terms. In the main, the Associated Press forecast turns out to have been practically correct. The text of the Treaty provides, first, that Germany "shall pay within two years 20,000,000,000 marks in either gold, goods, ships, or other specific forms of payment, with the understanding that certain expenses, such as those of the Armies of Occupation and payments for food and raw materials, may be deducted at the discretion of the Allies," and that in addition, and on account of further claims, bonds will be required for "forty billion marks gold, bearing  $2\frac{1}{2}\%$  interest, between 1921 and 1926, and thereafter  $5\%$ , with a  $1\%$  sinking fund payment beginning in 1926; and an undertaking to deliver forty billion marks gold bonds, bearing interest at  $5\%$ , under terms to be fixed by the Commission."

But these provisions are preceded by the stipulation that "the total obligation of Germany to pay, as defined in the category of damages, is to be determined and notified to her after a fair hearing and not later than May 1 1921, by an inter-Allied reparation commission." This would appear to open the possibility of a larger total requisition than the 100,000,000,000 marks named in the summary of the bond issue to be required. But there is no confirmation in the Treaty's language of Lloyd George's prediction that the basis for the indemnity would be the cost of the war. On the contrary, excepting the provision for restitution, ton for ton, in the case of merchant shipping destroyed, the only specific statement of the basis of indemnity is that which imposes on Germany payment for "damages by personal injury to civilians caused by acts of war, directly or indirectly; damages caused to civilians by acts of cruelty ordered by the enemy, and to civilians in the occupied territory; damages caused by maltreatment of prisoners; damages to the Allied peoples presented by pensions and separation allowances, capitalized at the signature of this treaty; damages to property other than naval or military materials; damage to civilians by being forced to labor; damages in the form of levies on fines imposed by the enemy."

We have already, when commenting on the plan of indemnity as reported three weeks ago, discussed

the question of Germany's capacity to make those payments. Granted return of industrial activity and access to foreign trade—neither of which is denied to her by the Treaty—it is apparently within the economic power of a thrifty and enterprising people with the large accumulations of wealth which Germany possesses, to meet even these requisitions, and to do so without being economically crushed. But no one can yet be sure how far this prodigious tribute, imposed during a generation to come, will or will not of itself check the movement of financial and industrial revival. It is to be observed that the Treaty itself considers the possibility of the exaction being too great, in its provision for a permanent Reparation Commission which "shall permit Germany to give evidence regarding her capacity to pay, and shall assure her a just opportunity to be heard."

#### THE CAUSE AND CURE OF POVERTY.

In the photoplay "Bolshevism on Trial", now being shown throughout the country, the son of a "magnate" comes suddenly upon a deathbed scene in a tenement. The young man has had leanings toward socialism, but this scene convinces him instantly. "I did not know such poverty existed," he says. Thereupon, he joins the movement, and the island experiment follows, in which he becomes, by reason of his pure altruism, the first leader, only to be deposed by a crafty and unscrupulous seeker after power, whose reign of license is subsequently terminated by United States troops. The son of the rich man still clings somewhat vainly to his "principles," but is thoroughly convinced of its futility in practice, asks only to be allowed to be a "good American," and himself hauls down the red flag. The "story" as portrayed on the screen is not without a number of clever touches which show how impossible it is to distribute labor under the well known formula: "From every man according to his ability; to every man according to his need." Most of the colony members, on being allowed to choose the work they consider themselves best fitted for, demand an easy or favorite job. There are not enough such places to go round, without damage to forms of essential employment—wages are resorted to—then duress or force is employed—and anarchy follows close by the side of license.

It is interesting to consider poverty from the standpoint of its influence on the humanitarian, and from that of its cause and cure. Men and women go "slumming" in cities and are inexpressibly pained at the spectacles of abject and suffering life they witness. Here and there one becomes an advocate of some new system for the abolition of poverty. And there is no doubt that the woes and misery of the poor lie heavy on the heart of the true Socialist. This sympathy and goodwill is in the heart of all men—with the rich it flowers into numberless benevolences for the many, while with the well-to-do and poor it awakens a desire to help which offers to share and share alike, and which extends the hand of personal kindness according as need is witnessed and opportunity afforded. Few there are who would visit upon his fellowmen want and weariness, or even work unduly. But it is a far cry from this natural feeling to the fantastic schemes, that, by means of a loose government, would create for all a life of paradisaical ease.

There have been economists, philosophers and religious devotees, in the past, who have not looked upon poverty as a personal misfortune, much less a crime on the part of the social order. In the renunciation of false worldly splendors and sins poverty became holy. Philosophy beheld that man a conqueror who lived above the world and its lure. And political economists saw in the frugal life a pure and healthy race and a government that laid its taxes lightly. In these conditions the man became the arbiter of his own destiny by inherent power to "overcome" destroying ambitions, the practice of wasteful evil, and the "greed" that overmasters the strength producing power of a natural and needful "acquisition." And these ideas, or ideals clearly distinguish between the individual and the State. Since poverty cannot destroy the soul, the inner man, so in a primary sense it cannot degrade the individual, save by his own will and act. We come, therefore, to the postulate that real poverty finds its seat in the man himself as well as in his environment. And it follows that the social-political organism cannot abolish what we term poverty without first lifting up the man.

One impulse may confront or confound or coincide with another. The poet looks upon "the poor overlabored wight" and is stricken with compassion, another sees centuries of oppression in his abject mein as he leans above his hoe, and revolts with fine scorn against a social system which induces or permits such a condition. The priest sifts ashes upon his head, and a cowed monk leaves the world to its sins. The politician and social reformer presents a plan, a law, a State, a system, that will abolish the harrowing deathbed scenes of the very poor and fill flowery vales of life with ease and pleasure. Carried into the abstruties of the doctrinaire, we have the teachings of a Marx or the exuberant panaceas of a Henry George. What this modern crusade, exemplified in a socialism that tends toward the excesses of Bolshevism, does not recognize, is, that poverty, in a land or life of free opportunity, begins within as well as without, and that no outside concentrated power can eliminate it from the world without transforming first the individual, and that this can never be done if he is robbed of his incentive to rise by chaining him to a dead level of enforced so-called equality.

Why turn the world awry, why deny to man the self respect which comes through effort and achievement, because in congested centres of population there is a hopeless want and woe that tears at the heartstrings and cries out to every generous impulse for sympathy. A great city is a curious medley of contradictions. What, in a partial though a broad analysis, do these poor people do, but work at menial tasks for each other, at often unremunerative pay? What is produced in the end but the very condition that is objected to, and is so painful to beholders touched with a human compassion? These people do not touch the soil. When the butcher has paid the baker and the baker the candlestick maker, and the round of toil's distribution is complete, there is nothing left. There *is*, for some, service in manufacture, building, and what we term distributing agencies, but when that little of production over consumption is done, the proceeds left over soon are lost in that form of service which may be described as the poor working for the poor. Yet, steeped in this condition of life, they refuse to leave its compulsions and

deprivations, though all the wide free spaces of "the country" call to them. And the Socialist imagines he can cure all this by abolishing private ownership and the right to acquire, substituting therefor the vain imagining that all men can live harmoniously together by each choosing his own employment and working without wages.

It seems really not worth while to seriously discuss Socialism. It is so impossible that all ought to see it. Yet poverty is not only a misfortune, but an evil. One can vision a child born into the world without a foot of ground to stand on in its own right, with only the highways free to it, whereon it must move on and on at the behest of the police power of the State. This is the extreme case. The mean between brings us to the problem of "nationalizing the land," possibly by some single tax plan. But if inheritance of part, if property, are to be denied, what will any child born thereafter gain, but a form of slavery to a consciously and necessarily unfeeling majority within a ruling State so-called? Is it better to inherit the actual, as well as theoretic, poverty of this condition of life for all, because a few may seem, otherwise, to suffer unjustly, rather than to inherit unequally actual ownership in lands and goods, but complete and unexampled opportunity, and the rewards and rights of effort (for labor always will be in demand somewhere), and the possession of one's own soul, in its directive power, by means of a representative democracy? The major fallacy is in regarding poverty as a direct, complete and necessary result of wealth privately owned. The uses of wealth are the opportunities of poverty to escape from its thralldom. The creation and acquisition of wealth alone opens a way to the poor to overcome poverty.

To teach the poor that any system of life can be devised that will do away with personal effort is not much short of a crime against truth and civilization. To announce that self-choice of occupation can exist under a socialized State, and poverty be abolished and equality of enjoyment secured thereby, is lunacy. To say that labor can be distributed to the end of maximum production from without, and by disregarding all personal incentives to do and have and hold, is equally absurd. And to argue that "poverty" can be destroyed by destroying "wealth" is to deny the inevitable sequence to the laws of nature ordained in the constitution of man and the pressure of environment. Poverty *cannot* be abolished under any system until all persons are made equally perfect.

#### THE MORAL AND MENTAL ELEMENTS OF SUPPLY AND DEMAND.

A statistician of the Chamber of Commerce of the United States declares that there is no real or basic justification for present "high prices"—and that they would speedily resume a normal level if the laws of supply and demand could have free play. Another speaker points to the fact that we have now more live stock than ever, and the promise of an unparalleled wheat crop. Yet general prices remain high, save in cost prices for a few important raw materials.

There are elements in the law of supply and demand, existent always, that are beyond the powers of man. They do not resume, they are not subject to reconstruction, they inhere in nature, and environ man at all times. And it requires a high degree of mental patience to try to explain the impeding circumstances which prevent their free play. One ap-

parent truth stands out—the world of our normal human activities cannot be restored from the infractions of war in a day or a month. Looking at the mere physical obstacles—foreign trade cannot assume its customary potency while shipping is engaged in returning millions of soldiers to their homes overseas. Mines and factories must be restored; machinery adapted to new uses; man-power readjusted to the demands of peace. Yet these physical conditions experience, we cannot doubt, an unwonted delay. Why?

Here again patient reasoning is imperative. There is a disposition to point specifically to the effort to formulate a League of Nations and say there lies the blame. Yet plenipotentiaries engaged in this work declare this effort has gone on simultaneously with the construction of a complicated treaty of peace, and that there has been no delay. Be this one way or the other, we may assure ourselves that silent forces tending to restore the normal work and ways of life are not inactive, and will bear their usual fruit. It is our own abnormal attitude to trade that furnishes a chief obstruction. These forces we may denominate as mental and moral—and they are themselves a part of the regime we call the laws of supply and demand.

We may illustrate this mental component by contrasting wishing and working. Plunged into the worst era of destruction the world has known, a greater portion of mankind has been steeped in the worship of an Ideal. Call it justice, democracy, liberty, perpetual peace, what you will, it has awakened a yearning, a longing—and it may prove to be after the unattainable. We are not here concerned with that. The influence of this on the mental state of peoples has been to induce lethargy rather than action, and hesitancy rather than decision. It is a state not easily thrown off. Even those who most uphold law and order have been lulled by a dream of something that is to come. Unbalanced minds, fanatical reformers, have been swept away by the vision of a coming Utopia. Hence the feeling that States are supreme, and that new laws and governments can create out of their own wills a new era of plenty and prosperity, of mythical equality and co-operation. While men are subject to this mental state, they are not constructive; their energies as individuals are weakened, they are prone to temporize with expedients, and attain to a waiting attitude. And herein we find one of the chief reasons why from day to day we find the natural laws of supply and demand inoperative, we do not embrace them as we once did. And until the iron of individualism enters the mind, until we come to see, individually or collectively, as distinct people, that we must depend on ourselves, no matter how the ideal may lure, and the sweep of new "League" indentures may extend, we shall never become one with the laws of nature that continually work for our good when we recognize and obey them. There is no substitute in this world, or ever will be, for work. And we will sooner "get down to business" in every sense and phase of the subject, when we return to the mind that perceives in itself, whether in one or in all, the original constructive force that transforms an ideal into an idea.

Now let us apply this same analysis to the ethics and morals of our present condition. Prices, 'tis said, are unnecessarily high, the laws of supply and demand do not have free play. No one will dispute,

we presume, that high prices are cumulative, that the final consumer pays all the profits all along the line. Price-fixing is not dead, and extraneous "agreements" even now in process among large producers under or in alliance with "government." Pass this intervention. Grant that "acquisition" becomes sometimes feverish by virtue of disorder in affairs; grant, too, that there are profiteers aplenty. What keeps "business" from consciously striving for lower levels? It is not easy to answer, but some elements appear. There is a feeling that if a business or business man does not get its or his proper share of the profits that are going there is acceptance of an element of failure. This induces short-time trading, and a lower standard of regard for the other fellow in the trade. To be brief, the constructive morality of business, industry and trade is lessened. Individual dealers take undue profits, not only because fear tells them they must, to hold their own, but also because they cannot build up through continuing service an enlarged trade of the future, not knowing how the present high prices are to be reduced. Notwithstanding, these secret laws of supply and demand, not physical, to which we refer, are existent and at work, and while a merchant may, seemingly, be not able to reduce prices constantly, alone, yet it is true that the man *who holds his trade* by hewing to the newest and nearest low levels, is *adding to his stability and augmenting his future profits*—by increasing the range of his sales and the number of his fixed customers. And it remains true, and was never more evident, that the ethical or moral law of the largest service at the least cost, if it have free play, will lower prices as fast as they ought to go down.

It follows here, too, that we come back to individualism, as our chief hope. One man cannot change the universe, one State cannot change the world. One law cannot change the whole environment. But all men, and all dealers, acting within the proven sphere of business success, "the largest service at least cost," *can* bring down the pyramided prices, and will tend to do so according as they individually follow the law. We must all live in the *after* years to come. A high price, an inordinate profit, for a year or two, does not *build up a business*. And neither prudence nor profit-taking should teach men to operate counter to this universal law of advance, low cost service, while they fear the present and dream of the future. In the long run the laws of trade are immutable.

#### THE ECONOMIC VALUE OF THE COLLEGE PROFESSOR.

Some years ago at a constitutional convention of the State of New York Mr. George William Curtis, a gentleman then well known for his rare literary ability and personal refinement, took a prominent and serviceable part. After one of the sessions an up-State delegate was heard saying to another, "Who is this George William Curtis?" The answer came. "He's one of those literary fellows." Which brought the comment, "Well, for a literary fellow he certainly knows a lot."

Per contra the late Col. T. W. Higginson told this story: He was being rowed down an Adirondack river one bright day when the guide abruptly said "Do you know Jim Lowell?" He asked "Whom do you mean? Mr. James Russell Lowell?" and to the guide's responsive nod he said "Yes, I know him. Why do you ask?" With a grunt he

answered, "He's an ignorant cus." Then to his "I'm surprised. What makes you think so?" came this explanation, "I had him here rowing down stream last summer, and he said 'Why don't you keep near the shore where it is shady?' He didn't know that the current runs slow there."

We have had occasion to call attention somewhat frequently of late to the fact that these educated and more or less professional and distinctively cultured gentlemen, even the highest and most remote, are not necessarily ignorant or helpless in practical, and even technical business affairs. Wide-awake manufacturers have certainly had reason to take cognizance of them, especially of the chemists. The war has drawn aside the curtain from their diminished heads, or, at least, has furnished them the needed opportunity to show what they can do, and what they are worth to the community.

The Government now furnishes evidence of their extensive service in a list which appears in an article by "One of Them" in the "Atlantic Monthly" for June. It is deserving of giving in full:

"Let us observe them at work. Professor A compounds poisonous and death-dealing gases more terrible than any the world has known. Professor B devises masks to counteract these same gases, and Professor C, a cure for the bodies which they torture. Professor D discovers that by pouring sodium bicarbonate into the veins it is possible to save hundreds of dying men from the effects of surgical shock, and he revolutionizes the care of wounded men throughout the great Allied armies on the Western front. Professor E organizes a score of ground and flying schools to train a hundred thousand fliers; while Professor F devises tests by which these same schools may be supplied with apt pupils. Professor G devises a system of occupational classification by which three million soldiers are ticketed, tabulated, graded and sent where their talents are needed. Professor H (who was formerly a Chaucerian scholar) unravels codes and cyphers, and invents new ones by which military secrets are sent to and fro upon their epoch-making errands. Professor I who has hitherto corrected themes in English composition, now corrects the redundancy of cable messages, and saves a dozen fortunes at thirteen cents per word. Professor J plots and charts the commerce of the world, finds ships for cargoes and cargoes for ships, and by this shrewd manipulation and that, finds the tonnage to transport to Europe the two million fighting men who arrive just in time to fix the destiny of Europe. Professor K has his finger on the pulse of Germany, and detects by a hundred signs her waning morale and predicts her mortal sickness. Professor L mobilizes the entire educated youth of America, converts five hundred colleges into army camps, and all the diverse agencies of science and learning into a vast training camp for officers. Professor M with his eye on the Peace Conference cuts and trims and patches the map of Europe, or frames a new constitution for the world."

This is ample evidence of the ability and readiness of these supposedly recluse men to seize and adapt themselves to highly technical and emergency service, greatly to the advantage of the nation. It will attract wide attention, and should do not a little to ensure early success to the movement to provide better salaries for the college professors and instructors, who, as a class, represent those groups of small salaried people who in important but little regarded positions are rendering indispensable service, but have shared little, or often not at all, in the general increase of pay. Beyond this it should bring to the notice of business

men the aid these men are competent to bring to them in solving the problems which they must continually face.

Mr. Edmund Gosse, the best informed English authority on current French literature, has recently told in "The Fortnightly Review" how remarkable has been the service of two literary men little known outside of France. The war drew into itself entirely the productivity of France, so that for five years there has been practically no new literature of importance either among the soldiers or in civil life. The older men were crushed, the younger ones were at the front. But two poets found their opportunity. Charles Peguy, to whom Joan of Arc had been an inspiration and a dream, when the war came threw himself into it with the spirit of a crusader. He hastened with ecstasy to die for the liberties of France. He disclosed a genius for exhilarating his men and leading them into action, and with his death, which came only too soon, "from one end of France to the other there arose a great cry in which his name was mingled in glory with joy over the almost un hoped for victory" of the Marne. Joan of Arc had come back through him to lead her countrymen to the certain deliverance of their beloved France.

Paul Fort, a native of Rheims, found his voice amid the wild storm that fell upon that city. His Poems of France printed on an oblong sheet without cover or title page were circulated broadcast on the boulevards, and, "like the fiery leaves of an autumnal vine," in cheap print were scattered through France, stirring the nation "into spasm after spasm of horror, of disgust, of hope" and, after the Battle of the Marne, "of triumphant ecstasy and longing." These men with several others like them did much to kindle and sustain the sleepless intelligence, alertness and extraordinary alacrity and devotion with which the young men of France sacrificed everything for their country.

The greater because less appreciated problems of the war remain still to be settled. The high tide of emotion which the fighting produced as it ebbs will carry away with it much of the thought and feeling it inspired. The very eagerness with which the returning soldiers desire to get their hands upon the wheels of daily life, the difficulty they have in readjusting themselves, and their inevitable impatience with conditions which, however old, seem to them new and unnecessary, create a need for all that thoughtful men are capable of rendering toward bringing the country back to settled conditions, not of industry and business alone, but of social habits and steady thought. In this men of the college professor class can do much, especially if they show themselves sane and in touch with the world about them. That world is already sufficiently upheaved and bewildering and unfortunately shows as yet few signs of reaching established peace. The need of such leading and intelligent guidance is amply evident to all. In turn our successful business men may find in this an excellent reason why they should see to it that these gentlemen are properly sustained.

The public, on its part, has abundant ground for exchanging its often half-concealed contempt, for a comforting confidence, as it learns how much of the preliminary work of the Peace Conference was done by "literary cusses" and professors, and how important is their role in Paris to-day.



### CANADA'S COMMISSION ON INDUSTRIAL UNREST.

Ottawa, Canada, May 9 1919.

Canada's newest "royal commission," appointed to ferret out the causes of industrial unrest and suggest a better basis of co-operation between master and man, has now had three weeks of active work from Vancouver to Edmonton. The commission is composed of a Supreme Court Judge as Chairman, a newspaper proprietor, a paper manufacturer and labor delegates. Probably the commissioners are making their own deductions from the material passed over the witness table, but the collection of points-of-view thus far is not more impressive than a straw vote or a questionnaire derived from any industrial district of any Eastern city.

The coal mine owners of Western Canada are, in the main, quite agreeable to nationalization of their properties and allege a lack of dividends and a hopeless outlook as their pessimistic justification. Nationalization of basic industries has been freely urged by labor delegates. At the Pacific Coast, where unemployment is quite common, it was to be expected that radical ideas would prevail. The commission was wholly ignored by labor bodies, but individual witnesses were unstinted in their advocacy of outright socialism, and some predicted a violent social revolution. The point of view of witnesses in prairie cities, where industrial slackness plays but a trifling part, was more concerned with improvement of housing conditions, the establishment of a 44-hour week, remodeling of the banking system so as to provide more elastic credits, abolition of antagonism towards labor unionism, and provision by the State for old age and mothers' pensions.

One of the objects of the Industrial Relations Commission is to ascertain what reception would be accorded by Canadians to the British scheme of Whitley industrial councils for the governing of wage and other matters. The fact is some of the largest Canadian companies have instituted a system closely modeled on the Whitley plan. Most witnesses thus far have favored the sharing of management with the workers and accepted without dispute the claims of investors of capital to reasonable remuneration. It was brought out also that labor troubles in Western Canada have been greatly accentuated since the signing of the armistice and that agitators were never so actively engaged as at present. Evidence at Edmonton placed much emphasis upon the toleration of collective bargaining. Many feminine witnesses displayed intense dissatisfaction with conditions of employment, one of them offering as an economic formula "that all the surplus goods and surplus wealth be thrown into one big pile and the poor people invited to come and help themselves."

### CANADIAN TARIFF REDUCTION.

Ottawa, Canada, May 9 1919.

The Dominion Government is about ready to bring down its long-awaited budget in which will be summarized the degree of tariff reduction that the present Unionist Government is willing to grant. A few days ago a body of Western Government supporters waited upon the Acting Prime Minister to make a final presentation of their tariff views. Sir Thomas White declined to give his interviewers any information except to assure them that a Minis-

terial commission of investigation was a probability and that temporary alterations would be made to help satisfy agriculturists.

He again stressed the need of retaining present methods of raising revenues, particularly in view of the fact that Canada's treasury requires \$100,000,000 more for 1919 than the various schemes of taxation promise to produce. The force of this view derives added strength from the Minister's report a few days ago that the income tax has brought in a little over \$6,000,000 for 1919, a total that has greatly disappointed the Treasury Department. The whole of the income tax was swallowed up a few weeks back in a salary raise given to the Civil Servants' Federation.

### RAILROAD GROSS AND NET EARNINGS FOR MARCH.

The feature characteristic of the returns of the earnings of the railroads for the whole of the period since they have been under Government control, still inheres. The March compilation of returns which we present to-day is the latest to furnish testimony to the fact. The evil of rising expenses, run beyond all bounds, is more strongly in evidence than before. To make the misfortune yet more pronounced, gains in gross earnings have now dwindled to small proportions, and on many separate roads have been converted into actual losses. The combination of the two—that is, shrinking gains in gross with unabated augmentation of the expenses—is playing havoc with the net earnings, which threaten soon to reach the stage collectively, already experienced by many of the separate roads and systems, where it is no longer possible for the gross revenues, even under greatly increased transportation rates, to cover bare running expenses.

To state in brief the results for the month of March, which furnish the occasion for the above remarks, gross earnings as compared with the same month of 1918 record an increase of only \$10,676,415, or 2.90%, while expenses have risen no less than \$63,091,384, or 22.25%, causing, therefore, a loss in net in the prodigious sum of \$52,414,969, or 63.91%. Stated in another way, while the gross has risen from \$365,096,335 in March 1918 to \$375,772,750 in March 1919, the net has fallen from \$82,011,451 to \$29,596,482, as will be seen from the following:

March—	1919.	1918.	Inc. (+) or Dec. (—).	
197 Roads—			Amount	%
Miles of road.....	226,086	225,631	+455	0.20
Gross earnings.....	375,772,750	365,096,335	+10,676,415	2.90
Operating expenses.....	346,176,268	283,084,884	+63,091,384	22.25
Net earnings.....	29,596,482	82,011,451	—52,414,969	63.91

To make the situation still worse, this is the third successive year in which the March expenses have risen to such an extent as to wipe out the gains in gross receipts—hence, producing a cumulative loss in net. In other words, in March 1918, with \$50,484,357 addition to gross earnings, there was \$55,232,827 increase in expenses, leaving a reduction in the net earnings in amount of \$4,748,470, while in March 1917 our compilation registered \$27,249,215 gain in gross, attended by \$35,160,455 increase in expenses, leaving, hence, a loss in net of \$7,911,240, or 8.18%. For the three years combined, therefore, gross earnings have risen in amount of \$88,409,987, but expenses have moved up in the huge sum of \$153,484,666, thus reducing net (in face of this great growth in revenues) in amount of \$65,074,679. Going further back, we find that in March 1916 there was a very

favorable exhibit, the gain in gross then being \$58,731,563, and the gain in the net \$29,378,627. Yet this improvement in March 1916 itself followed poor or indifferent returns in the years immediately preceding, the 1916 improvement constituting, therefore, in no small measure merely a recovery of antecedent losses. Thus, for March 1915, our tabulations recorded a loss in gross of \$15,194,218, or 5.99%, though this was attended by a small gain in net—\$1,000,350, or 1.48%. In March 1914 there were slight gains in both gross and net (\$660,166 in the case of the gross and \$3,104,528 in the case of the net), but these small gains resulted entirely from the absence of certain adverse developments which in the year preceding had heavily cut down revenues while augmenting expenses.

In other words, in March 1913 earnings had been very unfavorably affected by the great floods which occurred in the Middle and Middle Western States in the closing week of that month. These floods not only caused immense property damage and the loss of many lives, but resulted in a complete suspension of railroad operations for a few days on a good part of the railroad mileage in Ohio and Indiana, and on all the lines connecting therewith from the East, the West and the South. It thus happened that the roads which in 1913 had their earnings heavily reduced, regained in 1914 some of the loss, and hence were able to report increases—in a few cases of considerable amount—which increases served to that extent to offset the losses on other roads or to overcome them altogether. There was no falling off in gross in March 1913 on the roads as a whole in the United States, but in the net, because of the augmentation in expenses, there was an actual falling off, our compilation showing \$4,275,145 decrease in net earnings, due to an augmentation of \$14,870,984 in expenses at a time when the addition to gross earnings (the floods having greatly cut down the normal rate of addition) was but \$10,595,839. As a matter of fact, however, net earnings even at that time had been making poor exhibits for several successive years. Our compilations for March 1912 registered \$12,955,678 gain in gross, of which only \$848,494 was carried forward as a gain in the net, while in March 1911 there was an actual loss in both gross and net; by the figures of the Inter-State Commerce Commission, \$11,264,790 in gross and \$9,148,129 in net. In the year preceding, large expenditures were also a conspicuous feature of the returns; according to the tabulations of the Inter-State Commerce Commission, there was an increase in gross in March 1910 of no less than \$32,887,440, but the gain in net was no more than \$8,664,106. In March 1909 there were very striking gains in both gross and net—\$22,190,078 in the former and \$14,303,842 in the latter; but these gains followed largely as the result of the heavy losses sustained in 1908, the year following the 1907 panic. In 1908 the Commission had not yet begun to give out the comparative figures. Our own compilations then were somewhat incomplete, owing to the circumstance that earnings were running so poorly that a number of big companies withheld their figures, not caring to disclose the magnitude of their losses. On an aggregate of only 152,058 miles of road, our statement then showed a decrease of \$21,531,681 in gross and of \$6,543,631 in net. We estimated that for the entire railroad mileage of the country the falling off in gross for the month must have been

about \$34,000,000, with a shrinkage of \$10,000,000 in net. In the following we give the March totals back to 1906. For 1911, 1910 and 1909 we use the Inter-State Commerce figures, but for preceding years we give the results just as registered by our own tables each year—a portion of the railroad mileage of the country being always unrepresented in the totals, owing to the refusal of some of the roads then to give out monthly figures for publication.

Year.	Gross Earnings.			Net Earnings.		
	Year Given.	Year Preceding.	Inc. (+) or Dec. (-).	Year Given.	Year Preceding.	Inc. (+) or Dec. (-).
March.	\$	\$	\$	\$	\$	\$
1906	129,838,708	116,861,229	+12,977,479	40,349,748	35,312,906	+5,036,842
1907	141,580,502	128,600,109	+12,980,393	40,967,927	40,004,113	+963,814
1908	141,193,819	162,725,500	-21,531,681	39,328,528	45,872,154	-6,543,631
1909	205,700,013	183,509,935	+22,190,078	69,613,713	55,309,871	+14,303,842
1910	238,725,772	205,838,332	+32,887,440	78,322,811	69,658,705	+8,664,106
1911	227,564,915	238,829,705	-11,264,790	69,209,357	78,357,480	-9,148,129
1912	237,564,332	224,608,054	+12,955,678	69,038,987	65,190,493	+3,848,494
1913	249,230,561	238,634,712	+10,595,839	64,893,146	63,183,291	+1,710,145
1914	259,174,257	249,514,091	+9,660,166	67,993,951	64,859,423	+3,134,528
1915	238,157,831	233,352,090	+4,805,741	68,452,432	67,452,082	+1,000,350
1916	294,830,406	238,098,843	+56,731,563	97,771,590	68,292,963	+29,378,627
1917	321,317,560	294,068,345	+27,249,215	88,807,466	96,718,700	-7,911,234
1918	392,761,238	312,276,831	+80,484,337	82,561,336	87,309,806	-4,748,470
1919	375,772,750	365,096,335	+10,676,415	29,506,482	82,011,451	-52,414,969

Note.—Includes for March 96 roads in 1906, 94 in 1907; in 1908 the returns were based on 152,058 miles of road; in 1909, 233,702; in 1910, 239,691; in 1911, 244,091; in 1912, 238,218; in 1913, 240,510; in 1914, 245,200; in 1915, 246,348; in 1916, 247,363; in 1917, 248,185; in 1918, 250,336; in 1919, 226,056. Neither the Mexican roads nor the coal mining operations of the anthracite coal roads are included in any of these totals.

With regard to the separate roads there are not a few instances, as already stated, of losses in gross earnings, and as in such cases the augmentation in expenses is as pronounced as in other cases, the shrinkage in net is further emphasized. In the following we show all changes for the separate roads for amounts in excess of \$100,000, whether increases or decreases, and in both gross and net.

PRINCIPAL CHANGES IN GROSS EARNINGS IN MARCH.

Increases.		Decreases.	
Pennsylvania (3)	\$2,443,377	Philadelphia & Reading	\$1,525,816
Union Pacific (3)	2,185,292	Missouri Pacific	600,841
New York Central	1,509,874	Illinois Central	555,676
Atlantic Coast Line	1,110,684	Lehigh Valley	460,299
Chicago Milw & St Paul	1,044,909	St. Louis Southwestern (2)	367,588
Louisville & Nashville	728,325	Hocking Valley	355,336
Great Northern	727,150	Buffalo Roch & Pittsb.	329,348
St. Louis & San Fran (3)	693,144	Chicago & East Illinois	294,843
Chicago & North Western	627,978	Northern Pacific	293,352
Seaboard Air Line	604,603	Atch Topeka & S Fe (3)	282,608
Texas & Pacific	588,585	Cincinnati Ind & West	240,753
Southern Pacific (8)	564,932	New York Ont & West	238,359
Minn St Paul & S S M	519,802	Boston & Maine	223,384
Delaware Lack & Western	419,889	El Paso & Southwestern	217,114
Grand Trunk Western	394,002	Western Maryland	173,514
Elgin Joliet & Eastern	391,650	Bingham & Garfield	204,314
New York Chic & St Louis	370,690	Wheeling & Lake Erie	173,992
Baltimore & Ohio	328,851	Toledo & Ohio Central	148,257
Los Angeles & Salt Lake	310,327	Kansas City Southern	139,220
Pere Marquette	300,603	Chicago R I & Pac (2)	131,830
Colorado & Southern (2)	285,145	Virginian	126,065
Long Island	260,293	Belt Ry of Chicago	121,421
Union RR of Penn	230,318	Central RR of N J	121,216
Rich Fred & Potomac	218,598	Missouri Kansas & Texas	118,933
Mo Kan & Tex of Texas	210,386	Wabash	117,860
Maine Central	177,869	Galveston Wharf	117,129
Cinc New Ore & Tex Pac	177,081	Denver & Rio Grande	115,148
Grand Trunk Lines in N E	177,018	Lehigh & New England	114,131
Delaware & Hudson	145,610	Toledo St Louis & West	100,822
Chi St Paul Minn & Om	133,274		
Washington Southern	132,207		
Alabama Great Southern	131,418		
N Y New Haven & Hartf	108,073		
New York Phila & Norf	104,002		
Georgia	100,758		

Representing 49 roads in our compilation...\$18,676,702

Representing 33 roads in our compilation...\$7,999,759

Note.—All the figures in the above are on the basis of the returns filed with the Inter-State Commerce Commission. Where, however, these returns do not show the total for any system, we have combined the separate roads so as to make the results conform as nearly as possible to those given in the statements furnished by the companies themselves.

a This is the result for the Pennsylvania RR., together with the Pennsylvania Company, and the Pittsburgh Cincinnati Chicago & St. Louis, the Pennsylvania RR. reporting \$1,810,140 increase, the Pennsylvania Company \$838,926 gain and the P. C. & St. L. \$5,689 loss.

b These figures cover merely the operations of the New York Central itself. Including the various auxiliary and controlled roads, like the Michigan Central, the "Big Four," &c., the whole going to form the New York Central System, the result is a gain of \$930,882.

PRINCIPAL CHANGES IN NET EARNINGS IN MARCH.

Increases.		Decreases.	
Delaware & Hudson	\$335,941	Chicago, Milw & St Paul	\$1,629,217
Grand Trunk Western	320,921	Chic Rock Isl & Pac (2)	1,379,786
Union RR of Penn	221,545	Northern Pacific	1,374,984
Duluth Missabe & North	152,750	Chicago Buel & Quincy	1,145,844
New York Chic & St L	143,624	N Y New Haven & Hartf	1,088,969
		Union Pacific (3)	1,057,961
		Louisville & Nashville	982,612
Representing 5 roads in our compilation	\$1,374,781	Chicago & North West	920,041
		Atlantic Coast Line	853,228
		Michigan Central	806,519
		Wabash	804,865
		St Louis Southwest (2)	747,929
		Cleve Cin Chic & St L	733,051
		Eric (2)	708,537
		High Valley	696,565
		Ches & Ohio	685,398
		Pittsburgh & Lake Erie	682,829
		Cent RR of New Jersey	644,279



**CONTINUED OFFERING OF BRITISH TREASURY BILLS.**

The usual offering of ninety-day British Treasury bills was disposed of this week by J. P. Morgan & Co. on a discount basis of 5½%, the rate prevailing in recent weeks. The bills are dated Monday, May 5.

**BERLIN EXCHANGE TO CLOSE THREE DAYS.**

A cablegram from London to the daily press May 6 said: Under the impression that the peace conditions are crushing, the Berlin Stock Exchange Committee has resolved to close the exchange for three days, according to a dispatch received here. Advices to the Exchange Telegraph Company state that at a meeting of the peace committee held in Berlin to-day [May 6] the German Government declared itself in favor of a commercial treaty with Russia.

**LOW FIGURE FOR GERMAN MARK.**

The following, emanating from Washington, is taken from the "Financial America" of May 7:

Resulting from the unstable internal conditions of Germany and the peculiar drawn financial situation brought about by that country's obligations to pay the costs of the war, the German exchange has suffered such a series of falls that the German mark has set a new record for lowness of value. Commenting on the small purchasing power of the mark, the Department of Commerce on receipt of a report from abroad declared: "German exchange now has fallen so low that in Switzerland, exactly 10 marks are paid now for one dollar. In the Netherlands almost 11 marks can be purchased for a dollar."

**INCOME TAX VOTED IN SWITZERLAND.**

A Berne cablegram of May 6 to the daily press says:

The citizens of Switzerland by 300,000 votes to 163,000 have approved a measure, imposing a war tax on incomes, the tax to be levied until half of the country's debt due to the war is paid off. The only Cantons which returned a majority against the scheme were Geneva and Neuchâtel. The tax is to be applied to incomes exceeding 4,000 francs, with a progressive increase in taxation on the larger amounts.

**BRAZIL INDEMNITY FOR COFFEE SEIZED BY GERMANS.**

Rio Janeiro press advices, May 2, state:

Dr. Epitacio Pessoa, President-elect of Brazil and head of the Brazilian delegation at the Peace Conference, has sent word here by cable that the Conference has decided that Germany shall pay the cost of the coffee stocks confiscated at Hamburg and Antwerp at the beginning of the war, together with interest on the sum involved. The value of the coffee in question, it is stated, was £7,000,000.

**LONDON'S GOLD MARKET—PROHIBITION OF GOLD EXPORTS.**

The following special correspondence of the New York "Evening Post" from London April 10, appeared in the May 8 issue of that paper:

Probably one reason why the announcement which appeared recently in the "Gazette," adding gold to the list of articles the export of which was forbidden by the Government, has attracted less attention than might have been supposed, is that it had been assumed in a good many quarters, and possibly in America itself, that such prohibition had been in operation for the last few years. As a matter of fact it had not, so far as strict legality was concerned, and we have really relied for the protection of our gold, first, upon the difficulty of establishing facilities, and second, upon the power of the Bank of England to represent to any having the temerity to take gold the unpatriotic aspect of such action. So far as foreign balances actually in the country are concerned, the very lowness of the exchanges has, of course, in a sense proved its own protection.

The real significance therefore of the Government's attitude lies in the fact that we are now approaching a period when some people, at all events, were prepared to anticipate a relaxation of stringent conditions with regard to gold exports. Doubtless to onlookers, such as business men in the United States, no small interest has been felt as to how, in the face of Europe's huge adverse trade balance, it will be found possible for London to maintain for some years to come its facilities as a free gold market.

*The Cunliffe Committee's Report.*

Still, on this side of the Atlantic there were a good many who took the view that, having regard to our very considerable gold supplies on the spot, our command of South African gold, and our unpaired credit, it might be possible, through the application of measures such as dearer money, at least partially to correct such factors as adverse exchanges and the inflation of credit and currency. The whole findings of the Cunliffe Committee report on Currency and the Foreign Exchanges was, you will remember, based on this idea, but those recommendations have now gone by the board.

A good many of the bankers who, while fully conscious of the evils of inflation when contemplated in prospect, now, with the timidity peculiar to bankers of all countries, have an equal dread of the effects of a too rapid inflation. The Government, to do it justice, possibly conceived the idea that with the exchanges so heavily against us and with the odds of international trade also against us for some few years to come, greater hope was to be found in the ultimate restoration of our position as a creditor country through the stimulus to exports and curbing of imports which usually accompanies a real slump in the exchange. But whatever the motives, the undisputed fact remains that for the time being we are back to an actual period of restriction as regards exports of gold from the country, and sooner or later the circumstance can scarcely fail to prejudice the exchanges still more against us.

At the same time, I venture to predict that although exports of gold are now formally prohibited, a great deal of British gold will nevertheless

be exported during the coming years. In the first place, as soon as shipping facilities are fully restored, there is little doubt that unless for some reason the United States no longer desires it, much if not all of the Cape gold will find its way to your country. Many believe that the prohibition of gold exports really means that the State itself will have the monopoly and control of such gold exports. That is to say, the gold profiteer, the individual who sees a chance of enormous exchange profits in shipping the metal, will be unable to secure his profits.

*A New Sort of Control.*

But on the other hand, where foreign governments or foreign countries may be in real need of the metal for economic purposes gold will probably be forthcoming by Government consent. And indeed in this sense and without any kind of special pleading or attempt to minimize the importance of England's temporarily abandoning her free gold market facilities, there can be no question that common sense is on the side of a certain amount of semi-State control.

Even before the war it was admitted that the credit of the world had expanded to an extent out of proportion to the gold base, even allowing for the whole world's supplies of the metal. If that were the case five years ago, what must be said to-day when credit, as expressed both in banking deposits and in actual paper currency, has reached proportions hitherto undreamed of? Looking at the matter from a world-wide standpoint, the whole pyramid of credit rests upon so slender a foundation of gold as to make it absolutely necessary to employ the utmost economy and ingenuity in the use of the metal.

Indeed, while few in the city favor for a moment the talk as to the demonetization of gold, it is none the less admitted that unless there are to be huge fresh discoveries of gold the only way to escape demonetization may be through a system of gradual deflation and credit contraction at every monetary centre.

**MODIFICATION OF FOREIGN EXCHANGE REGULATION BEARING ON AMERICAN RELIEF ADMINISTRATION.**

Supplementing the announcement on April 22 (published in our issue of Apr. 26, page 1665) by F. I. Kent, Director of the Division of Foreign Exchange of the Federal Reserve Board, regarding the requirement that remittances to certain countries in Central Europe be made through arrangements with the American Relief Administration, the following regulation was made public yesterday (May 9) by Mr. Kent:

Arrangements have been made with the American Relief Administration under which Class A dealers who have re-established their banking relations in any of the countries covered in the regulation issued by the American Relief Administration April 22 may purchase exchange on the countries in question from the American Relief Administration, whenever it is in the market, for remittance to their banking correspondents to cover cables, demand or money orders, which they may sell directly to their customers in the ordinary manner and without restriction. This arrangement does not revoke the regulation issued April 22, which prohibits the purchase of exchange on any of the countries concerned from any source except the American Relief Administration, nor does it authorize remittances to Germany except through the American Relief Administration. A circular of instructions will be issued by the Relief Administration within a few days, but in the meantime eligible Class A dealers may make applications for exchange to the American Relief Administration, 115 Broadway, New York.

**COMPARATIVE FIGURES OF CONDITION OF CANADIAN BANKS.**

In the following we compare the condition of the Canadian banks, under the last two monthly statements, with the return for June 30 1914:

	ASSETS.		
	Mar. 31 1919.	Feb. 28 1919.	June 30 1914.
	\$	\$	\$
Gold and subsidiary coin—			
In Canada.....	61,568,476	61,407,537	28,948,841
Elsewhere.....	18,685,091	18,771,077	17,160,111
Total.....	80,253,567	80,178,614	46,108,952
Dominion notes.....	172,651,993	185,932,418	92,114,482
Deposit with Minister of Finance for security of note circulation.....	5,865,538	5,860,927	6,007,568
Deposit of central gold reserves.....	108,350,000	103,750,000	3,050,000
Due from banks.....	180,703,585	171,735,773	123,608,936
Loans and discounts.....	1,289,811,502	1,268,881,896	925,681,966
Bonds, securities, &c.....	429,460,447	424,999,111	102,344,120
Call and short loans in Canada.....	87,601,337	79,154,121	67,401,484
Call and short loans elsewhere than in Canada.....	160,116,443	155,983,681	137,120,167
Other assets.....	97,349,148	98,714,799	71,209,738
Total.....	2,612,163,560	2,575,191,340	1,575,307,413
	LIABILITIES.		
	\$	\$	\$
Capital authorized.....	189,075,000	182,075,000	192,866,666
Capital subscribed.....	112,401,700	111,335,200	115,434,666
Capital paid up.....	111,722,628	110,043,539	114,811,775
Reserve fund.....	117,433,322	116,870,214	113,368,898
Circulation.....	214,576,870	204,779,750	99,138,029
Government deposits.....	249,848,088	259,056,960	44,453,738
Demand deposits.....	776,901,875	767,335,742	495,067,832
Time deposits.....	1,037,851,766	1,018,184,512	663,650,230
Due to banks.....	45,183,472	38,874,515	32,426,404
Bills payable.....	1,931,593	1,697,396	20,096,365
Other liabilities.....	31,804,583	35,085,710	12,656,085
Total, not including capital or reserve fund.....	2,358,158,245	2,325,014,585	1,330,488,683

Notes.—Owing to the omission of the cents in the official reports, the figures in the above do not exactly agree with the total given.

### REMOVAL OF RESTRICTIONS AGAINST EXPORTS OF SILVER.

The removal of the restrictions imposed on exports of silver by the Federal Reserve Board in August 1918 were removed by the Board on May 5, thus it is stated, establishing in effect a free market for silver in the United States and throughout the world. Heretofore, it is pointed out, the Reserve Board permitted export of silver only for civil or military purposes of importance in connection with prosecution of the war and only in case the price paid by the exporters was not more than \$1 01½ per fine ounce. The New York Federal Reserve Bank in making known this week's announcement of the Federal Reserve Board said:

Dear Sirs: The Federal Reserve Board announced to-day that the limitations on the exportation of silver from the United States, which were imposed on Aug. 15 1918, had been removed and that the Board would hereafter grant freely and without condition all applications for the exportation of silver bullion or foreign silver coin. However, the Federal Reserve Board specially requests that all banks continue to segregate silver certificates received and forward them to the Federal Reserve Bank as heretofore.

For your guidance we quote below the announcement issued by the Board in this connection:

"On Aug. 15 1918, the Federal Reserve Board announced that licenses for the export of silver would thereafter be granted only for civil or military purposes of importance in connection with the prosecution of this war and only in cases where the exporter certified that the silver to be exported had been purchased at a price which did not directly or indirectly exceed \$1 01½ per ounce one thousand fine at the point where silver is refined in the case of silver refined in the United States or at the point of importation in the case of imported silver. The occasion which required the above limitations on the export of silver having now passed, the Federal Reserve Board will hereafter, unless a Governmental necessity should again arise, resume its former policy of granting freely and without condition all applications for the export of silver bullion or of silver coin of foreign mintage.

"This change of the policy of granting licenses does not do away with the necessity of filing an application for licenses to export silver bullion or silver coin of foreign mintage. Such applications must as heretofore be filed through the Federal Reserve Bank of the appropriate district but such applications will as stated above be freely granted by the Federal Reserve Board.

"The Secretary of the Treasury does not contemplate any further sales of silver under the Pittman Act, except to the Director of the Mint."

Very truly yours,

J. H. CASE, Deputy Governor.

The Pittman Act which became a law with its approval by President Wilson on April 24 1918, was published in our issue of April 27 1918; it authorized the melting of silver dollars held in the Government vaults and their sale to Allies. It also established a price of \$1 an ounce at which the Government must buy silver. It is stated that approximately 200,000,000 ounces of silver, obtained from the silver dollars, have been shipped to India since April 23 1918, to meet demands for coinage there. It is further said that Director of the Mint Baker, under the new situation, may buy from himself silver obtained from melting the dollars and use it for the subsidiary coinage of half dollars, quarters and dimes. Federal Reserve notes of about \$200,000,000 have been issued to replace silver certificates withdrawn when silver dollars were melted. Washington dispatches are authority for the statement that most officials at Washington believe the market price of silver will rise with restrictions removed. Since the American price dominates the world price, the action of the Reserve Board and the Treasury, it is added, is expected to have world-wide effect. Concerning the effect of the removal of the restrictions the New York "Tribune" on May 8 said in part:

With all the war-time restrictions removed from the sale and export of commercial bar silver by Government decree, dealers in the metal yesterday predicted much higher prices in view of the world shortage in silver. A price of between \$1 01 and \$1 02½ an ounce was quoted in this market, a slight advance over the level on Monday previous to the announcement of the restoration of free trading in silver.

Some dealers went so far as to assert that in the future the central market in the metal will be transferred from London to New York. In the past London has made the world's price for silver, the other markets merely following the lead set in that market. Since the beginning of the war New York has assumed a much more important position with respect to establishing the world price for the metal.

One of the leading bullion houses in this city estimated yesterday that China will come into the American market in the course of the next few months for at least 25,000,000 ounces of silver. Since August 1918, when the embargo upon silver shipments went into effect, China has been unable to buy any silver here, and stocks of the metal in that part of the Far East are said to be comparatively small.

The Scandinavian countries are also short of silver for coinage purposes, and will probably buy large supplies in the United States. Russia is also short of silver, but the replenishment of the supply in that country depends, the dealers say, upon the restoration of a stable government.

Production of silver in the United States has fallen off sharply since the signing of the armistice, because the majority of the big copper producing companies which have a large output of silver as a by-product has curtailed operations owing to the fall in copper prices. On the average the copper companies of the country are operating on a basis of less than 50% of capacity.

The only actual transaction in silver yesterday in this market was a small lot that changed hands at \$1 02½. The Government is quoting a price of \$1 01½. The market is generally at a standstill, owing to the fact that sellers are inclined to hold their metal for higher prices.

### SILVER PRICE RESTRICTIONS REMOVED.

A central News cablegram appearing in "Financial America" last night said:

Chancellor of the Exchequer Austen Chamberlain announced in the House of Commons that maximum prices for silver bullion were removed to-day.

Regarding the above the "Wall Street Journal" of May 9 said:

Advices received by local bullion dealers are to the effect that London has removed the export restriction on silver. This follows the initiative taken by the Federal Reserve Board at the beginning of the week.

This practically removes the last restraining influence for an open world market in silver. Following the announcement of the Federal Reserve Board, when silver rose here, there was no response in the price of bar silver in London, which remained at the stabilized quotation of about 48½d., owing to the prevailing restriction. But bullion dealers now look for a material advance in London price. This development was the reason for the further advance in the quotation for silver here late Thursday to \$1 03½ to \$1 05.

The New York "Evening Post" of yesterday contained the following:

Reports were current in the financial district to-day that Chinese interests were bidding \$1 06 an ounce for bar silver. Bullion dealers said that they were unable to confirm these statements. The silver market is much confused, with quotations for the most part ranging between \$1 04½ and \$1 06. In order to permit sales of silver to China at \$1 06 an ounce, dealers estimated that the Chinese exchange rate would have to be as high as 107½.

### EXPORTS OF GOLD MANUFACTURES PERMITTED.

The War Trade Board has announced that, effective yesterday, gold manufactures with bullion value not exceeding 65% of the total value may be exported without individual export license.

### FRANCE REMOVES EMBARGO ON UNSET DIAMONDS.

Washington advices yesterday stated that according to a cablegram from the U. S. Consul-General Thackara, at Paris, a Ministerial decree removes the prohibition against the exportation of unset diamonds specified in the French customs tariff.

### PROPOSED FRENCH LOAN.

A letter announcing that he would substitute a new bill for that which he withdrew as a consequence of the opposition to it in the French Chamber of Deputies on April 19 was sent by Louis Klotz, French Minister of Finance to Raoul Peret, President of the Budget Committee of the Chamber on April 25. It was announced that in the new bill M. Klotz would ask authority for the Treasury to borrow up to 3,000,000,000 francs from the Bank of France, the amounts borrowed to be paid off with the proceeds of the next loan. Paris cablegrams in announcing the above also said:

This is the first definite announcement that the Government intends to make a new appeal to the public.

The measure also proposes to raise the limit of the note issue of the Bank of France to 40,000,000,000 francs. In justification of this, M. Klotz explains that, however desirable it is to reduce the fiduciary circulation, nevertheless there must be no hampering of economic transactions. M. Klotz points out that it is particularly essential under the present circumstances that the bank may be in a position to finance industry and commerce and that it would be contrary to the general interests of the country if circulation were strictly limited to the requirements of the Treasury.

As to the earlier bill introduced by M. Klotz Paris advices on April 18 had said:

The revised civil budget appropriations for 1919, which were presented to the Ways and Means Committee of the Chamber of Deputies to-day by Louis Klotz, Minister of Finance, show an increase of 1,378,827,425 francs over the original estimates, bringing the total amount to 10,305,361,755 francs.

### PROPOSED FRENCH TRADE BANK—LIFTING OF FRENCH IMPORT RESTRICTIONS.

Reports of the proposed formation of a French trade bank have been current during the past month. On April 25 the "Journal of Commerce" in a special cablegram from London said:

It is understood that the French delegates from the Ministries of Commerce and Finance, together with representative bankers, merchants and industrialists, have received authority to proceed with the formation of a French Trade Bank.

The capital will be 100,000,000 francs.

The following copyright advices were received from Paris on April 13 by the Chicago "Tribune":

Announcement of the organization of a French bank with a capital of \$20,000,000 to further foreign trade was accepted to-day by American manufacturing interests in Paris as a further indication that the French Government soon will lift the embargo on imports.

Those behind the institution include tradesmen, manufacturers, bankers, led by M. Clementel, Minister for Trade, and representatives of the Minister for Finance, Shlegfried, Deputy of Le Havre, is Chairman of the board.

Americans concerned with the opening of the market are of the opinion that influential members of the French Government would not embark

on the enterprise without assurances that the restrictions on admittance of foreign goods were to be modified materially.

The lifting of the French import restrictions was made known as follows on May 3 by the War Trade Board:

The War Trade Board announce, for the information of exporters in the United States, that they have been informed that the restrictions of the decree of May 11 1916, which prohibited the importation into France of certain commodities, have been relaxed, so that they do not now apply to such commodities if they are imported for the purpose of re-exportation after transformation. Such commodities may now be imported without special license, but the manufacturer of re-working importer must guarantee to re-export the same within six months.

The list of commodities referred to was published in Commerce Reports of May 23 1916, being No. 121, page 1716, and information regarding the same may be obtained from the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D. C.

#### TIGHTENING OF HOLD ON GOLD BY FRANCE.

A copyright cable to the Chicago "Tribune" from Paris on April 23 said:

The French Government has tightened its grasp on domestic gold by withholding from French industries permission to pay cash for the little they are permitted to buy abroad. There will be no "money on receipt of goods" transactions as long as exchange is so unfavorable to France.

This became known to-day in a contract for American goods by a French department store. The store had agreed to pay cash. The management was informed by the authorities this could not be done, so the firm which sold the goods has accepted notes payable at the convenience of the French Government.

American manufacturers interested in the French market have reached a decision to grant long credits. French industry is ready to buy and is willing to place orders running into hundreds of millions as soon as the Government opens the ports. The American Chamber of Commerce and Bernard Baruch, representing the United States Government, have made protests against the embargo.

#### REDEMPTION BY J. P. MORGAN & CO. OF FRENCH NOTES.

With regard to the payment on April 1 by J. P. Morgan & Co. of the French Government 5½% convertible notes of 1917, the New York "Times" on April 13 said:

It is stated that of the \$100,000,000 two-year 5½% notes of the French Republic which matured on April 1, some \$2,000,000 took advantage if such is the proper term, of the conversion privilege, and converted into the twenty-year 5½% bonds. The surprise here, it would seem, is not that so few converted, but that so many converted, considering that the holders of the notes had the option of converting or of accepting 105¼% in cash on April 1. It is said that approximately \$65,000,000 of the notes were paid off here, the remainder having been paid at Paris.

#### PHILIPPINE CERTIFICATES SOLD TO RECTIFY EXCHANGE.

The following is taken from the "Wall Street Journal" of May 8:

The commercial community in Manila was treated to a sensation in the latter part of March when the Insular Treasurer refused to issue drafts on the United States against deposit of Philippine currency, with the result that the Philippine peso (equivalent to 50 American cents) dropped to a discount of 3% compared with the American dollar. According to advices received from Manila, business men there believed that the gold deposited in the United States to cover the face value of Philippine currency had been exhausted in forwarding subscription money for the Liberty Loans and in remitting for imports. No drafts could be drawn, and hence the decline in the value of the Philippine peso.

The situation in the islands at that time was as follows. The Philippine Government had some \$4,000,000 pesos of paper money in circulation, which was protected by the 92,000,000 pesos deposited in the United States. According to law, any one in possession of Philippine currency can go to the Insular Treasurer and demand its equivalent in gold. When it comes to big sums, inasmuch as the gold deposits are in the United States, a draft on one of the banks in which these deposits have been made must be given. In the last few weeks of March the Insular Treasurer refused to sell such drafts for the first time since the gold deposit system went into effect in the Philippines, with the result that the notes which the Philippine Government had put into circulation were not worth their face value.

In order to rectify this situation the Philippine Government had recourse to its recent sale of \$10,000,000 of certificates of indebtedness in this market. The proceeds from the sale established new credits in this country, against which the Insular Treasurer was able to resume the sale of drafts to those making remittances to the United States.

#### OFFICERS OF FRENCH-AMERICAN BANKING CORPORATION.

The officers for the proposed French-American Banking Corporation, which as announced in these columns last week, page 1765, has been incorporated under the laws of New York State to foster trade between this country and France, were elected as follows at a meeting on May 7:

Maurice Silvester, President; Roger P. Kavanagh, Vice-President and Treasurer; John E. Rovensky, Vice-President; F. Abbot Goodhue, Vice-President; Thomas E. Green, Secretary. The banks participating in the combination are the Comptoir National d'Escompte de Paris, the National Bank of Commerce in New York and the First National Bank of Boston.

Mr. Silvester, the President of the new corporation, is a banker of long experience in this country and in France. He has represented the Comptoir National d'Escompte de Paris here for many years and has been successful in promoting its relations with American banks and merchants. Mr. Kavanagh was for a period of years connected with the New York State Banking Department and latterly has been

Vice-President of the Metropolitan Trust Co. of New York. Mr. Rovensky is Vice-President of the National Bank of Commerce in New York, and Mr. Goodhue is Vice-President of the First National Bank of Boston. Mr. Green has been connected with Blair & Co., bankers, of New York. President Silvester made the following statement on the 7th inst. in regard to the plans and purposes of the new project:

The new trade relations created by or resulting from the war continue to engage the attention of bankers and economists all over the world and, while there is some difference of opinion as to the best means for attaining the desired end, they all agree that in order to carry its heavy burden of taxation, every nation will have to work harder and will have to produce more. It is also generally recognized that a nation like the United States, which has suffered little and is financially the strongest, must continue extending credit facilities on a large and liberal scale to other nations less fortunate, in order to hold and further develop its foreign trade.

The Federal Reserve Act and many State banking laws, as recently amended, have furnished American commerce with the financial means to enter the world markets on an equal footing. In financial means, cash plays but a very small part. The bulk is constituted of credit, which raises the problem of creating the equipment necessary for the issue and the negotiation of short and long time obligations and for the maintenance of a ready market for the same. This can be accomplished only by organizing an increasing number of banking, discount and securities corporations, such as have recently made their appearance in New York and elsewhere.

In line with this policy, a combination has now been formed between the National Bank of Commerce in New York, the First National Bank of Boston and the Comptoir National d'Escompte de Paris, for the organization of the French-American Banking Corporation.

A combination of this sort is a new departure, it being the first instance where a prominent French banking institution has associated itself with American bankers so closely in such an undertaking. Another feature lies in the fact that all three associates are strictly commercial banks of the highest standing, all of which augurs well for a conservative and successful management for the new corporation. But the principal advantage of this combination will be the standing and close contact with the French public at large, which will be given to the corporation by the association of the Comptoir National d'Escompte de Paris and its numerous branches. This could never be accomplished through the opening of foreign branches in France, and it was a clever move on the part of the National Bank of Commerce and the First National Bank of Boston to have left the beaten path and done something new and better. The same holds good for the French bank, which will enjoy similar advantages through the corporation and its American associates.

The French-American Banking Corporation will transact a general foreign and international banking business, and as pointed out before, will possess special facilities for the handling and developing of commercial and financial relations between the United States and France and their respective colonies and dependencies.

The French-American Banking Corporation was incorporated at Albany, N. Y., on April 29. It is capitalized at \$2,000,000, with a surplus of \$500,000, all paid in. Half the stock of the corporation is held by American interests and half by the French. The American stockholders are the National Bank of Commerce in New York, whose capital, surplus and undivided profits are over \$50,000,000 and resources over \$558,200,000; and the First National Bank of Boston, whose capital, surplus and undivided profits are over \$27,800,000 and resources over \$222,500,000. Each of these banks holds one-fourth of the stock. The French interests are represented by the Comptoir National d'Escompte de Paris, whose capital and surplus fund are over \$48,000,000 and resources over \$500,000,000. This makes a total capital, surplus and undivided profits of the institutions behind the new corporation of more than \$125,000,000 and total resources of over \$1,280,000,000. Further details were given in our issue of Saturday last.

#### CHANGES IN CURRENCY VALUE CAUSE OF UNREST ACCORDING TO LORD D'ABERNON.

That "80% of our present industrial troubles and our Bolshevism" are due to the "enormous displacement in the value of the money" is the opinion advanced by Lord D'Abernon who makes the further statement that "changes in the value of currency in which wages, salaries and other forms of remuneration are paid are the real cause of the prevailing unrest." These observations were contained in copyrighted cabled advices to the New York "Times" from London under date of May 3, which we quote in full herewith:

At the bottom of 80% of all the labor troubles and unrest of the day lies the currency problem. Civilized countries must solve it on new lines, for any rapid return to the standard of value obtaining in 1914 would mean widespread bankruptcy. This is the opinion of Lord D'Abernon, who as Sir Edward Vincent won a world-wide reputation as a financier by the success with which he managed the public debts of Turkey and Egypt, and restored the finances of the latter country.

In a recent speech in the House of Lords, Lord D'Abernon drew attention to the condition of the currency. He declared that although there had been a steady depreciation in the value of money for the last 700 years, the fall during the four years of war was equal to that during the 400 years from 1300 to 1700, and was much greater than its fall from 1700 to 1910.

In only two periods of history, he said, was there any financial phenomenon comparable to this, and that was the depreciation which occurred between 1600 and 1640, after the discovery and opening up of the silver mines of Potosi, and the fall—much less than to-day's—which resulted during the Napoleonic wars. This, he contended, was the most alarming feature of the financial situation of to-day. Asked by the correspondent of the New York "Times" to explain why this startling change had come

in the value of money, and what were likely to be the results. Lord D'Abernon said it was due to the great increase during the war in the quantity of legal tender in circulation. Paper currency—having the power of legal tender—in 1914 was estimated as amounting in the leading countries of the world to about £1,000,000,000, but to-day it was probably £6,000,000,000.

"That means," he said, "that the amount of legal tender has increased very much more rapidly than the amount of commodities in use, and consequently, even if the quantitative theory of currency is not fully accepted, that must have a very important effect on the level of prices."

"Take the United Kingdom, for example. The amount of legal tender in circulation here is from two to three times as great as it was in 1914. In France and Germany there are still greater increases. As for Russia, the increase is enormous, although it should be noted that the precise effect on the world increase of prices of a great rise of local prices in any particular country is very obscure."

Lord D'Abernon here pointed out that in consideration of the question of prices it was a great mistake to mix up too closely the effects of an increase in credit and an increase in currency. Prices, he holds, depend far more closely on the amount of currency in circulation and the proportion between the demand for it and the supply than on any question of credit.

"This vast increase in the quantity of currency," he continued, "is quite unprecedented. England and the European world generally, that is, the great powers of Europe, have been accustomed to merely small fluctuations in the supply of money, and we have been used to reckon the rise or fall in the standard of value to the extent of 20% as almost a convolution; but now we are confronted, and have to deal with a fall in the standard of value of from 50 to 60%."

"Certain definite results must follow from this. In the first place, it is ludicrous to suppose that such a radical alteration in the value of the counters in which financial transactions are measured can be lived through without radical readjustments. In the second place, if these fluctuations are to continue, either upward or downward, it is almost imperative to establish a sliding scale in accordance with which financial obligations can be adjusted. Is it not of obvious advantage to arrange such a scale in advance, to be applied automatically, rather than to permit each fluctuation in the value of currency to fall on an unprepared world and to be followed by a series of struggles between the parties to money agreements, in order to arrive at a satisfactory settlement."

Lord D'Abernon's attention was called to the fact that the British Government during the war adopted certain sliding-scale arrangements, so as to correlate the wages in some industries to the cost of living. He replied:

"Such attempts have been only very partial, but are undoubtedly full of interest and instruction. You should note, however, that the scales adopted have always been based on the cost of living, and not on the changes in the value of money, which would be the more nearly correct method. The two systems might produce much the same results, it is true, but the one is a true basis, and goes to the root and cause, while the other is merely empirical adjustment of the resultant."

"I am convinced, and cannot state too strongly my belief, that 80% of our present industrial troubles, and our Bolshevism, which is so great a menace to Europe, are due to this enormous displacement in the value of money. Changes in the value of currency in which wages, salaries, and other forms of remuneration are paid are the root cause of the prevailing unrest."

What Lord D'Abernon advises is the adoption officially of one of the tables of prices of a large range of standard commodities as an index to the true value of money. Some prices on the list may rise and some may fall; but, provided the selection is sufficiently extensive and varied from the average, the exact value of currency can be scientifically and accurately determined. Lord D'Abernon would then refer all wages and minor salaries as they fell due to the index and would require the payment, not of the face value, but of the amount to which the table showed it was then equivalent. Naturally the smaller fluctuations would be ignored. To what contracts, outside of those for wages and minor salaries, it might be necessary to apply the sliding scale, would be a matter for ulterior consideration. There is similar urgency in other cases.

"That divorces the value of currency from the cost of production of the world, does it not?" the correspondent asked.

"That has occurred long since," was Lord D'Abernon's reply. "If there were to be any attempt to-day to bring about a rapid return to the gold currency basis of 1914 it would almost double the weight of the world's indebtedness, and would certainly lead to the bankruptcy of many nations. The present inflation of currency, whatever its dangers—and I do not underrate them—has this beneficial effect, that it reduces the enormous public debts incurred during the war, and by that much makes them more easy to bear and more likely to be paid."

**\$15,946,277 PAID OUT TO FARMERS ON MORTGAGE LOANS IN MARCH BY FEDERAL LAND BANKS.**

The "Borrowers' Bulletin" for April-May 1919 (issued by the Federal Farm Loan Board at Washington), said:

During the month of March 1919 \$15,946,277 were loaned to 4,630 farmers of the United States by the Federal Land banks on long-time first mortgages, according to the monthly statement of the Farm Loan Board. The Federal Land Bank of Omaha leads in amount of loans closed, \$4,565,850, with the Federal Land Bank of St. Paul running second in amount, \$1,893,200. The other banks closed loans in March as follows: Houston \$1,838,717; Spokane, \$1,528,860; Louisville, \$1,142,700; St. Louis, \$1,125,980; Columbia, \$923,355; Wichita, \$775,800; New Orleans, \$741,775; Berkeley, \$547,600; Springfield, \$525,960; Baltimore, \$336,500.

On April 1 the total amount of mortgage loans closed since the establishment of the Federal Land banks was \$198,609,626, numbering 79,949 borrowers. During March 5,916 applications were received asking for \$20,622,021. During the same period 4,805 loans were approved, amounting to \$14,561,784. Altogether 185,943 have applied for loans under this system, aggregating \$492,066,733.

The grand total of loans closed is distributed by Federal Land Bank districts as follows:

Spokane	\$28,640,050	New Orleans	\$13,552,990
St. Paul	27,541,700	Louisville	12,764,000
Omaha	26,383,300	Berkeley	11,023,600
Houston	21,046,561	Columbia	9,721,395
Wichita	18,583,700	Baltimore	7,240,850
St. Louis	15,012,345	Springfield	7,099,045

During February \$14,799,788 were loaned to 4,209 farmers, distributed as follows: Omaha, \$3,895,400; St. Louis, \$2,055,955; Houston, \$1,883,213; St. Paul, \$1,506,600; Spokane, \$1,251,720; Wichita, \$1,019,800; Louisville, \$757,300; New Orleans, \$735,800; Columbia, \$505,500; Berkeley, \$473,800; Baltimore, \$386,900; Springfield, \$347,800.

**FEDERAL FARM LOAN BOARD ON COLLECTIONS AND REMITTANCES.**

The following is taken from the April-May number of the "Borrowers' Bulletin," issued by the Federal Farm Loan Board:

In one of the Federal Land banks the secretary-treasurers, officers; and members of all National Farm Loan Associations under its jurisdiction have received a letter reminding them of the importance of collections and remittances. As the operation and administration of the Farm Loan Act is the same throughout the twelve Land Bank districts, we publish it here in full, because it is a very important matter in the progress of the system:

In order that all may understand the extreme importance of collecting and remitting payments in time to reach this bank on or before the date of maturity and not one single day later, I will explain in detail the consequence of not doing so:

1. On the 1st of each month we send report to Washington showing, among other things, the name of each borrower that is delinquent, the association of which he is a member and the date the payment was due. These data serve in the sale of our bonds, finding us an adequate and ready market for bonds at low interest, or the reverse, according to our showing in the matter of payments.
2. The manner in which payments are made by borrowers is such an important factor in this bank's maintaining its credit with the investing world that the Farm Loan Board requires us to take back all notes and mortgages on which any sum remains unpaid, 90 days after such payment was due.
3. Since we have not capital to carry many such loans, we have no alternative after our limit is reached but to foreclose and get the farm into the hands of a person who can and will pay promptly.
4. When this bank shall become in position to extend credit to associations as such, as it soon shall, we shall not able to accommodate such as have not a good record for collecting and remitting promptly.
5. Nor will a member whose record for prompt payments is lacking be able to increase his loan or make another with this bank.
6. This bank may find it necessary to cease making loans through an association whose delinquencies should become such as to affect the credit and standing of this bank and its bonds.
7. Willingness to pay interest at 8% on sums past due, which must be done in every instance, does not authorize delinquencies nor minimize the serious and harmful consequence thereof to all—the borrower, the association, and to this bank, whose credit is dependent upon the prompt and timely payment of each and all borrowers.

**BANKERS JOINT STOCK LAND BANK OF ST. PAUL.**

A charter for the Bankers' Joint Stock Land Bank has been granted by the Federal Farm Loan Board. The bank, which has a capital of \$250,000, has been authorized to lend money on farm lands in Minnesota and Wisconsin and on U. S. Government bonds. Its stockholders, it is stated, are chiefly country bankers in the States of Minnesota and Wisconsin. The officers of the bank are: President H. A. Moehlenpah, President of the Citizens Bank, Clinton, Wis.; Vice-Presidents F. J. Carr, President of the National Bank of Hudson, Hudson, Wis., and G. N. Fratt, President of the First National Bank, Racine, Wis.; Secretary George D. Bartlett of Milwaukee, Secretary of the Wisconsin Bankers Association and F. R. Crane, Minnesota Manager. Mr. Crane resigns from the North Western Trust Co. of St. Paul to take up his new duties. The Bankers' Joint Stock Land Bank has offices in the Merchants National Bank Building, St. Paul.

**PAYMENT OF DIVIDEND BY FEDERAL LAND BANK OF SPOKANE.**

According to the "Pacific Banker" of April 5, the Federal Land Bank of Spokane made its first dividend payment on April 1. The "Banker" had the following to say regarding the dividend:

It will amount to approximately \$60,000 and will be distributed among 400 farm loan associations, which in turn will pay their 10,000 stockholders. The dividend is computed on all stock registered prior to Dec. 1 1918. In announcing the dividend, President D. G. O'Shea explains the method of arriving at the amount as follows: It has been arranged to pay 10% which for the twenty months the bank was in business up to Dec. 31 1918, would be equivalent to one-half of one per cent per month for the number of months each issue was outstanding and all stock issued in one month has been figured as earning a dividend from the last day of that month. The bank has mailed to each of its national farm loan associations, itemized statements showing the name of the individual borrower on whose account stock was issued equal to 5% of his loan, the date of issue, the number of months for which the dividend is paid and the amount of the dividend credited. Remittances are being made by check to the farm loan associations. The dividend was earned from the bank's business after paying all costs of organization and operation and after carrying a reserve.

**HOUSTON FEDERAL LAND BANK FIRST TO DECLARE DIVIDEND.**

In connection with the dividend declaration of the Federal Land Bank of Spokane, recorded above, it is worth noting that the Federal Land Bank of Houston was the first in the United States to pay a dividend.

The Houston "Post" of April 11 credits George W. Norris of Washington, Federal Farm Loan Commissioner, as having made a statement to that effect. We quote as follows:

The Federal Land Bank of Houston was the first in the United States to declare dividends, according to George W. Norris, of Washington, Farm

Loan Commissioner, who is in the city conferring with Judge M. H. Gossett, President of the Houston Land Bank, and other officials. Mr. Norris attributed the high record of the Houston bank to efficient management. The Houston bank, according to Judge Gossett, declared its first dividend in October 1918.

Mr. Norris expressed himself as being pleased with the volume of business which the Houston bank has carried, and said the bank, in the amount of loans closed since its inception, was excelled by only three districts in the country. The Houston institution has closed loans approximating \$20,000,000 since its establishment, bank officials said.

Mr. Norris said his visit to Houston had proved that Federal authorities at Washington had exercised good judgment in creating a farm loan district which included the entire State of Texas, since the number of loans closed in this district were large enough to tax the capacity of one bank.

#### FIRST TEXAS JOINT STOCK LAND BANK OF HOUSTON.

The First Texas Joint Stock Land Bank, formed with a capital of \$250,000, opened for business in Houston, Texas, on April 25. The institution has been organized under the Federal Land Bank laws, and under its charter will be permitted to make loans in Texas and Oklahoma on agricultural lands in amounts not to exceed 50% of the value of the land. The loans will be made at 6% interest for a term of 33 years, and are to be repaid by the borrower on the amortization plan. The borrower will have the privilege of paying any part or all of his loan at any time after five years. The officers of the bank are: Guy M. Bryan, Chairman of the board; C. S. E. Holland, President; Jesse Andrews, Vice-President; R. E. Burt and R. S. Sterling, Vice-Presidents; H. H. Houston, Secretary, and P. H. Lamb, Assistant Secretary.

#### COMPTROLLER OF THE CURRENCY WILLIAMS ON SOUNDNESS OF NATIONAL BANKS.

In a statement in which he remarks upon the soundness of the national banks, Comptroller of the Currency John Skelton Williams states that "Nothing could demonstrate more strongly the solid foundation upon which our banking and currency structure now stands and the improved manner in which the national banks of the country are being operated and safeguarded than the record they have made in the past sixteen months—embracing ten months of the stress and trial of war and six months of the dislocation and strain of reconstruction." The statement, made public May 5, also says:

The official reports show that to-day there are more national banks in operation with larger capital and surplus and greater resources, making bigger dividends, and with a more striking immunity from failure than ever before in our history. A knowledge of these facts must necessarily give inspiration and fresh courage to all business men, for our economic history shows that every commercial panic and business prostration in the past has been precipitated by financial disorders and banking crisis.

Assured of healthy banking conditions, and an abundance of money and credit to meet all natural and legitimate requirements, the commercial, agricultural and industrial enterprises throughout our entire country can proceed with their plans for the present and the future with unexampled confidence and resolution.

The following figures emphasize the increasing safety, the unparalleled immunity from failure, and the steady growth of the National Banking System.

In the four months ending April 30 1919, there was only one national bank failure in the entire country—a small bank with \$25,000 capital. During the three months ending March 31 1919 (April returns not received) there were 24 failures of banking institutions under State supervision including banks and trust companies—an average of approximately two a week.

For the sixteen months' period from Jan. 1 1918 to May 1 1919, there have been only two national bank failures in the entire country—an average of one each eight months.

In the fifteen months' period from Jan. 1 1918 to April 1 1919 (April returns not yet in) the returns indicate failures of between 50 and 60 State banks and trust companies under State supervision.

During the four months ending April 30 1919, 131 applications were received for charters for new national banks, and 113 applications for increases in capital of existing national banks were approved—making a total of 244 applications for new charters and for increases of capital approved.

In this period 61 charters were granted for new national banks, 3 requests for charters were refused and 191 applications for new charters are now pending, including 40 requests from State banks which seek permission to convert into national banks.

There were more than seven times as many applications for new charters and approved applications for increases of capital in this period as there were voluntary liquidations (exclusive of those consolidating with other national banks)—244 such applications against a total of 33 voluntary liquidations.

#### BUFFALO BRANCH OF FEDERAL RESERVE BANK OF NEW YORK TO OPEN MAY 15.

The Federal Reserve Bank of New York in announcing yesterday that its Buffalo branch would open on May 15 said:

The officers of the branch are R. M. Gidney, Manager, and I. W. Waters, Acting Cashier. The work of the branch will be carried on under the general direction of the Federal Reserve Bank in New York and under the local direction and supervision of a board of five directors, three of whom are appointed by the Federal Reserve Bank of New York and the other two by the Federal Reserve Board in Washington. The directors appointed by the Federal Reserve Bank are:

Harry T. Ramsdell, President of the Manufacturers & Traders National Bank, Buffalo.

Elliott C. McDougal, President of the Bank of Buffalo, Buffalo.

Ray M. Gidney, Manager, formerly Assistant Federal Reserve Agent at New York.

Messrs. Ramsdell and McDougal serve until Dec. 31 1920; Mr. Gidney until Dec. 31 1919.

The directors appointed by the Federal Reserve Board, to serve until Dec. 31 1919, are:

Clifford Hubbell, President of the Fidelity Trust Co., Buffalo, and President of the Buffalo Clearing House.

Charles M. Dow, President of the National Chautauqua County Bank, Jamestown, N. Y.

The proposed establishment of the Buffalo branch of the New York Federal Reserve Bank was referred to in these columns Feb. 1.

#### E. L. SWEARINGEN ELECTED DIRECTOR OF LOUISVILLE BRANCH OF ST. LOUIS FEDERAL RESERVE BANK.

E. L. Swearingen, prominent in Louisville banking affairs, has been elected a director of the Louisville branch of the Federal Reserve Bank of St. Louis, succeeding the late Charles E. Hoge. Mr. Swearingen is President of the First National Bank of Louisville, the Kentucky Title, Savings Bank & Trust Co., and the Kentucky Title Co. He was formerly President of the Louisville Clearing House Association.

#### DEATH OF JAMES K. LYNCH, GOVERNOR OF SAN FRANCISCO FEDERAL RESERVE BANK.

The sudden death on April 28 of James K. Lynch, who since August 1917 had been Governor of the Federal Reserve Bank of San Francisco, came as a shock to his wide circle of acquaintances. Mr. Lynch was well known among the bankers of the country, for besides being at the head of the Reserve Bank on the coast he had been President of the American Bankers' Association in 1915. He had likewise served two terms as President of the California Bankers' Association and had been President of the San Francisco Clearing House Association. He had held various positions among banking institutions; for many years he had been Vice-President of the First National Bank of San Francisco, and he had formerly been President of the Citizens National Bank of Alameda and the Citizens Savings Bank of that city. At the time of the organization of the Federal Reserve Bank of San Francisco Mr. Lynch was made a director and he became Governor following the resignation of Archibald C. Kains in August 1917. Grief over the death of one of his sons, Capt. Lawrence Soule Lynch, who died on Oct. 10 from wounds received in the Argonne battle, is believed to have been in a measure responsible for Mr. Lynch's death. Mr. Lynch was sixty-two years of age.

#### NEW RATES ON STOCKS IN EFFECT ON NEW YORK STOCK EXCHANGE.

The new commission rates to apply on dealings in stocks became effective on May 8, according to an announcement issued on that day by George W. Ely, Secretary of the Stock Exchange, which said:

The amendments to the commission law, not having been disapproved by a majority of the membership of the Exchange, become law on the morning of May 8.

The details of the changes in the rates were outlined in our issue of Saturday last, page 1768.

#### VICTORY LIBERTY LOAN CAMPAIGN.

The three weeks' campaign to raise \$4,500,000,000 through the sale of Victory Liberty notes, will be brought to a close to-night (May 10). Last night the total subscriptions for the country, it was announced, had gone over the \$3,000,000,000 mark; at the close of last week the figures for the twelve Federal Reserve districts stood at \$1,657,979,350. Through Secretary of the Treasury Glass an appeal to make the Victory Loan "a great popular thank offering" was issued yesterday by President Wilson. The appeal was embodied in a cablegram to Secretary Glass reading as follows:

Through you I appeal to my fellow citizens on the eve of the consummation of a victorious peace to sustain the honor and credit of our country and to pay tribute to the valor and sacrifices of our fighting men by making this last Liberty Loan not only a financial success, for that it must be, but a great popular thank offering in which every American will share according to his ability.

WOODROW WILSON.

Secretary Glass had himself issued several messages during the week in an effort to awaken the nation to its responsibilities; on the 3rd inst. in a message to newspaper editors, he said:



I would be lacking in frankness if I did not tell you that the Treasury Department is apprehensive concerning the Victory Liberty Loan. In view of this serious situation, as Secretary of the Treasury, and as a fellow newspaper publisher, I appeal to you to help impress upon your readers the urgency of subscribing to this loan by publishing in your editions of Monday in a first page box, if possible, the following message:

The Victory Liberty Loan campaign is two-thirds over, but subscriptions have been reported for little more than one-third of the loan.

Is it conceivable that the American people, who with heart and soul waged the fight for freedom, will permit this loan of victory and thanksgiving to fail?

Our sons gave of their health, of their strength, and of their lives that freedom might not perish. There are one and a half million American boys in France and Germany. Now that the war is ended, it would be as reasonable for them to dishonor the nation by deserting the flag as for the nation to dishonor itself by deserting them. Is it a large thing that we are now asked to lend our money to pay the cost of victory? Is American money less willing than American manhood?

Let every one of the millions who have bought Liberty bonds buy Victory notes, and success is sure.

CARTER GLASS, Secretary of the Treasury.

In a pronouncement designating May 8 as Army Day, Secretary Glass said:

In the early days of last November, when it was apparent that the enemy armies were falling, American youths in khaki throughout the Argonne fought on, never contemplating the possibility that the war might be won without their individual efforts. Many fell in those last days of fighting. Many lost arms, legs, eyesight. They did not lag or shirk.

The Victory Liberty Loan is the Argonne for Americans at home. Is it their last big war task. It calls on them for dollars, to be spent and repaid. Will Americans at home lag or shirk?

The answer will be known when Victory Loan dollars are counted and but three days remain in which to pour them in. One of these days should be set aside for honor to the men who made the American army. Not in phrases, not in platitudes, will we do honor to that army. We will do honor in the contribution of material things, and our sacrifices, however great, can never approach those of the men in khaki. Yet we will do our utmost, and with our dollars shall do fervent prayers of thanks to the men of the army.

Therefore, I propose that Thursday, May 8, be set aside by all communities as Army Day. On this day let each man and woman who ranks as a shareholder in this free Republic pledge to the Victory Liberty Loan the largest sum his ability permits. Let every civilian have the right to say in future retrospection: "Mine was not to fight, but I did my utmost."

On the 8th inst. the subscriptions for the twelve Federal Reserve districts were announced as \$2,878,561,000, the figures for the various districts being as follows:

District—	Subscriptions.	P.C.	District—	Subscriptions.	P.C.
St. Louis	\$170,740,000	87.5	Kansas City	\$106,208,000	54.4
Minneapolis	124,296,000	78.9	Philadelphia	202,343,000	53.9
New York	970,000,000	71.8	Cleveland	217,369,000	48.3
Boston	254,585,000	67.8	Atlanta	68,797,000	47.7
Chicago	425,098,000	65.1	San Francisco	122,432,000	40.6
Richmond	123,373,000	58.7	Dallas	33,300,000	35.2

Last night the figures for the New York Federal Reserve District were reported as considerably over the billion-dollar mark. On the 5th inst., when the total subscriptions for the country were announced by the Treasury Department as \$1,804,274,650, a statement issued by that Department said:

The best that can be said for this total is that the percentage of the country's quota subscribed to-day is almost as high as was the percentage of the Fourth Liberty Loan quota on a corresponding day in the last drive. The discouraging feature of the present situation is that the total gain since Saturday's report is only \$147,295,300.

This is about \$300,000,000 short of the daily average that must be maintained from now until the end of the loan, if the country's quota is to be subscribed. Five days removed from the final goal in the Fourth Liberty Loan campaign, the country had subscribed \$2,451,053,950, or about \$650,000,000 more than it has subscribed in the present loan.

Some of the larger subscriptions announced in this city during the past week were: \$5,000,000 Prudential Insurance Co. of America (additional); \$4,040,000, Vincent Astor; \$3,500,000 Westinghouse Electric & Mfg. Co.; \$2,000,000, National Biscuit Co.; James B. Duke (\$1,000,000 each through Guaranty Trust and Bankers Trust), S. H. Guggenheim; \$1,800,000 Northern Finance Corporation; \$1,500,000 Sutro Bros. & Co. (for themselves and clients); \$1,202,000 (additional) Henry L. Doherty & Co.; \$1,200,000 Halle & Stieglitz (additional); \$1,000,000, Berwind Interests; R. H. Macy & Co.; George F. Baker Jr. (through First National Bank); Bowery Savings Bank (additional); \$500,000 each through Bank of Manhattan Co. and Corn Exchange Bank; Forstmann & Huffman; Morton H. Meinhard; Julius Stevens Ulman; William Rockefeller; East River Savings Institution; Bernhard Scholle; William Goadby Loew (through the First National Bank); T. A. Gillespie & Co. (additional—through the Guaranty Trust Co.); Payne Whitney (through the First National Bank); Felix M. Warburg; Otto H. Kahn; Mortimer L. Schiff; Jacob H. Schiff; Charles H. Sabin (through the Mechanics & Metals National Bank); Hoboken Bank for Savings; J. P. Morgan (personal, additional—through Mechanics & Metals National Bank); Speyer & Co.; H. P. Whitney; Submarine Boat Corporation; Electric Boat Co.; Western Union Telegraph Co.; Harris, Forbes & Co.; Home Insurance Co.; General Chemical Co.; F. S. Smithers & Co.; B. Lissberger; American Beet Sugar Co.; C. H. Spreckles, &c.

GOV. STRONG'S APPEAL TO PUBLIC AGAINST PLACING OF BURDEN OF VICTORY LOAN ON BANKS.

The lack of public interest in the Victory Liberty Loan, indicated in the decline in the number of subscriptions and coupon books as compared with what was accomplished in the same period in the Fourth Liberty Loan campaign, was commented upon in a statement by Benjamin Strong, Governor of the Federal Reserve Bank of New York and Chairman of the Liberty Loan Committee of the New York District, made public on Monday last. In an endeavor to awaken the public to the need of supporting the loan and not make necessary the taking of the loan by the banks, Governor Strong in his statement said:

The members of the Liberty Loan Organization believe that the best publicity for the loan are the facts, and that the greatest detriment to the loan are the assumptions.

As to the facts: Total subscriptions filed to this date for the Second Federal Reserve District aggregate \$376,006,250, being 27.9% of the quota for the district. After the same number of days in the Fourth Loan, the total subscriptions were \$513,797,400, or 28.5%, the comparison showing that we are \$11,468,000 behind what we should have done to this date in order to maintain the same pace as in the Fourth Loan.

This figure in itself is not so discouraging as are the figures showing individual subscriptions. A comparison of subscriptions handled by the organization in New York City shows a big decline in the number of subscriptions in comparison with the Fourth Loan.

In the present campaign the total number of subscriptions reported to the Bond Issue Division of the Federal Reserve Bank is 120,930, as compared with 194,868 for the same number of days of the fourth campaign. The sale of coupon books is still more discouraging. For eleven days of the campaign 71,872 books have been sold, whereas in the fourth campaign in the same number of days 145,967 coupon books were sold.

This is a serious and discouraging indication of the lack of widespread public interest in the loan. We know that some of the largest subscribers to former loans are unable to file as large subscriptions for this loan, and the shortage must be made up by a more widespread distribution, and by a larger number of sales. And to accomplish this, the public must be aroused to a full conception of its patriotic duty.

As to the assumptions: The principal and most damaging one is the idea that as this is an issue of notes of comparatively short maturity, it will be taken by the banks. Were the banks to subscribe for this loan, instead of the public, it would mean an expanded bank position, a continuance of unduly high prices, and an impairment of the ability of the banks to furnish credit for the country's industry and commerce, which would be an unfortunate, if not a serious development at a time when it is so necessary to keep labor employed and business at a normal volume.

Another assumption which injures the loan is that there is some difference between a Government obligation called a "note" and a Government obligation called a "bond." They are identical in every respect, including negotiability and security. They are the unqualified obligation of the Government, and rest for certainty of payment of principal and interest upon the power of the Government to levy taxes. And there will always be a wide and ready market for them until they mature and are paid off.

Still another mistaken assumption is that these Liberty Loan campaigns are expensive. They are the most economical financial operations of such magnitude ever conducted in Government finance. The selling cost to the Government of placing all issues of Government bonds in the Second Federal Reserve District up to the present time does not exceed 1-12 of 1% of the face amount of bonds actually sold, and this cost would represent a fair average for the entire country. This has been possible largely because of volunteer services and donated advertising.

Another most serious assumption is that because the terms of this loan are so satisfactory somebody will take it, even though the individual guilty of the assumption does not propose to take his share. No issue of \$4,500,000,000 of bonds can be successfully distributed upon any such assumption. It will not sell itself. The amount is too large. The success of the loan depends upon every individual and corporation subscribing for as full an amount as his purse affords.

Finally, the people of the country must realize that the war will not have been ended until every bill has been paid. We have won victory and we must pay for victory. We must not only buy notes, but we must get out and work to get everybody else to buy notes.

FOUR "RED FEATHER" DAYS TO STIMULATE NOTE PURCHASING OF VICTORY LIBERTY LOAN CAMPAIGN.

Four "Red Feather" days will complete the great drive for the Victory Liberty Loan. Through the final period of the drive, beginning last Tuesday night, thousands of workers, members of organized committees and new volunteers, have been urging all loyal Americans in New York City to "buy one more note." Each man and woman, already entitled to wear the Victory Liberty Loan button, is presented with the Red Feather on buying another Victory note. The Red Feather is a scarlet plume, eight inches long, to be worn in the hat or pinned to the clothing of each purchaser of another note.

MORE THAN 85% OF MEN OF SIXTH DIVISION OF MARINES KILLED IN FRANCE HAD LIBERTY BONDS OR COUPONS.

In an address at the Victory Liberty Loan meeting at the Sub-Treasury on May 2 Lieutenant-Colonel John A. Hughes of the Sixth Division of Marines, who received the Congressional medal for bravery in the Mexican campaign and who has been recommended for another Congressional medal for his bravery in France, said the American soldier had written the word Victory into the Victory Liberty Loan,

because he took everything that came his way as a matter of course, Colonel Hughes said:

Those boys on the other side not only fought like demons, but they acted like real Americans at all times. Do you know that of the men in my division killed on the battlefield more than 85% were found to have Liberty bonds or coupons on their persons when picked up. Those boys did their share of fighting and of supporting as well. Is the American public going to fall down on a financial endorsement of their work? Those boys endured without a murmur sleet, rain, mud and cold. You people should at least invest in a financial present from the Government.

**"PANORAMA OF VICTORY" STAGED FOR VICTORY LIBERTY LOAN MOST PRETENTIOUS SPECTACLE IN HISTORY OF CITY.**

"The Panorama of Victory Staged by Your Army," witnessed last Saturday by New Yorkers as the feature of the Victory Liberty Loan campaign, has passed into history as the most wonderful pageant ever seen in the metropolis. Aside from its spectacular features, the parade made a record in several other respects, most important of which was that its immediate cost was practically nothing. All of the material exhibited in the parade, which included every device in army equipment which human ingenuity has conceived and experience evolved in the four years of war, had been bought and paid for by the Government long before the "Panorama of Victory" was thought of. The men who took part in the spectacle and who operated the motor trucks, ambulances, tanks and other machines were all in the military service and their participation in the parade added nothing to the Government payroll.

Most of the material used in the great spectacle came from the army camps and quartermaster's depots in or near New York, with the exception of the cavalry exhibition which was from Fort Myer, Va., and all was returned safely and unharmed after the parade was over, except one tank, which blew out a fuse at Astor Place. The tank is undamaged, except for the blown out fuse, and the cost of that will be about the only expense the Government will be put to in staging the parade. Another unusual feature of the parade was that from start to finish it proceeded without a hitch or untoward incident, the only accident, if such it can be called, being to the tank already mentioned. The floats in the parade alone numbered 216, and in addition there were combat wagons, water wagons, dump carts, caissons, ambulances, rolling kitchens, portable machine shops, trailers, army trucks, an immense army observation balloon iron, trailers drawn by a motor truck and tanks.

**AUCTION OF 11,500 GERMAN HELMETS FROM PYRAMIDS IN VICTORY WAY.**

An auction sale of 11,500 German helmets which form the huge pyramids in Victory Way and which were seized in Coblenz by the American army started on Thursday morning, May 8, in the hope of raising additional Victory Note subscriptions. A helmet will go to the highest bidders for Notes. In order that as many as possible of the people in the five boroughs may be given an opportunity to secure one of the souvenirs, the Liberty Loan Committee has arranged that the sales be conducted by the various agencies connected with the campaign. The agencies include the Metropolitan Canvass Committee, the Advisory Trades, Women's Committee, Outdoor Speakers Bureau, Foreign Language Bureau, Labor Bureau and the headquarters in all of the boroughs. The sales will continue until the pyramids are stripped of the headgears. The helmets have been adorning the Victory Way since the start of the campaign, for which purpose they were brought to this country. They were manufactured in 1916 by the Germans for their victorious march into Paris. They bear the name of "Junker," manufacturer.

**DOUGHNUT FRIED BY McINTYRE SISTERS OF SALVATION ARMY BRINGS SUBSCRIPTION OF \$25,000 IN VICTORY NOTES.**

One doughnut, fried on the steps of the Sub-Treasury last Wednesday, brought \$25,000 in Victory Liberty notes, but the doughnut was made by the McIntyre Sisters of the Salvation Army, who made the doughnut famous in France. The two sisters, Irene and Gladys, in their uniform, baked or fried the doughnuts on the steps of the Sub-Treasury in view of a crowd of nearly 10,000 persons, who braved the rain to get a glimpse of the performance. A second bid for another doughnut brought \$10,000, and a third for cookies brought \$3,000. The highest bid came from W. F. Holborn of the Guaranty Trust Co., the second highest from E. P. Gaillard of 140 Broadway, and the \$3,000 was paid

by B. G. Coles. There were two \$5,000 subscriptions for doughnuts, but the purchasers withheld their names. The doughnut baking and auctioning added \$59,600 to the Victory Note drive. Every purchaser of a Victory note was handed a doughnut by the McIntyre Sisters.

**NEW YORK FEDERAL RESERVE BANK ON CONVERSION OF 4% LIBERTY LOAN BONDS.**

The Federal Reserve Bank of New York issued a statement on May 7 again calling the attention of the banks and the public to the extension by the Secretary of the Treasury of the privilege of converting 4% Liberty Loan bonds into 4 1/4% Liberty Loan bonds. The Reserve bank adds:

Such conversions, however, are not effective until the next semi-annual interest payment date after presentation.

Holders of 4% Convertible Gold bonds of 1932-47 of the First Liberty Loan converted should therefore present their 4% bonds before June 14 1919 in order to secure interest at 4 1/4% from June 15 1919.

Likewise holders of 4% Convertible Gold bonds of 1927-42 of the Second Liberty Loan should present their 4% bonds before May 14 1919 to enable them to receive interest at 4 1/4% from May 15 1919.

No adjustment of interest in either case is necessary.

Both registered and coupon bonds are convertible.

By following the above procedure holders of 4% bonds will receive an additional 1/4 of 1% for six months.

**CONGRESS TO MEET IN EXTRA SESSION MAY 19—CONFERENCE OF REPUBLICANS.**

A call by cablegram for an extra session of Congress to convene Monday, May 19, was issued by President Wilson at Paris on May 7. The President's Proclamation was made public as follows at Washington:

Whereas public interests require that the Congress of the United States should be convened in extra session at 12 o'clock noon on the 19th day of May, 1919, to receive such communications as may be made by the Executive;

Now, therefore, I, Woodrow Wilson, President of the United States of America, do hereby proclaim and declare that an extraordinary session requires the Congress of the United States to convene in extra session at the Capitol in the District of Columbia on the 19th day of May, 1919, at 12 o'clock noon, of which all persons who shall at that time be entitled to act as members thereof are hereby required to take notice.

Given under my hand and seal of the United States of America, the 7th day of May in the year of Our Lord one thousand nine hundred and nineteen, and of the Independence of the United States the one hundred and forty-third.

(Signed) WOODROW WILSON.

By the President:

ROBERT LANSING, Secretary of State.

President Wilson's Secretary, Joseph P. Tumulty, in announcing the proclamation, stated that it would be impossible for President Wilson to be present at the opening of the extra session. Just prior to the President's departure for Europe on March 5 on his second and present trip, Senator Martin of Virginia announced, after a conference with President Wilson that the latter would not call an extra session of Congress until his return from the other side. It is reported that the President in naming an earlier date than had been expected, was guided largely by the advice of Secretary of the Treasury Glass, the latter's representations being prompted by the urgency of passing the annual appropriation measures which failed of enactment at the session which ended March 4.

A call for a special conference of Republican Senators in Washington May 14 has been issued by Senator Lodge, and announcement of a conference of Republican members of the House on May 17 has been made by Representative Mondell, Republican leader of the House. The House Democrats will meet on May 16. The call issued by Senator Lodge, and signed by himself and Senator Curtis of Kansas, the Republican whip, read as follows:

The President has issued a proclamation calling Congress together on May 19. There will be a conference of Republican Senators May 14 at 11 a. m. It is absolutely essential that with our narrow majority, every Republican Senator should be present at the session of the Senate May 19. It is also of the utmost importance that you should be present at the Republican conference and we trust that you will not fail to be here on that day.

**SECRETARY GLASS ON GOVERNMENT EXPENDITURES—RETURNS FROM WAR SAVINGS STAMPS.**

Secretary of the Treasury Glass has taken exception to statements appearing in the daily papers on May 2, in which, in stating that America's war expenses "not only are continuing without abatement but are actually increasing over those of the last few months," compares the April figures, approximating \$1,420,000,000, with \$1,189,000,000 in February. In a statement issued on May 3 respecting these newspaper comments, Secretary Glass says:

The comparison between the Government's expenditures of about \$1,429,000,000 in April with expenditures of about \$1,190,000,000 in February, to which attention has been called in the press, creates a misleading impression. Ordinary expenditures during April were less than \$1,004,000,000. This is less than for any month subsequent to April 1918.

Although loans to foreign Governments amounted to nearly \$410,000,000 interest payments made by these Governments to the United States in April aggregated more than \$114,000,000. Income from taxes, interest and other sources aggregated more than \$422,000,000, and balances were drawn upon to the extent of some \$590,000,000.

Although the net increase in the public debt during January, February and March 1919 aggregated more than \$3,344,000,000, or at the rate of more than \$1,100,000,000 a month, the net increase in the public debt during April 1919 was only \$510,000,000, as appears by the Treasury's daily statement of April 30 1919.

#### DECLINE IN SALES OF WAR SAVINGS STAMPS.

In the statement from Washington referred to in the previous article, the following reference is made to the decline in sales of War Savings stamps:

War Savings stamps sales are falling lower and lower. In April they amounted to about \$9,500,000, in March they were \$10,143,000, in February \$15,816,000, in January \$70,996,000. For each of the last six months of 1918 sales were on an average of \$100,000,000. After the Victory Loan campaign the distribution of War Savings stamps will become more systematic, and consequently will grow in volume, the Treasury believes. Officials admit that if the sales do not increase materially the War Savings organization will be forced to disband.

#### REMOVAL OF RESTRICTIONS AGAINST COTTON SEED OIL TRADING ON N. Y. PRODUCE EXCHANGE.

Announcement was made by the Food Administration on May 6 that effective that date it would allow an increase of 2 cents in the maximum announced Sept. 12 1918 for the stabilized price of crude cottonseed oil f. o. b. point of production, and the delivery price of lard substitutes. According to "Financial America" "this increase was granted in order to allow for the increased cost of oleo spearin and hydrogenated oil, both of which are hardening ingredients necessary in the manufacture of lard substitutes. The increase is also intended to cover the loss to refiners due to the greatly reduced price of soap stock, the by-product in the refining of cottonseed oil."

The Food Administration further announced that restrictions on trading in cottonseed oil on the New York Produce Exchange had been removed effective May 6 1919 in so far as they relate to trading in the new cottonseed oil crop, beginning with October delivery. Following the announcement Edward Flash, Jr., President of the Produce Exchange, made known that cottonseed oil operations around the cotton oil ring would be resumed on Thursday of this week. The New York "Commercial" of the 6th inst. said:

While trading in cottonseed oil futures has never been stopped, the Government left no loophole for speculation and only transactions governing actual oil supplies have been allowed. As a result there has been no buying or selling around the ring on the Exchange for nearly a year.

Representatives of the crushers, jobbers, compounders and seed interests held conferences in Washington recently, but there was considerable difference of opinion as to a resumption of trading in present crop supplies and it was finally decided to recommend starting up with new crop months. It is believed that within a short time the other Government restrictions will be removed.

It is pointed out by those who favor unrestricted trading in futures that cotton oil naturally would seek its normal relation in point of price to pure lard and kindred articles, which are selling at heavy premiums over oil. This situation is emphasized by the fact that refined lard is selling at 36 cents, as against 23½ cents for compound lard, which has cotton oil for its principal ingredient.

#### RELIEF SHIPMENTS TO BELGIUM FROM UNITED STATES CEASED MAY 1.

The American Relief Administration, in announcing on April 23 the return to New York after a five weeks stay in Belgium of Prentiss N. Gray of the Commission for Relief in Belgium, made known that the shipments to Belgium from America by the commission would cease May 1. The statement of the American Relief Administration said in part:

Mr. Gray made the tour of inspection through Belgium and Northern France upon which Herbert Hoover, Director-General of the American Relief Administration, based his recommendation that shipments from America by the Commission for Relief in Belgium cease on May 1.

Since the beginning of the war the Commission for Relief in Belgium has shipped abroad more than 5,000,000 tons of food, costing over \$750,000,000. Nine hundred and fifty full cargoes were shipped from the Atlantic ports alone, in addition to large reshipments from England originating in all parts of the world.

During the European struggle the Commission became the best-known and best-loved of all war-relief organizations throughout the world.

Mr. Gray was the last American to leave Belgium after our entrance into the war. At the request of Mr. Hoover, he remained for a month after Brand Whitlock, the American Minister, had left the country, for the purpose of turning over affairs to the Dutch and Spanish delegates who were to replace the American staff.

In discussing the termination of the work of the Commission and conditions which now exist in Belgium, Mr. Gray in an interview at the offices of the American Relief Administration, 115 Broadway, yesterday emphasized the desirability of diverting much of the charitable relief which has been going to Belgium to the liberated nations of Central Europe.

"The whole endeavor of the Belgian people is headed toward a restoration of normal commerce and for this reason it was deemed particularly advisable to allow the ordinary supply and demand to govern the food

trade of the country," said Mr. Gray. "For the time being, however, there must continue a Governmental restriction on selling prices in Belgium to prevent inordinate profiteering and consequently the Belgian Government has determined to establish its own agency for the purchase of food supplies in this country. And the people are willing to continue conservation regulations until local industry is re-established.

"After four and one-half years of activity in feeding the population of Belgium and occupied France, the Commission for Relief in Belgium closes its operations on May 1. During this time the Commission has delivered into the occupied territories over 5,000,000 tons of food, costing more than \$750,000,000, which has been sufficient to keep from starvation these ten millions of people.

"Shortly after the signing of the armistice, the Commission announced to its supporters in the United States that the Belgian people required no further charitable contributions, as, on regaining their liberty, they desired to stand on their own feet, and to take care of their own people without outside assistance. The investigations which I made recently in Belgium for Mr. Hoover have convinced me that the time has come when the Belgian and French populations of the invaded districts can arrange their own food imports through their own Governments and normal commercial channels. Therefore it has been arranged that on the first of May shipments from America by the Commission for Relief in Belgium will cease.

"The French Government will at the same time include the people of the devastated regions in the general French program of feeding."

In describing conditions in Belgium since the armistice, Mr. Gray said further:

"The Belgian people have passed through three distinct phases since the armistice: First, the exaltation of their freedom and the return of their beloved King and army, when they believed that food and work would be abundant and that all their troubles had fled; second, a period of depression when they found that the military victory did not immediately bring industrial prosperity and unstinted supplies of food and when their new-found freedom of movement allowed them to take stock of the whole of the damage done to their country; third, a spirit of firm determination to take up this work of reparation and reconstruction and regain the prosperity which they had before the war.

"The change from the feeling of absolute depression to this brave resolution has been most marked during the past thirty days. The docks of Antwerp have assumed almost a normal appearance. With the movement of the American and British naval bases from Rotterdam to Antwerp, together with the fleet of the Commission for Relief in Belgium, the port has taken on a marked activity.

"Eight thousand tons of raw cotton have arrived at Ghent, and it has been found possible to start about 50% of the cotton mills in this vicinity. The steel works of Liege and Hougre will be running in part by June, and the coal mines of the Borinage and the Centre are now producing almost to their fullest capacity.

"Belgium has been able to establish a commercial credit of fifty million dollars in the United States through a consortium of banks and already orders for textiles and machinery are beginning to be placed in the United States."

#### RESTORATION OF FIRST-CLASS POSTAGE RATES.

Postmaster Patten at New York on May 1 called the attention of the public to the restoration on July 1 1919 of the first-class postage rates in effect prior to Nov. 2 1917, as follows:

##### Letters and Other First Class Matter.

Two (2) cents an ounce or fraction thereof.

Postal or post cards one (1) cent each.

Effective July 1 1919 letters and other first class matter mailed in the Boroughs of Manhattan and Bronx addressed to any of the other boroughs of New York City will be subject to the postage rate of two (2) cents an ounce or fraction thereof. Postal or post cards (1) cent each.

The present first class postage rates will remain in force until and including June 30 1919.

#### DR. JULIUS KLEIN SUCCEEDS ROBERT S. BARRETT AS COMMERCIAL ATTACHE AT BUENOS AIRES.

Dr. Julius Klein was appointed Commercial Attache at Buenos Aires on May 1, to succeed Robert S. Barrett, who has resigned from the Government service to enter private employ. Mr. Barrett made an extended study of the market for paper, paper products and paper and printing machinery in Latin America, five very comprehensive reports on these commodities having been prepared by him. Previous to his connection with the Bureau of Foreign and Domestic Commerce, Mr. Barrett had twelve years experience in the newspaper, printing and stationery business in Latin America. Dr. Klein has been Chief of the Latin American Division of the Bureau of Foreign and Domestic Commerce since Sept. 1 1917. Previous to his connection with the Latin American Division, he spent two years in Spain and six months in South America after having specialized in Latin American trade studies before receiving his degree from Harvard.

#### FAILURE OF CONFERENCE ON STEEL PRICES BETWEEN INDUSTRIAL BOARD AND STEEL INTERESTS.

The conference held in this city on Thursday, the 8th inst., between representatives of the Railroad Administration and steel producers, in a final effort to adjust the controversy between the Railroad Administration and the Industrial Board of the Department of Commerce on the question of steel rail prices, failed to yield an agreement. As a result, Director-General of Railroads Walker D. Hines, announced late in the day that the conferences were at an end and that the Railroad Administration would proceed to ask for com-

petitive bids for steel materials, thus creating an open market for steel. Following Thursday's meeting Judge E. H. Gary, Chairman of the Board of the United States Steel Corporation and Chairman of the General Committee of the American Iron and Steel Institute, issued the following statement:

After a long discussion the representatives of the Railroad Administration and the Iron and Steel Industry have failed to reach any agreement for reduction of the schedule of prices approved by the Industrial Board of the Department of Commerce, the former claiming the prices are not low enough to satisfy them and the latter insisting further reductions cannot be made without decreases in costs of production which would necessitate a lowering of wage rates.

As we have before indicated, the controversy between the Railroad Administration and the Industrial Board over the price-stabilization plan of the latter developed on April 2 with the declination of the Railroad Administration to accept the steel prices previously agreed on (March 20) by representatives of the steel industry and the Industrial Board. The developments leading up to this week's conference were detailed in our issue of Saturday last, page 1782. While Director-General Hines was in New York on Thursday, he was not present at the conference at which the Railroad Administration was represented by T. C. Powell, Director of the Division of Capital Expenditures, and Henry B. Spencer, Director of the Division of Purchases. Besides Judge Gary, the steel interests at the conference included Eugeno G. Grace, President of the Bethlehem Steel Corporation; B. F. Jones of Jones & Laughlin; John A. Topping, Chairman of the Republic Iron and Steel; James A. Campbell, President of Youngstown Sheet and Tube; James A. Farrell, President of the United States Steel Corporation; Leonard Peckitt of the Empire Steel and Iron Co.; W. U. Follanbee of Follanbee Brothers & Co.; L. E. Black, Vice-President of the Inland Steel; James A. Burden, of Burden Iron and Steel; C. H. McCullough, of Lackawanna Steel, A. C. Dinkey, President of Midvale Steel; H. G. Dalton of the Pickands-Mather Co., John A. Savage of J. A. Savage & Sons; F. G. Gordon of the Lukens Steel Co., and J. V. W. Reynolds of the American Tube and Stamping Co. Mr. Hines in his statement as to the conference and its results said:

In accordance with the suggestions from Secretary Redfield and Chairman Peck of the Industrial Board, the Railroad Administration, representatives, Messrs. Henry B. Spencer and T. C. Powell, had a conference to-day with representatives of the steel interests. Messrs. Spencer and Powell offered specific criticisms of the steel prices heretofore proposed and suggested maximum prices which the Railroad Administration would feel justified in paying for the various steel articles which the railroads use in important quantities including steel rail. It was made clear that the Railroad Administration did not wish to obtain preferential prices as compared with the general public. The steel interests were unwilling to make any change in the prices announced in March.

The conferences on this subject are at an end and the Railroad Administration will, in accordance with its settled purpose, proceed as rapidly as it needs steel materials of any kind to ask for competitive bids and purchase accordingly. The Railroad Administration will at once, in accordance with this policy, ask for bids for 200,000 tons of steel rail. The reduction since the war in a single element of cost is so great as to make the prices proposed by the steel interests and the Industrial Board practically as profitable to the steel interests as were the higher prices that prevailed during the war, upon the basis of which the steel interests made enormous profits. This item of cost is the price of scrap materials, which is not a controlled commodity, but the price of which fluctuates according to supply and demand, and which, of course, can be, and is, used very largely in the making of steel products. The fall in the price of scrap material (from \$30 per ton to about \$15 per ton) has been so great that the resulting decrease in the cost of steel products is practically as great as the total proposed reduction in the prices of steel products.

Therefore, while the public has thought the steel interests ought to make, and could well afford to make, important concessions to encourage the resumption of business, the fact is that on account of the reduction in the price of scrap material alone the prices proposed for steel products represent no concessions whatever from war-time profits.

By the way of comment on the prices proposed in March, as well as in support of the prices suggested by the Railroad Administration, the following views were expressed by Messrs. Spencer and Powell: That the steel interest have made profits so large as to make substantial concessions practicable under existing conditions without affecting the wages is strikingly illustrated by a consideration of the profits made by the steel interest for the calendar year 1918.

The United States Steel Corporation for the year 1918 reports the net earnings from all rolled tonnage, before deducting income tax, excess profits tax, &c., a profit about \$33 per ton. The Midvale Steel Company for the same period shows a profit of approximately \$35 per ton. This statistical information for other steel-producing companies for the year 1918 is not yet published, but their financial statements indicate results which were correspondingly favorable. The arguments which have been presented in the effort to support the prices proposed by the steel interests and the Industrial Board have rested upon costs incurred during the war period. Even those costs show exceedingly handsome profits to the low cost producers.

But it is obvious that these costs, without reduction in wages, will on account of the termination of the war, be subject to very important reductions (in addition to the great reduction in the cost of scrap material already referred to). The war costs appear in many instances to involve a heavy increase in the royalty for ore or the assumed value of the ore in the ground. This increase did not represent an actual increase in cost so far as the producers of the ore were concerned, but simply represented a heavy additional profit. Yet this increased profit in ore appears to be included in the war costs upon which the figures have been based. The cost of coke has fallen substantially from \$3 to \$4 per ton, representing a saving of from \$3 to \$5 per ton of iron.

The steel interests and the Industrial Board have proposed a price of \$38 50 for steel billets, and yet they have proposed prices for finished steel products which are wholly out of line with the price for steel billets. The differentials which the steel interests and the Industrial Board propose for the finished products as compared with steel billets are so great as to make the prices for the finished products altogether unattractive and altogether unjustifiable, especially in the light of the considerations already pointed out.

If the average differentials for finished products as compared with steel billets during the sixteen years preceding the year 1917, be increased by 50% (to insure against any adverse effect upon the wages paid to labor), the resulting differentials and prices for the finished steel products would be as follows, as compared with the prices actually proposed (per ton of 2,240 pounds):

	After adding 50% to differential	Suggested new price based on 50% in- crease in differen- tial plus billet price of \$38 50.	Price fixed Mar. 21 1919 by Peck Com.
Bars	\$10 32	\$48 82	\$52 64
Bessemer steel rails	2 87	41 37	45 00
Galvanized sheets No. 28	81 48	119 98	127 68
Beams	13 04	51 54	54 88
Wire roads	9 81	48 31	52 00
Tank plates	13 28	51 78	59 36
Black sheets No. 28	40 67	40 17	97 44
Thin plate	83 84	122 34	156 80
Nails	23 69	62 19	72 80

Messrs Spender and Powell pointed out that the cost of open hearth rail was no greater than the cost of Bessemer rail, since the cost and price of both sorts of billets were the same and, therefore, that the price of open hearth rail should be no higher than the price of \$41 37 above indicated for Bessemer rail, and that if the steel interests wished to encourage the purchase of Bessemer rail they should do so by making the price of Bessemer a differential under the price so arrived at for open hearth rail rather than through increasing the price of open hearth rail by the amount of the old differential.

The actual differentials during the year ended June 30 1917 which represents as nearly as possible the conditions immediately prevailing prior to the great assumption of war activity by this Government, are even less than the differentials for the 16-year period. The best estimates that can be made as to the actual operating costs of converting steel billets into finished products, even under war conditions, indicate that the differentials on the basis of 150% of the 16-year period average shown above, will fully cover that additional cost and a substantial profit. Messrs. Spencer and Powell indicated a willingness on the part of the Railroad Administration to purchase for the time being at the suggested new prices based on 50% increase in differential plus the billet price of \$38 50 announced in March.

The steel interests were unwilling to make any reduction in their price, and, in order to repel the argument that the prices for all other products were out of line with the billet prices, manifested a disposition now to claim that their own billet price of \$38 50 was lower than it ought to have been. Another fact which the Railroad Administration regards as a significant indication of the unreliability of using war costs as a basis for current prices is that one important element in the war costs was the cost of the water carriage of ore, and this was especially burdensome with respect to some of the high cost producers. This condition has radically changed since the termination of hostilities has released so much shipping. As an illustration, the Bethlehem Steel Co. has filed a claim against the Shipping Board for the use by the latter, during the war, of the former's ships, which were desired by the steel company to carry ore from Cuba to the plant near Baltimore.

The steel company claims that the actual cost of transporting ore was \$0 96 7/8 per ton during 1918, while the Shipping Board's rate, which the Bethlehem Steel Co. paid during 1918, was \$9 50 per ton. Hence by the Bethlehem Steel Co.'s ability to get back its ships there appears to be a saving of approximately \$7 50 a ton for delivery of ore, which represents at least \$15 per ton on pig iron, since it requires two tons of ore or more to make a ton of pig iron. The steel interests urged that their costs in March were unusually heavy notwithstanding the cessation of hostilities, but the representatives of the Railroad Administration claimed that these abnormally high costs at the present moment were due to temporary conditions of readjustment and ought not to be taken as a basis for prices designed to stimulate a general buying movement.

It should be remembered in this connection that the Industrial Board justified its approval of the steel interests costs for the month of October involving the elements which, as above pointed out, have so radically changed. After the most prolonged discussion, the representatives of the Railroad Administration still remained entirely satisfied that the reduced prices indicated by them could, and ought to be, adopted without affecting the wages paid labor in the steel industry.

The uncertainty and hesitation which have been injected into this situation would never have arisen if at the outset Chairman Peck had been willing to accept as final the position which the Railroad Administration stated before the Industrial Board made its public announcement and which it has at all times felt forced to maintain. But Chairman Peck has been bent on justifying his own mistaken conception of his function that he has been trying for weeks to get them accepted, and yet he has never succeeded in getting the support of the President or the Cabinet or the Attorney-General. In closing the discussions of this subject which have been carried on for some time by Mr. Peck of the Industrial Board, it is important that the totally erroneous impressions created by him, particularly in a recent speech before the United Chamber of Commerce at St. Louis be removed.

The fact is that the plan on which the Industrial Board was supposed to operate was thoroughly discussed at a special meeting of the members of the Cabinet on Feb. 3, and Mr. Peck stated in his speech that that meeting approved the plan of having the Industrial Board determine prices and make them effective by authoritative Governmental announcement. In this he is in error. The meeting distinctly declined to approve any plan for announcing prices at which the general public would buy, and the only plan which was approved was a plan to bring about, by voluntary action, a reduced level of prices at which the Railroad Administration would be justified in buying freely, and therefore, the plan actually approved specifically contemplated that the Board would act as a mediator between the producers and the Railroad Administration. The meeting of the members of the Cabinet on Feb. 3 was called and presided over by Secretary Glass of the Treasury Department, as indicating Mr. Peck's erroneous conceptions of the plan approved at that meeting.

Secretary Glass telegraphed to the Director-General after reading Mr. Peck's address in St. Louis sharply contradicting Mr. Peck's assumption that the President and the Cabinet ever sanctioned the policy of price-fixing engaged in by the Industrial Board. Mr. Glass in his telegram to the Director-General stated that Mr. Peck had conveyed the impression that

the Industrial Board pursued the exact course suggested by Mr. Glass's first cable to the President, whereas quite the contrary was true and the Industrial Board under Mr. Peek's leadership utterly perverted the suggested policy of those who initiated the movement for resumption of business activities and brought the scheme into direct conflict with the Federal statutes against unlawful agreements. Mr. Glass called attention to the fact that this was the very thing against which the President at the outset gave warning and precisely the thing that the members of the Cabinet who had part in the initial conference refused to countenance. Mr. Glass concluded by stating that although Mr. Peek had made it appear that his advocacy of unsatisfactory prices had the sanction of the President and Cabinet and has been opposed solely by the Railroad Administration, the very reverse is true.

Again, there was an entire aloofness between the regulating body and the private management. There was no common ground upon which they could meet. The private management saw its difficulties and appreciated the business needs of the situation and acted accordingly. But public regulating bodies did not have that knowledge. It did not see the thing as it developed as an actual fact in business management. It was in a position where, when the question was raised as to what was right and proper, it took the thing up after the private management had reached its conclusion and proceeded to consider it in an atmosphere of controversy and in a long drawn out hearing with argument and debate and crimination and recrimination.

The fact is that for a good many years all the public aspects of the railroad business in this country were conducted through a series of perpetual law suits, and no business can be successfully conducted on that basis and no degree of public tranquility can be accomplished through that method of dealing with a subject like this, which is so intimately connected with the welfare of every individual in the country. Those conditions led to the greatest uncertainty and prevented the attraction into the railroad business of the capital that was necessary.

As I look at it, the objects which ought to be accomplished and which must be accomplished in successful regulation, are that the regulation shall realize an adequate and economic transportation service performed at reasonable rates.

The New York "Commercial" in its issue of yesterday in referring to the latest developments in the controversy stated that the fact that the President cabled on May 2 that the Industrial Board should be dissolved became known to Mr. Redfield and George N. Peek, Chairman of the Board, for the first time Thursday morning, when they read Mr. Hines's letter to the former under date of yesterday. The "Commercial" said:

Apparently this cable was forwarded by the White House to Mr. Hines, but not to Mr. Redfield or Mr. Peek.

Mr. Hines in his letter said:

"As you are, of course, advised conference has been arranged to take place to-morrow in New York between the Railroad Administration and the steel interests. To prevent misunderstanding I write to advise that the Railroad Administration will, in the course of this conference, either agree or disagree with the steel interests and treat the matter as disposed of accordingly without further reference to the Industrial Board. This appears to be the obvious course to pursue, in view of the President's message of May 2, indicating that it would be best to discontinue the Industrial Board, particularly in view of the fact that the Attorney-General regards its action as questionable under the law."

Even apart from the President's indicated desire that the Industrial Board shall resign, the address which Chairman Peek, of the Industrial Board, delivered to the Chamber of Commerce of the United States at St. Louis, on April 29, which address I did not have an opportunity to read until yesterday afternoon, makes it clear that it will be a waste of time to attempt any resort to the Industrial Board with a view to mediating any difference of opinion which may remain between the Railroad Administration and the representatives of the steel interests at the conclusion of the conference referred to.

It was announced last night that Secretary of Commerce Redfield has formally accepted the resignation of the members of the Industrial Board.

Yesterday (May 9) the following statement was given out at Judge Gary's office in answer to the above remarks of Mr. Hines:

The attention of Judge Gary was called to the statement made by Director-General Hines, concerning the conference yesterday between representatives of the Railroad Administration and the Iron and steel industry, and when requested to comment on the same he answered as follows:

"We desire to avoid any controversy with the Railroad Administration or any other Government department. It is a time when all interests should co-operate in aiding to facilitate the movement for improved industrial conditions which is certain to take place if it is not already in evidence. The statement of the Director-General, if it had been made after full acquaintance with the facts and figures, and had been made after full acquaintance with the facts and figures, and had been made after full acquaintance with the facts and figures, would not, in my opinion, have any bearing upon the exact present situation. On the present basis the cost of production, as shown on the books of the manufacturers, verified by the Federal Trade Commission, would not permit any further reductions in the present selling prices without lowering the wage rates. Our subsidiary companies are strictly maintaining the scale of prices approved by the Industrial Board of the Department of Commerce, and it seems to me that that will be the attitude of other manufacturers, for the reason, if for no other, that their cost of production will not allow any further reductions in selling prices. They have voluntarily made two substantial reductions since the armistice was signed. I regret that opinions between the Railroad Administration and the iron and steel industry should have differed. The business relationship has always been pleasant and we should like to see it continued without interruption."

Judge Gary was asked to state his opinion concerning an open market, and replied:

"There has at all times been an open market. An opinion to the contrary is a misconception of facts. There has been no effort to establish fixed prices. The fact that a seller cannot or will not reduce his selling price or that a purchaser cannot or will not pay the price asked does not modify the fact that the market is open."

"There is good business ahead. It is for the best interest of the whole country, producer and consumer, employer and employee, and the general public, to take advantage of the extraordinary resources of the United States by standing together for greater progress and prosperity than we have ever before experienced."

STEEL PRODUCTION IN 1918 AND TO DATE.

The production of steel ingots in April 1919 as compiled by the American Iron & Steel Institute from the results of 30 companies, which in 1918 produced 84.03% of the total output of steel ingots in that year, amounted to 2,239,711 tons. Of this amount 1,732,447 tons were open hearth,

500,770 tons Bessemer and 6,494 tons all other grades. During the same month last year 3,163,410 tons were turned out, of which 2,377,974 tons were open hearth, 769,249 tons Bessemer and 16,187 tons all other grades. The production for April 1919 is the smallest since January 1918, during which month the output was 2,203,845 tons. In the following we show the monthly production by grades from January 1918 to April 1919 and the total for the calendar year 1918:

MONTHLY PRODUCTION OF STEEL INGOTS, JANUARY 1918 TO APRIL 1919.\*

Months—	Open Hearth, Gross Tons.	Bessemer, Gross Tons.	All Other, Gross Tons.	Total, Gross Tons.
January 1918.....	1,763,356	429,588	10,901	2,203,845
February.....	1,805,233	454,457	14,051	2,273,741
March.....	2,331,048	763,255	16,078	3,110,381
April.....	2,377,974	769,249	16,187	3,163,410
May.....	2,475,131	796,244	15,858	3,287,233
June.....	2,281,718	786,380	15,345	3,083,446
July.....	2,311,545	784,997	17,093	3,113,635
August.....	2,299,177	766,860	17,643	3,083,680
September.....	2,407,993	772,863	16,802	3,197,658
October.....	2,527,776	807,043	17,377	3,352,196
November.....	2,291,720	753,409	15,631	3,060,760
December.....	2,273,189	706,844	12,273	2,992,306
Total 1918.....	27,145,860	8,591,189	185,242	35,922,291
January 1919.....	2,351,153	749,346	7,279	3,107,778
February.....	2,043,635	655,206	5,842	2,704,683
March.....	2,100,528	555,332	6,405	2,662,265
April.....	1,732,447	500,770	6,494	2,239,711

\*Reported for 1918 by 29 companies which made about 85.10% of the steel ingot production in 1917, and for 1919 by 30 companies which made about 84.03% of the steel ingot production in 1918.

PLANS FOR DISPOSAL OF GOVERNMENT'S STOCKS OF IRON AND STEEL.

At the conclusion of meetings held for the purpose of considering plans for disposing of the surplus stocks of iron and steel in the hands of the Government it was announced on April 30 that it was the consensus of opinion of the meetings that all steel scrap material should be disposed of by means of sealed proposals. This was made known by the War Department, which authorized the following statement from the office of the Director of Sales:

Plans for the disposition of surplus stock of iron and steel in possession of the War Department were arranged at a series of conferences held April 24 and 25 between representatives of the Director of Sales and committees representing the American Board of Scrap Iron Dealers and the steel industry of the United States.

The meetings were called so that the Government might obtain the views of the leading representatives of the steel industry in order that their ideas might be utilized in formulating a policy for the disposal of the Government's surplus iron and steel. The Government representatives emphasized the statement that they wanted to sell in such a way as to affect industry least and at the same time realize the maximum return for the Government.

It was the consensus of opinion of the meetings that all steel and steel scrap material should be disposed of by means of sealed proposals to be accompanied by a certified check of 20% of the amount of the bid made, which amount would be applied against the last shipment, intermediate shipments being made with sight draft bills of lading. This method, in their opinion, would be productive of the best results to the Government and was eminently fair to all bidders.

As a result of a discussion as to whether or not sales should be made "on ground" or "f. o. b. cars," the latter arrangement was determined upon as the best for the Government to follow, for by so doing more bids would be secured and at more favorable prices. An out-of-town bidder would not know how much it would cost to place the material on cars and without such information would not be in a position to make an intelligent bid.

The totals of not only scrap, but of semi-finished and finished material as well were shown, and it was conceded that the entire quantity was very much smaller than had been anticipated. For the purpose of comparison it was reported that the country consumed in 1916 about 12,000,000 tons of purchased scrap, so the present surplus of approximately 605,000 tons would represent but a small percentage of the 1916 consumption.

Those present at the conference Thursday, April 24, were: C. A. Barnes, Secretary American Board of Scrap Iron Dealers; Eli Joseph, Joseph Brothers, New York; F. Reese Phillips, Perry, Buxton, Doan, Philadelphia; W. F. Hittner, Henry A. Hittner Son's Co., Philadelphia; Joseph Hyman, Hyman, Michaels Co., Chicago., Ill.

Those present at the meeting Friday, April 25, were: J. B. Bonner, United States Steel Corporation, Washington; H. F. Knapp, Carnegie Steel Co., Washington; C. McKillips, Carnegie Steel Co., Pittsburgh; Paul Mackall, Bethlehem Steel Co., Bethlehem; E. R. Leonard, Bethlehem Steel Co., Bethlehem; R. L. Battiger, Midvale Steel & Ordnance Co., Philadelphia; Jos. B. Kind, Midvale Steel & Ordnance Co., Washington and Philadelphia; R. T. Rowles, Jones & Laughlin Steel Co., Pittsburgh; C. I. Starratt, Republic Iron & Steel Co., Youngstown; E. Armstrong, Lackawanna Steel Co., Buffalo.

THE MAY DAY RIOTS.

May 1—the International Labor Day of the radical and Socialist labor movement—was marked by great demonstrations in most of the large cities throughout Europe, and in this country was more generally observed than ever before, and for the first time here was accompanied by riots and bloodshed. In Paris the day was celebrated by a twenty-four-hour general strike which stopped every wheel in the city, closed hotels, theatres, stores, restaurants and newspaper offices, and forced thousands of people living in hotels and boarding houses to go hungry, unless they had laid in

a store of food in advance. Paris policemen to the number of 428 were injured during the demonstrations held in different parts of the city. A manifesto distributed by the General Federation of Labor presented a series of demands half industrial and half political in their nature.

In this country the most serious disturbance was at Cleveland, Ohio. Here one man was killed and twelve policemen and scores of civilians injured in a series of riots which followed attempts to hold public meetings at which red flags were displayed and Socialistic speeches made. A large number of the demonstrators were arrested and many received severe sentences at the hands of the magistrates. Numbers who were found to be non-citizens are being held, it is said, for deportation.

In this city, where a number of meetings were scheduled by Socialist and labor bodies to protest against the imprisonment of Tom Mooney, Eugene V. Debs, and other so-called "political prisoners," bands of ex-service men in uniform took the lead in breaking up a number of gatherings, and in making raids on the Rand School, a Socialist institution, and on the new building just purchased by the Socialist daily, "The Call." At the Rand School considerable damage was done to the office equipment, and at the "Call" building some hundreds of Socialist sympathizers, including women and children, were driven from the building and in some cases brutally assaulted. A mass meeting in Madison Square Garden, held under the auspices of the Central Federated Union as a protest against the imprisonment of Tom Mooney, the San Francisco labor leader, convicted in connection with the Preparedness Day bomb outrage, was also the scene of tumultuous rioting. The police had word that an attempt was to be made by men in uniform to break up the meeting, and 1,700 patrolmen, including mounted men, were assigned to protect the building. The unformed mob made a stubborn effort to break the police lines, but were eventually driven off.

Boston, Chicago and numerous other cities witnessed similar scenes. Taken in connection with the widespread bomb plot, involving the sending of infernal machines through the mails to a number of prominent persons, the May Day riots have resulted in numerous proposals for stringent legislation to curb the display of the red flag and the spreading of seditious propaganda in this country. The extension into peace time of some of the provisions of the Espionage Act, and a Federal measure to curb the use of revolutionary flags and emblems are among the measures proposed, as also are further amendments to the Immigration Law to curb foreign agitators.

#### UNITED STATES GOVERNMENT BUYS HOBOKEN PIERS FORMERLY USED BY GERMAN LINERS.

The purchase by the United States Government of three of the six steamship piers in Hoboken formerly used by the Hamburg-American and North German Lloyd steamship lines became known on May 3, when conveyances were filed in the Hudson County Courthouse at Jersey City. The purchase price is understood to be \$2,500,000. The property was taken over by the Alien Property Custodians' early in the war, and has been used as an embarkation station for the shipment of soldiers to and from France. The piers just transferred to the ownership of the Government were the property of the Hamburg-American Line. The three remaining German-owned piers, belonging to the North German-Lloyd Line, are also, it is stated, slated for early transfer to the Federal Government. This would leave the German steamship companies without docking or terminal facilities in this harbor. Whether the piers, when their use as an embarkation depot is ended, are to be handed over to the Navy or to the Shipping Board, has not been revealed, but it is supposed the latter will take charge, and that the docks, which are to be extensively improved, will be used in connection with the new merchant marine.

Reports were also received from Paris on May 5 that the Peace Conference was considering turning over to the United States some 89 German ships, of a total tonnage of 654,050, and including some of the largest passenger ships in the world, the purchase price to be credited against the damages due this country from Germany for illegal acts committed before and since the war. The report, however, has not so far been confirmed.

The proceedings in connection with the original seizure of the Hoboken docks were referred to in the "Chronicle" of April 13 1918, page 436.

#### GEORGE W. PERKINS IN ANSWER TO CRITICISMS AGAINST Y. M. C. A.

Answers to criticisms directed against the war work of the Y. M. C. A. are answered in a report on the activities of the organization with the American Expeditionary Forces, made public by George W. Perkins on May 6. Among other things the report says:

The statement has frequently been made that the Y. M. C. A. charged higher prices for canteen supplies than the army did. This was true at certain periods when the cost of transportation was exceedingly high and when it was difficult to determine costs accurately. As promptly as the costs could be reduced the prices were reduced, and for many articles the Y. M. C. A. charged lower prices than the Quartermaster did. The latter fact is additional evidence of how extremely difficult it was during the fighting period, to ascertain the cost of articles so as to fix a proper price, for certainly the Quartermaster did not wish to make money on the sales any more than did the Y. M. C. A. The final results of the Y. M. C. A.'s canteen operations will show a substantial loss.

The report, it is pointed out, "only covers operations of the Y. M. C. A. in France, England, Germany and Italy. It does not touch on any of the large activities carried on by the Y. M. C. A. in the various camps in this country neither does it cover the work which the Y. M. C. A. did in the Navy or in other parts of Europe with the Allied forces, or among prisoners of war, &c." It also says in part:

In December 1918 Mr. Mortimer L. Schiff, Mr. F. S. Brockman, Mr. John R. Hall and I were asked by the Executive Committee of the War Work Council of the Y. M. C. A. to go to Europe and make a study of the work, and do everything possible to further its efficiency. As Chairman of the Finance Committee of the War Work Council, I was especially glad to do this, as I have keenly felt the responsibility for the large sums of money subscribed by the public. Our aim was to look at the whole project through the eyes of a contributor, for we were deeply sensible of the fact that many cases contributions were made by people who had to deny themselves in order to give to this cause. Our study, therefore, was constantly carried on with a view to making a report that would, as nearly as possible, give the hundreds of thousands of people who contributed money the information they would naturally desire.

The Y. M. C. A. was very much circumscribed in its efforts to secure men for service abroad, for these men could not be taken from those who were subject to the draft; neither could they be taken from men much above the age of 45, because the work at many points was of too strenuous a character to be performed by men much beyond middle life. This limited the ages from which men could be called into service to a comparatively few years.

The following shows the care with which workers were selected to be sent to the other side.

Committees were formed in different parts of the United States to canvass for men and women workers. The system was something like this: In Columbus, Ohio, for instance, there would be a committee. It would look up people. Those whom it selected would be referred to the Ohio headquarters in Cleveland. If they passed muster there, they were referred to the Central Department office at Chicago. Such as were not eliminated there were sent to New York, investigated further, and selection made. This same system covered all of the country. At least 150,000 people were considered by these various district committees. Of this number over 40,000 were finally sifted out and seriously considered in New York. Of this number 11,229 were finally accepted and sent to Europe, where they served for varying periods. In April 1919 the Y. M. C. A. had in Europe 5,693 men and 2,657 women, making a total of 8,350.

Much has been said about the inefficiency of some of these workers, and, without doubt, a number of them were inefficient. In any form of organization in civilian life, whether it be public schools, chain stores or corporations, if 90% of those originally employed make good, the result is regarded as highly satisfactory. If 10% of the 11,229 people operating in France for the Y. M. C. A. were inefficient it would mean that there were 1,122 men and women who were more or less of a failure. I do not believe that anything like this number of people were unsuccessful; but if, under the close scrutiny which the soldiers give these welfare workers, even 5% of them had been failures it would have put a large amount of criticism in circulation, and the work of the 95% who were successful would be forgotten in the publicity given to the 5% who were unsuccessful.

That the workers as a whole were brave and unselfish is shown by the fact that 14 Y. M. C. A. secretaries were killed and 126 others were wounded while engaged in their work.

On Aug. 20 1917 General Pershing asked the Y. M. C. A. to undertake the management of the Army canteens. The difficulties were many. It was extremely difficult to get supplies as well as to get men who were accustomed to handling, distributing, selling and accounting for such supplies. There was a time when the war was at its height, that it cost the Y. M. C. A. almost as much to get an automobile from the United States to France as the automobile itself cost in the United States. The same was true of canteen supplies. One day the Y. M. C. A. could get supplies sent on a Government boat without freight charges. The next day the only way to send them was to pay almost as much in freight as the goods cost. It will be readily seen that it was almost impossible to arrive at anything like an average cost price at which to sell these goods.

The Y. M. C. A. never solicited money for the purpose of giving away its canteen supplies. If the Y. M. C. A. had given away canteen supplies in France on the scale of its sales, it would have spent in this activity alone at least as much money as its entire expenditures in France for all its activities. The constant policy of the Y. M. C. A. was to sell canteen supplies as nearly as possible at cost, and to bend every effort, when fighting was in progress, to furnish the men at the front with supplies free of charge where it was at all possible to get the goods to them.

Some have criticized the Y. M. C. A. for not giving away more articles such as cigarettes, chocolate, &c. Its policy has been not to give away generally but only in special and needy cases. From June 1918 to April 1919 the Y. M. C. A. handled in France alone upwards of 2,000,000,000 cigarettes, 32,000,000 bars of chocolate, 18,000,000 cans of smoking tobacco, 50,000,000 cigars, 60,000,000 cans of jam, 29,000,000 packages of chewing gum, and 10,000,000 packages of candy. These are only a few of the items handled, but the size of these figures should convince anyone that it would be financially impossible for the Y. M. C. A. to give its supplies away generally. Furthermore, the army does not favor any such policy. It thinks that it is far better for the men to spend their money on such articles as these, than to spend it in other ways. For the most part the men hold the same view.

The Y. M. C. A.'s definite program in Europe from the beginning, and continuously, has been to bend every effort and use every dollar it could obtain to occupy the leisure time of the soldiers, and to do this with various forms of entertainment, athletics, worth-while educational activities, &c. Can there be any doubt that every father and mother, every wife and sister, and the men themselves, will approve the Y. M. C. A.'s course in this respect? Is it not infinitely better to do everything possible to occupy the leisure time and to fill the long dreary evenings of the soldiers than to use the money in giving away a larger quantity of cigarettes, chocolates and other similar articles?

Early in the war, because of its inability to get certain supplies from the United States or elsewhere, the Y. M. C. A., through the courtesy and with the assistance of the French Government, succeeded in reopening a number of factories, the Y. M. C. A. supplying the raw materials, supervising its manufacture, and taking the entire product. The 20 biscuit factories, 13 chocolate factories, 3 candy factories and 8 jam factories operated in this fashion, when working at their maximum, produced monthly:

- 10,160,000 packages of biscuits.
- 7,400,000 tablets of drinking chocolate.
- 3,500,000 bars of sweet chocolate.
- 1,000,000 bars of milk chocolate.
- 3,800,000 bars of chocolate cream.
- 1,500,000 nut-covered chocolate rolls.
- 3,100,000 cartons of caramels.
- 2,000,000 tins of jam.

On March 1 1919 the Y. M. C. A. had in operation in France 587 buildings of various kinds which it had erected itself, 596 which it had leased, and 782 centers in tents and army buildings. For the most part these buildings are used as centers where the men can congregate, write letters, read magazines, books and papers, play games, visit, and feel relieved of a certain amount of the restraint necessary to army life. In these buildings moving pictures are shown, entertainments of various kinds given, concerts provided, and religious services conducted. These buildings are placed at the disposal of all other religious and social welfare organizations, regardless of denomination or creed. Protestants, Catholics, Jews, all are welcome to use the facilities provided, for which no charge is made to any organization or any soldier.

The Y. M. C. A. is also operating a number of hotels in the important centers. In London the Y. M. C. A. has five such hotels. The prices charged for rooms and meals are very moderate, so that a considerable loss has been incurred in these hotels up to date. The importance of this service to our men when they are traveling about can hardly be overestimated in view of the overcrowded condition of these cities.

It would be impossible to give anything like accurate figures of the amount of literature that the Y. M. C. A. has distributed to the American soldiers in France, England, Germany and Italy, for it has been of so many different kinds, obtained wherever it could be secured, in small or large quantities. In brief, the more important items which the Y. M. C. A. has distributed to the men up to date are over 5,000,000 bound volumes, 4,000,000 pieces of religious literature, 2,000,000 magazines, 10,000,000 newspapers, and 1,000,000 copies of a 96-page song book, embracing popular songs of the A. E. F. In addition, the Y. M. C. A. at many points acts as distributing agent for the American Library Association.

Soon after their arrival in France, our soldiers began to make inquiries as to how they could send money home. They had no way to do this, because in a majority of cases they were in small towns where there were no banking facilities. The Y. M. C. A. undertook this remittance service, and up to April 1 1919, 323,432 separate remittances, amounting to \$19,542,396 46, were made to the United States. Last winter one ship alone brought to New York a list of over 21,000 names of people to whom money was to be paid. The average payment was relatively small, but the amount of detail work incident to carrying on this business was very large. No charge whatever is made for this service.

As I have said, there have been individual failures and semi-failures in the discharge of the Y. M. C. A. work, but these have been infinitesimal compared with the work as a whole. It is impossible to describe the chaotic conditions that existed while hostilities were going on. It was impossible to keep accounts at the huts, accurate inventories, cash accounts and the like. Almost absolute trust had to be placed in the honesty of the individuals who had to handle supplies and money. The money had to be collected in all sorts of ways and transmitted to Paris headquarters in any way that presented itself. That the Y. M. C. A. did not lose large sums of money is a remarkable tribute to the honesty and faithfulness of the thousands of men and women who were engaged in this work.

The Y. M. C. A. undoubtedly made mistakes, but what it tried to do was to respond to every call that the Army made on it. It never hesitated to tackle any job it was asked to undertake; it did not sidestep any task it was asked to perform. It took the position that it was in Europe to do all it could, as best it could; that when it was called on to render service of any kind, its duty was to respond in the same spirit that the soldiers did and not hold back because adverse circumstances might make it impossible to meet with maximum success. The Y. sought service, not fame. Surely every contributor of money will approve the Y. M. C. A.'s course in this respect.

#### COMPTROLLER TRAVIS ON NEW YORK STATE FINANCES.

In a review of the State tax situation, Eugene M. Travis, Comptroller of the State of New York, points out that the existing deficit is due:

1. To the war emergency appropriations of \$19,000,000,000, and
2. The loss of an excise tax revenue of about \$11,000,000.

Mr. Travis, according to the "Journal of Commerce" April 30, states that the State Government, in addition to these exceptional problems, has on its hands very heavy burdens due to the fact that State functions have been largely extended in connection with the better protection of labor, improvement of health, promotion of education and other factors. The following is also taken from the paper quoted:

In speaking of the general problem, Mr. Travis says:

Citizens appreciate now as never before that this additional cost was not due to the waste and extravagance of public officials, but largely because the people themselves have declared their desire for improvements which so far, have created a funded debt exceeding \$268,000,000.

Again, they realize that this sum of money was borrowed. Thus there was assumed an enormous annual interest obligation of \$13,000,000 to liquidate the debt. This situation will require the wisest financing for

years to come in order to keep the bulk of taxation at the minimum. The people of New York understand that they have definitely committed themselves to these great enterprises and improvements. They also appreciate that their costs have passed beyond the control of the officials whom they elected and that all the latter can do is to be diligent in the exercise of economy measured at best in thousands of dollars as against fixed obligations of millions annually.

Besides the increased financial requirements caused by these numerous bond issues of recent years there are the additional administrative expenses resulting from new activities of the State which have been enacted into law as the result of popular demands. These are the Workmen's Compensation Law requiring \$79 employees and costing \$1,700,000 each year, widows' pension, better protection of labor, and public health, public defense, &c. The cost of maintaining the State's wards in hospitals, prisons and other institutions has increased in the same proportion as the cost of living outside, and furthermore, the population of these institutions, especially in the hospitals for the insane, has grown rapidly.

#### Officials Seek Solution.

How to meet these increasing obligations without resorting further to taxation upon real estate, already heavily burdened by the taxes of municipalities, is the problem to which State officials and a special committee of the Legislature have been directing their attention during the past few weeks. Within this time many model schemes of taxation have been suggested, but it is the opinion of those in charge of the State's finances that sufficient revenue could be obtained at the present time without causing any great disturbance to the present business condition now facing serious readjustments.

Before discussing these it should be borne in mind that for many years New York's government has been supported largely by revenues derived from special taxes on liquors, corporations, inheritances, stock transfers, and in later years automobiles, exemption of secured debts, investments and sundry others, constituting the State's wealth other than in real estate. During the last two years rates on some of these taxes have been increased, and now that the State's greatest single source of income, excise (liquor) tax, will be soon lost, it will be necessary to further increase those or add other sources if the real estate is to be exempted further. This could be accomplished as follows:

The Inheritance (transfer) Tax Law could be amended so as to yield at least \$3,000,000 more annually. New York does not tax bequests to benevolent, educational and kindred institutions of other States, nor is a tax imposed upon the estates of non-residents in respect to money or intangibles physically present within the State. Other Commonwealths insist upon such a tax, and it is time that New York should follow suit. The present investment tax is permissive, but it is difficult to compel owners of intangibles to contribute as they should for the support of the State. If the present law were made mandatory and suitable penalties provided, at least \$4,000,000 more could be added.

#### Motorists Should Pay Share.

Within the last twenty years over \$125,000,000 has been expended or pledged by the State for improved highways and about \$12,000,000 in addition for maintenance and interest each year. Last year motorists paid about \$4,200,000, half of which was shared with the communities, leaving only \$2,000,000 as their contribution in return for the lavish sums expended primarily for their benefit. If this State should adopt an annual tax similar to that imposed in all others at least \$2,500,000 more revenue could be secured from this source.

This year New York will lose approximately \$10,000,000 from liquor taxes because of the nation-wide prohibition movement, but it is evident that many substitutes for intoxicating liquors will be offered. Many hotels and popular restaurants will reap a large profit from traffic in these non-intoxicating substitutes, and a tax on this business would easily produce at least \$6,000,000 annually. Again, corporations organizing here for the first time pay comparatively less for this privilege than in any other States and a slight increase in the present rate would produce an income aggregating \$2,000,000 annually.

The stock transfer tax yielded over \$5,000,000 last year, and at least \$1,000,000 more could be added without increasing the present rate if a tax were imposed on the shares of stock borrowed and loaned and also upon their original issue. In addition, over \$12,000,000 more revenue could be secured from the present 3% manufacturing and mercantile corporation income tax if partnerships and general business organizations were included in the scope of this law. The noticeable tendency of late on the part of many such corporations to dissolve with the intention of continuing their business as co-partnerships justifies including this class of enterprises within the new law.

#### Would Yield an Extra \$2,375,000.

Shares of stock in national and State banks and trust companies and the surplus of savings banks are now taxed at the rate of 1% on their value or surplus. The tax on banks last year, amounting to \$5,500,000, was retained by the communities, while the tax on trust companies and the surplus of savings banks, aggregating \$4,000,000, was kept by the State. If this rate was increased  $\frac{1}{4}$ %, it would yield at least \$2,375,000 in addition.

#### TEXT OF NEW YORK STATE INCOME TAX LAW.

We give below the bill providing for a State income tax law, passed by the New York State Legislature just before its adjournment on April 19, and which is still awaiting Governor Smith's signature. As indicated in these columns April 26, page 1683, the bill imposes a tax of 1% on incomes up to and including \$10,000, 2% on incomes in excess of \$10,000, but not over \$50,000, and 3% on incomes in excess of \$50,000. The law becomes effective immediately, but does not apply to 1918 incomes; it is effective on incomes for the year 1919. Returns are required to be filed by Mar. 15 1920. In the case of single persons an exemption on incomes of \$1,000 or less is allowed; the head of a family or married person living with husband or wife is granted an exemption of \$2,000; an additional exemption of \$200 is allowed for each dependent person under 18 years of age. The tax applies to the income of every resident of the State, excepting salaries or other compensation of officials or other employees of the United States, including those in the military or naval forces. It likewise applies to income from property owned and from every business, trade, profession or occupation carried on in this State by non-residents of the State.

Among the exemptions from gross income the bill proposes that the following shall be exempt from taxation:

Interest upon the obligations of the United States or its possessions; or securities issued under the provisions of the Federal Farm Loan Act of July 17 1916; or bonds issued by the War Finance Corporation; or the obligations of the State of New York or any municipal corporation or political subdivision thereof; or investments upon which the tax provided for in Section 331 of this Chapter [Chapter 62 of the Laws of 1909, constituting Chapters 60 of the Consolidated Laws] has heretofore been paid since June 1st 1917, during the period of years for which such tax shall have been paid.

Section 331, referred to above, which is part of the investment tax law passed in 1917, and published in these columns May 5 of that year, pages 1761, 1762, reads as follows:

Sec. 331. Payment of tax on investments. After this article takes effect any person may take or send to the office of the Comptroller of this State any investment, and may pay to the State a tax at the rate of twenty cents per year on each one hundred dollars or fraction thereof of the face value of such investment for one or more years not exceeding five, under such regulations as the Comptroller may prescribe, and the Comptroller shall thereupon affix stamps hereinafter provided for, to such investment, which stamps shall be duly signed by the Comptroller or his duly authorized representative and dated as of the date of the payment of such tax. The Comptroller shall keep a record of such investment, together with the name and address of the person presenting the same and the date of payment of the tax.

All such investments shall thereafter be exempt from all taxation in the State or any of the municipalities or local divisions of the State except as provided in Sections 24 to 24-g, both inclusive, 187, 188 and 189 of this Chapter, and in Articles 10 and 12 of this Chapter, for the period of years from the payment of such tax for which such tax shall have been paid and such stamps affixed.

In our "State and City Section", issued June 1918, we gave the details leading up to the enactment of the law proposing the tax of 20 cents per \$100 on investments, by reference to which it will be found that it had its inception in the passage in July 1911 of a bill providing for a tax of 1/2 of 1% on bonds and other obligations secured by property located outside the State. The following is the full text of the new State income tax measure:

AN ACT to amend the tax law, in relation to imposing taxes upon and with respect to incomes.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Sec. 1. Chapter 62 of the laws of 1909, entitled "An Act in relation to taxation, constituting Chapter 60 of the Consolidated laws," is hereby amended by adding a new article to be Article 16, to read as follows:

ARTICLE 16.

Taxes Upon and With Respect to Personal Incomes.

Section 350. Definitions.	371. Time and place of filing returns.
351. Imposition of income tax.	372. Administration of income tax law.
352. Exemption of certain personal property.	373. Powers of Comptroller.
353. Ascertainment of gain and loss.	374. Revision and readjustment of accounts by Comptroller.
354. Exchange of property.	375. Review of determination of Comptroller by certiorari and regulations as to writ.
355. Gain through exchange.	376. Penalties.
356. Inventory.	377. When payable.
357. Net income defined.	378. Notice of assessment.
358. Computation of net income.	379. Collection of taxes; penalties and interest.
359. Gross income defined.	380. Warrant for the collection of taxes.
360. Deductions.	381. Action for recovery of taxes.
361. Items not deductible.	382. Distribution of the income tax.
362. Exemptions.	383. Comptroller to make regulations and collect facts.
363. Credit for taxes in case of taxpayers other than residents of the State.	384. Secrecy required of officials; penalty for violation.
364. Partnerships.	385. Contract to assume income tax illegal.
365. Estates and trusts.	
366. Information and payment at source.	
367. Taxpayers' returns.	
368. Partnership returns.	
369. Fiduciary returns.	
370. Returns when accounting period changed.	

Sec. 350. Definitions. For the purpose of this article and unless otherwise required by the context:

1. The word "comptroller" means the State Comptroller.  
 2. The word "taxpayer" includes any person, trust or estate subject to a tax imposed by this article, or whose income is in whole or in part subject to a tax imposed by this article, and does not include corporations.

3. The words "military or naval forces of the United States" include the marine corps, the coast guard, the army nurse corps, female, and the navy nurse corps, female, but this shall not be deemed to exclude other units otherwise included within such words.

4. The words "taxable year" mean the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the net income is computed under this article. The words "fiscal year" mean an accounting period of twelve months, ending on the last day of any month other than December.

5. The word "fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person, whether individual or corporate, acting in any fiduciary capacity for any person, trust or estate.

6. The word "paid" for the purposes of the deductions and credits under this article, means "paid or accrued" or "paid or incurred," and the terms "paid or incurred" and "paid or accrued" shall be construed according to the method of accounting upon the basis of which the net income is computed, under this article. The term "received" for the purpose of the computation of net income under this article, means "received or accrued" and the term "received or accrued" shall be construed according to the method of accounting upon the basis of which the net income is computed under this article.

7. The word "resident" applies only to natural persons and includes for the purpose of determining liability to the tax imposed by this article upon or with reference to the income of any taxable year, commencing with the year 1919, any person who shall, at any time on or after Jan. 1, and not later than March 15 of the next succeeding calendar year, be or become a resident of the State.

8. The word "dividend" means any distribution made by a corporation out of its earnings or profits to its shareholders or members, whether in cash or in other property or in stock of the corporation.

9. The words "foreign country" or "foreign government" mean any jurisdiction other than one embraced within the United States. The words "United States" include the States, the territories of Alaska and Hawaii and the District of Columbia.

10. The words "withholding agent" include all individuals, corporations, associations and partnerships, in whatever capacity acting, including lessees, or mortgagors of real or personal property, fiduciaries, employers, and all officers and employees of the State, or of any municipal corporation or political subdivision of the State, having the control, receipt, custody, disposal or payment, of interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments or other fixed or determinable annual or periodical gains, profits and income taxable under this article.

Sec. 351. Imposition of income tax. A tax is hereby imposed upon every resident of the State, which tax shall be levied, collected and paid annually upon and with respect to his entire net income as herein defined at rates as follows: 1% of the amount of net income not exceeding \$10,000; 2% of the amount of net income in excess of \$10,000 but not in excess of \$50,000; 3% of the amount of net income in excess of \$50,000. A like tax is hereby imposed and shall be levied, collected and paid annually, at the rates specified in this section, upon and with respect to the entire net income as herein defined, except as hereinafter provided, from all property owned and from every business, trade, profession or occupation carried on in this State by natural persons not residents of the State. Such tax shall first be levied, collected and paid in the year 1920 upon and with respect to the taxable income for the calendar year 1919, or for any taxable year ending during the year 1919.

Sec. 352. Exemption of certain personal property from taxation. The taxes imposed by this article are in addition to all other taxes imposed by law, except that money on hand, on deposit or at interest, bonds, notes and choses in action and shares of stock in corporations other than banks and banking associations, owned by any individual or constituting a part of a trust or estate subject to the income tax imposed by this article, and from which any income is derived, shall not after July 31 1919 be included in the valuation of the personal property included in the assessment-rolls of the several tax districts, villages, school districts and special tax districts of the State.

Sec. 353. Ascertainment of gain and loss. For the purpose of ascertaining the gain derived or loss sustained from the sale or other disposition of property, real, personal or mixed, the basis shall be first, in case of property acquired before Jan. 1 1919, the fair market price or value of such property, as of Jan. 1 1919, and, second, in case of property acquired on or after that date, the cost thereof; or the inventory value, if the inventory is made in accordance with this article.

Sec. 354. Exchange of property. When property is exchanged for other property, the property received in exchange shall for the purpose of determining gain or loss be treated as the equivalent of cash to the amount of its fair market value, if any; but when in connection with the reorganization, merger or consolidation of a corporation a taxpayer receives, in place of stock or securities owned by him, new stock or securities of no greater aggregate par or face value, no gain or loss shall be deemed to occur from the exchange, and the new stock or securities received shall be treated as taking the place of the stock, securities or property exchanged.

Sec. 355. Gain through exchange. When in the case of any such reorganization, merger or consolidation the aggregate par or face value of the new stock or securities received is in excess of the aggregate par or face value of the stock or securities exchanged, a like amount in par or face value of the new stock or securities received shall be treated as taking the place of the stock or securities exchanged, and the amount of the excess in par or face value shall be treated as a gain to the extent that the fair market value of the new stock or securities is greater than the cost of the stock or securities exchanged, if acquired on or after Jan. 1 1919, and its fair market price or value as of Jan. 1 1919, if acquired before that date.

Sec. 356. Inventory. Whenever in the opinion of the Comptroller the use of inventories is necessary in order clearly to determine the income of any taxpayer, inventories shall be taken by such taxpayer upon such basis as the Comptroller may prescribe, conforming as nearly as may be to the best accounting practice in the trade or business and most clearly reflecting the income, and conforming so far as may be to the forms and methods prescribed by the United States Commissioner of Internal Revenue under the Act of Congress known as the Revenue Act of 1918.

Sec. 357. Net income defined. The term "net income" means the gross income of a taxpayer less the deductions allowed by this article.

Sec. 358. Computation of net income. 1. The net income shall be computed upon the basis of the taxpayer's annual accounting period (fiscal year or calendar year as the case may be) in accordance with the method of accounting regularly employed in keeping the books of such taxpayer; but if no such method of accounting has been so employed, or if the method employed does not clearly reflect the income, the computation shall be made upon such basis and in such manner as in the opinion of the Comptroller does clearly reflect the income. If the taxpayer's annual accounting period is other than a fiscal year as defined in this article, or if the taxpayer has no annual accounting period or does not keep books, the net income shall be computed on the basis of the calendar year.

2. If a taxpayer changes his accounting period from fiscal year to calendar year, from calendar year to fiscal year, or from one fiscal year to another, the net income shall, with the approval of the Comptroller, be computed on the basis of such new accounting period, subject to the provisions of Section 370.

Sec. 359. Gross income defined. The term "gross income:"

1. Includes gains, profits and income derived from salaries, wages or compensation for personal service, of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever. The amount of all such items shall be included in the gross income for the taxable year in which received by the taxpayer, unless, under the methods of accounting permitted in this article, any such amounts are to be properly accounted for as of a different period; but

2. Does not include the following items which shall be exempt from taxation under this article:

a. The proceeds of life insurance policies and contracts paid upon the death of the insured to individual beneficiaries or to the estate of the insured.

b. The amount received by the insured as a return of premium or premiums paid by him under life insurance, endowment or annuity contracts, either during the term or at the maturity of the term mentioned in the contract or upon surrender of the contract.

c. The value of property acquired by gift, bequest, devise or descent (but the income from such property shall be included in gross income.)



d. Interest upon the obligations of the United States or its possessions; or securities issued under the provisions of the Federal Farm Loan Act of July 17 1916; or bonds issued by the War Finance Corporation; or the obligations of the State of New York or of any municipal corporation or political subdivision thereof; or investments upon which the tax provided in Section 331 of this Chapter has heretofore been paid since June 1 1917, during the period of years for which such tax shall have been paid.

e. Any amount received through accident or health insurance or under Workmen's Compensation Acts, as compensation for personal injuries or sickness, plus the amount of any damages received whether by suit or agreement on account of such injuries or sickness, or through the War Risk Insurance Act or any law for the benefit or relief of injured or disabled members of the military or naval forces of the United States.

f. Salaries, wages and other compensation received from the United States of officials or employees thereof, including persons in the military or naval forces of the United States.

g. Income received by any officer of a religious denomination or by any institution, or trust, for moral or mental improvement, religious, Bible, tract, charitable, benevolent, fraternal, missionary, hospital, infirmary, educational, scientific, literary, library, patriotic, historical or cemetery purposes, or for the enforcement of laws relating to children or animals, or for two or more of such purposes, if such income be used exclusively for carrying out one or more of such purposes; but nothing herein shall be construed to exempt the fees, stipends, personal earnings or other private income of such officer or trustee.

3. In the case of taxpayers other than residents, gross income includes only the gross income from sources within the State, but shall not include annuities, interest on bank deposits, interest on bonds, notes or other interest-bearing obligations or dividends from corporations, except to the extent to which the same shall be a part of income from any business, trade, profession or occupation carried on in this State subject to taxation under this article.

Sec. 360. Deductions. In computing net income there shall be allowed as deductions:

1. All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered, and including rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or not taking title or in which he has no equity.

2. In the case of a resident of the State such a proportion of the total interest paid or accrued during the taxable year on indebtedness, as the net income of the taxpayer taxable under this article bears to his total income from all sources; or in case of an individual not a resident of the State, the same proportion of interest paid or accrued within the taxable year on indebtedness which the amount of such gross income, as herein defined, bears to the gross amount of his income from all sources within and without the State.

3. Taxes other than income taxes paid or accrued within the taxable year imposed, first, by the authority of the United States, or of any of its possessions, or, second, by the authority of any State, or Territory, or any county, school district, municipality, or other taxing subdivision of any State or Territory, not including those assessed against local benefits of a kind tending to increase the value of the property assessed, or, third, by the authority of any foreign government.

4. Losses sustained during the taxable year and not compensated for by insurance or otherwise, if incurred in trade or business.

5. Losses sustained during the taxable year and not compensated for by insurance or otherwise, if incurred in any transaction entered into for profit, though not connected with the trade or business; but in the case of a taxpayer other than a resident of the State, only as to such transactions within the State.

6. Losses sustained during the taxable year of property not connected with the trade or business (but in the case of a taxpayer other than a resident, only of property within the State) if arising from fires, storms, shipwrecks, or other casualty or from theft, and not compensated for by insurance or otherwise.

7. Debts ascertained to be worthless and charged off within the taxable year.

8. A reasonable allowance for the exhaustion, wear and tear of property used in the trade or business, including a reasonable allowance for obsolescence.

9. In the case of mines, oil and gas wells, other natural deposits and timber, a reasonable allowance for depletion and for depreciation of improvements, according to the peculiar conditions in each case, based upon cost including cost of development not otherwise deducted; *Provided*, that in the case of such properties acquired prior to Jan. 1 1919 the fair market value of the property (or the taxpayer's interest therein) on that date shall be taken in lieu of cost up to that date; *provided, further*, that in the case of mines, oil and gas wells, discovered by the taxpayer on or after Jan. 1 1919 and not acquired as the result of a purchase of a proven tract or lease, where the fair market value of the property is materially disproportionate to the cost, the depletion allowance shall be based upon the fair market value of the property at the date of the discovery or within thirty days thereafter; such reasonable allowance in all the above cases to be made under rules and regulations to be prescribed by the Comptroller. In the case of leases the deductions allowed by this paragraph shall be equitably apportioned between the lessor and lessee.

10. Contributions or gifts made within the taxable year to corporations incorporated by, or associations organized under, the laws of this State and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual, or to the special fund for vocational rehabilitation authorized by Section 7 of the Act of Congress known as the Vocational Rehabilitation Act, to an amount not in excess of 15% of the taxpayer's net income as computed without the benefit of this subdivision. Such contributions or gifts shall be allowable as deductions only if verified under rules and regulations prescribed by the Comptroller. In the case of a taxpayer other than a resident of the State this deduction shall be allowed only as to contributions or gifts made to corporations or associations incorporated by or organized under the laws of this State or to the Vocational Rehabilitation Fund above mentioned.

11. In the case of a taxpayer other than a resident of the State the deductions allowed in this section shall be allowed only if, and to the extent that, they are connected with income arising from sources within the State; and the proper apportionment and allocation of the deductions with respect to sources of income within and without the State shall be determined under rules and regulations to be prescribed by the Comptroller.

Sec. 361. Items not deductible. In computing net income no deduction shall in any case be allowed in respect of:

1. Personal, living, or family expenses;

2. Any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate;

3. Any amount expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made; or

4. Premiums paid on any life insurance policy, covering the life of any officer or employee, or of any person financially interested in any trade or business carried on by the taxpayer, when the taxpayer is directly or indirectly a beneficiary under such policy.

Sec. 362. Exemptions. The following exemptions shall be allowed to any resident taxpayer:

1. In the case of a single person, a personal exemption of \$1,000, or in the case of the head of a family or a married person living with husband or wife, a personal exemption of \$2,000. A husband and wife living together shall receive but one personal exemption of \$2,000 against their aggregate net income; and in case they make separate returns, the personal exemption of \$2,000 may be taken by either or divided between them.

2. Two hundred dollars for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer, if such dependent person is under eighteen years of age or is incapable of self-support because mentally or physically defective.

3. A taxpayer receiving salary, wages, or other compensation from the United States as an official thereof, exempt from taxation under this article, shall be entitled to only so much of the personal exemption provided for in this section as is in excess of the aggregate amount of such salaries, wages, or other compensation.

Sec. 363. Credit for taxes in case of taxpayers other than residents of the State. Whenever a taxpayer other than a resident of the State has become liable to income tax to the State or country where he resides upon his net income for the taxable year, derived from sources within this State and subject to taxation under this article, the Comptroller shall credit the amount of income tax payable by him under this article with such proportion of the tax so payable by him to the State or country where he resides as his income subject to taxation under this article bears to his entire income upon which the tax so payable to such other State or country was imposed; *Provided* that such credit shall be allowed only if the laws of said State or country grant a substantially similar credit to residents of this State subject to income tax under such laws.

Sec. 364. Partnerships. Individuals carrying on business in partnerships shall be liable for income tax only in their individual capacity. There shall be included in computing the net income of each partner his distributive share, whether distributed or not, of the net income of the partnership for the taxable year, or, if his net income for such taxable year is computed upon the basis of a period different from that upon the basis of which the net income of the partnership is computed, then his distributive share of the net income of the partnership for any accounting period of the partnership ending within the fiscal or calendar year upon the basis of which the partner's net income is computed. Taxpayers who are members of partnerships may be required by the Comptroller to make a return stating the gross receipts and net gains or profits of the partnerships for any taxable year. The net income of the partnership shall be computed in the same manner and on the same basis as provided in computing the net income of individuals except that the deduction provided in subdivision 10 of Section 360 shall not be allowed and the personal exemptions provided for in Section 362 shall be allowed only to the individual partners.

Sec. 365. Estates and trusts. 1. The tax imposed by this article shall apply to the income of estates or of any kind of property held in trust, including:

a. Income received by estates of deceased persons during the period of administration or settlement of the estate;

b. Income accumulated in trust for the benefit of unborn or unascertained persons or persons with contingent interests;

c. Income held for future distribution under the terms of the will or trust; and

d. Income which is to be distributed to the beneficiaries periodically, whether or not at regular intervals, and the income collected by a guardian of an infant to be held or distributed as the court may direct.

2. The fiduciary shall be responsible for making the return of income for the estate or trust for which he acts. The net income of the estate or trust shall be computed in the same manner and on the same basis as provided in this article for individual taxpayers; except that there shall also be allowed as a deduction any part of the gross income which pursuant to the terms of the will or deed creating the trust, is during the taxable year paid to or permanently set aside for the United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, or any corporation or association organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual; and in cases under paragraph d of subdivision 1 of this section, the fiduciary shall include in the return a statement of each beneficiary's distributive share of such net income, whether or not distributed before the close of the taxable year for which the return is made.

3. In cases under paragraphs a, b and c of subdivision 1, of this section, the tax shall be imposed upon the net income of the estate or trust and shall be paid by the fiduciary, except that in determining the net income of the estate of any deceased person during the period of administration or settlement there may be deducted the amount of any income property paid or credited to any legatee, heir or other beneficiary. In such cases, the estate or trust shall be allowed the same exemptions as are allowed to single persons under Section 362, and in such cases an estate or trust created by a person not a resident and an estate of a person not a resident shall be subject to tax only to the extent to which individuals other than residents are liable under Section 359, subdivision 3.

4. In cases under paragraph d of subdivision 1 of this section and in the case of any income of an estate during the period of administration or settlement permitted by subdivision 3 to be deducted from the net income upon which tax is to be paid by the fiduciary, the tax shall not be paid by the fiduciary, but there shall be included in computing the net income of each beneficiary his distributive share whether distributed or not, of the net income of the estate or trust for the taxable year, or, if his net income for such taxable year is computed upon the basis of a period different from that upon the basis of which the net income of the estate or trust is computed, then his distributive share of the net income of the estate or trust for any accounting period of such estate or trust ending within the fiscal or calendar year upon the basis of which such beneficiary's net income is computed. In such cases the income of a beneficiary of such estate or trust not a resident shall be taxable only to the extent provided in Section 359, subdivision 3, for individuals other than residents.

Sec. 366. Information and payment at source. 1. Every withholding agent shall deduct and withhold 2% from all salaries, wages, commissions, gratuities, emoluments, perquisites and other fixed and determinable annual or periodical compensation of whatever kind and in whatever form paid or received, earned for personal services and taxable under this article, of which he shall have control, receipt, custody, disposal or payment, if the amount paid or received or to be paid or received in any taxable year on account of any individual equals or exceeds \$1,000, unless

there shall be filed with the withholding agent, before the time when he is required to make return and payment thereof, a certificate in such form as shall be prescribed by the Comptroller to the effect that the person entitled to such salary, wage, commission, gratuity, emolument, perquisite or other compensation is a resident and setting forth his residence address within the State.

2. Every withholding agent shall make return to the Comptroller of complete information concerning the amount of all interest, rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments or other fixed or determinable gains, profits and income, except interest coupons payable to bearer, of any taxpayer taxable under this article of \$1,000 or more in any taxable year under such regulations and in such form and manner and to such extent as may be prescribed by the Comptroller.

3. Every withholding agent required to deduct and withhold any tax under subdivision 1 of this section shall make return thereon on or before the fifteenth day of March in each year and shall at the same time pay the tax to the Comptroller. Every such individual corporation or partnership is hereby made liable for such tax and is hereby indemnified against the claims and demands of any individual, corporation or partnership for the amount of any payments made in accordance with the provisions of this section.

4. Income upon which any tax is required to be withheld at the source under this section shall be included in the return of the recipient of such income, but any amount of tax so withheld shall be credited against the amount of income tax as computed in such return.

5. If any tax required under this section to be deducted and withheld is paid by the recipient of the income, it shall not be recollected from the withholding agent; nor in cases in which the tax is so paid shall any penalty be imposed upon or collected from the recipient of the income or the withholding agent for failure to return or pay the same, unless such failure was fraudulent and for the purpose of evading payment.

Sec. 367. Taxpayer's returns. Every taxpayer having a net income for the taxable year of \$1,000 or over if single or if married and not living with husband or wife, or of \$2,000 or over if married and living with husband or wife, shall make under oath a return stating specifically the items of his gross income and the deductions and credits allowed by this article. If a husband and wife living together have an aggregate net income of \$2,000 or over, each shall make such a return unless the income of each is included in a single joint return. If the taxpayer is unable to make his own return the return shall be made by a duly authorized agent or by the guardian or other person charged with the care of the person or property of such taxpayer. A taxpayer other than a resident shall not be entitled to the deductions authorized by Section 360 unless he shall make under oath a complete return of his gross income both within and without the State.

Sec. 368. Partnership returns. Every partnership shall make a return for each taxable year, stating specifically the items of its gross income and the deductions allowed by this article, and shall include in the return the names and addresses of the individuals who would be entitled to share in the net income if distributed and the amount of the distributive share of each individual. The return shall be sworn to by any one of the partners.

Sec. 369. Fiduciary returns. Every fiduciary (except receivers appointed by authority of law in possession of part only of the property of a taxpayer) shall make under oath a return for the taxpayer for whom he acts, first, if the net income of such taxpayer is \$1,000 or over if single, or if married and not living with husband or wife, or \$2,000 or over if married and living with husband or wife, or second, if the net income of such taxpayer, if an estate or trust, is \$1,000 or over or if any beneficiary is a taxpayer other than a resident of the State, which return shall state specifically the items of the gross income and the deductions, exemptions and credits allowed by this article. Under such regulations as the Comptroller may prescribe, a return made by one of two or more joint fiduciaries and filed in the office of the Comptroller or collector in the district where such fiduciary resides shall be a sufficient compliance with the above requirement. The fiduciary shall make oath that he has sufficient knowledge of the affairs of such individual, estate or trust to enable him to make the return, and that the same is, to the best of his knowledge and belief, true and correct.

Fiduciaries required to make returns under this article shall be subject to all the provisions of this article which apply to taxpayers.

Sec. 370. Returns when accounting period changed. If a taxpayer, with the approval of the Comptroller, changes the basis of computing net income from fiscal year to calendar year, a separate return shall be made for the period between the close of the last fiscal year for which return shall be made for the period between the close of the last fiscal year for which return was made and the following Dec. 31. If the change is made from calendar year to fiscal year, a separate return shall be made for the period between the close of the last calendar year for which return was made and the date designated as the close of the last fiscal year. If the change is from one fiscal year to another fiscal year, a separate return shall be made for the period between the close of the former fiscal year and the date designated as the close of the new fiscal year. If a taxpayer making his first return for income tax keeps his accounts on the basis of a fiscal year, he shall make a separate return for the period between the beginning of a calendar year in which such fiscal year ends and the end of such fiscal year.

In all of the above cases the net income shall be computed on the basis of such period for which separate return is made, and the tax shall be paid thereon at the rate for the calendar year in which such period is included; and the exemptions allowed in this article shall be reduced respectively to amounts which bear the same ratio to the full exemptions provided for as the number of months in such period bears to twelve months.

Sec. 371. Time and place of filing returns. Returns shall be made to the Comptroller on or before the fifteenth day of March in each year of the taxpayer's net income for his last preceding taxable year. The Comptroller may grant a reasonable extension of time for filing returns whenever in its judgment good cause exists and shall keep a record of every such extension and the reason therefor. Except in the case of taxpayers who are abroad, no such extension shall be granted for more than six months. Such returns shall, so far as may be, set forth the same or similar items called for in the blank forms of return prescribed by the United States Commissioner of Internal Revenue for the enforcement of the Act of Congress known as the Revenue Act of 1918, together with such other facts as the Comptroller may deem necessary for the proper enforcement of this article. There shall be annexed to such return the affidavit or affirmation of the person making the return, to the effect that the statements contained therein are true. Blank forms of return shall be furnished by the Comptroller upon application, but failure to secure the form shall not relieve any taxpayer from the obligation of making any return herein required.

Sec. 372. Administration of income tax law. The Comptroller shall administer and enforce the tax herein imposed for which purpose he may divide the State into districts in each of which a branch office of the Comptroller may be maintained; provided that in no cases shall a county be divided in forming a district.

Sec. 373. Powers of Comptroller. If in the opinion of the Comptroller any return of a taxpayer is in any essential respect incorrect he shall have power to revise such return, or if any taxpayer fails to make return as herein required, the Comptroller is authorized to make an estimate of the taxable income of such taxpayer from any information in his possession, and to audit and state an account according to such revised return or the estimate so made by him for the taxes, penalties and interest due the State from such taxpayer. The Comptroller shall also have power to examine or cause to have examined, in case of failure to report the books and records of any such taxpayer, and may take testimony and require proof material for his information.

Sec. 374. Revision and readjustment of accounts by Comptroller. If an application for revision be filed with the Comptroller by a taxpayer within one year from the time of the filing of the return, or if the tax of such taxpayer shall have been recomputed, then from the time of such recomputation, the Comptroller shall grant a hearing thereon and if it shall be made to appear, upon any such hearing by evidence submitted to him or otherwise, that any such computation includes taxes or other charges which could not have been lawfully demanded, or that payment has been illegally made or exacted of any such amount so computed, the Comptroller shall resettle the same according to law and the facts, and adjust the computation of taxes accordingly, and shall send notice of his determination thereon to the taxpayer.

Sec. 375. Review of determination of Comptroller by certiorari and regulations as to writ. The determination of the Comptroller upon any application made to him by any taxpayer for revision and resettlement of any computation of tax, as prescribed by this article, may be reviewed in the manner prescribed by and subject to the provisions of Section 199 of this chapter. No certiorari to review any statement of a computation or any determination by the Comptroller under this article shall be granted unless notice of application therefor is made within thirty days after the service of the notice of such determination. Eight days' notice shall be given to the Comptroller of the application for such writ. Before making the application an undertaking must be filed with him, in such amount and with such sureties as a Justice of the Supreme Court shall approve, to the effect that if such writ is dismissed or the determination of the Comptroller affirmed, the applicant for the writ will pay all costs and charges which may accrue against him in the prosecution of the writ, including costs of all appeals.

Sec. 376. Penalties. 1. Any person required by this article to make, render, sign or verify any return, who fails to make, render, sign or verify such return within the time required by or under a provision of law, or who makes any false or fraudulent return or statement, with intent to evade any tax imposed by this article, shall be guilty of a misdemeanor and shall, upon conviction, be fined not to exceed \$1,000, or be imprisoned not to exceed one year, or both, at the discretion of the court.

2. If any such person shall fail or refuse to make a return of income at the time or times hereinbefore specified, but shall voluntarily make a correct return of income within sixty days thereafter, there shall be added to his tax 5% of the amount otherwise due, but such additional amount shall in no case be less than \$2.

3. If any person liable to taxation under this article fails to make a return as herein required, the amount of income of such person discovered to be taxable shall be subject to twice the ordinary rate of taxation. If any person liable to taxation under this article makes any false or fraudulent return or statement, with intent to evade any tax imposed by this article, and an additional amount is discovered to be taxable, such additional amount shall be subject to twice the ordinary rate of taxation. Such tax shall be collected at such time and in such manner as may be designated by the Comptroller. This penalty shall be additional to all other penalties in this or any other section provided.

Sec. 377. When payable. 1. Each taxpayer shall, at the time of filing his return, pay to the Comptroller the amount of tax payable hereunder as the same shall appear from the face of the return. If the time for filing the return shall be extended, he shall pay in addition interest thereon at the rate of 6% per annum from the time when the return was originally required to be filed to the time of payment.

2. As soon as practicable after the return is filed, the Comptroller shall examine it and compute the tax.

3. If the amount of tax as computed shall be greater than the amount theretofore paid, the excess shall be paid by the taxpayer to the Comptroller within thirty days after the amount of the tax as computed shall be mailed by the Comptroller.

4. If the amount of tax as computed shall be less than the amount theretofore paid, the excess shall be refunded by the Comptroller out of the proceeds of the tax retained by him as provided in this article.

Sec. 378. Notice of assessment. Notice of tax assessment shall be sent by mail to the post office address given in the report, and the record that such notice has been sent shall be presumptive evidence of the giving of the notice and such record shall be preserved by the Comptroller.

Sec. 379. Collection of taxes; penalties and interest. 1. The Comptroller is authorized at his discretion to designate agents for the purpose of collecting income taxes and shall require from them reasonable bond.

2. If the tax imposed by this article or any part of such tax be not paid at the time when required to be paid under the provisions of this article or in the case of additional taxes, at the time designated by the Comptroller, the taxpayer liable to pay such tax shall pay to the Comptroller, in addition to the amount of such tax, or part thereof, 5% of said amount, plus 1% for each month, or fraction of a month, the tax, or part thereof, remains unpaid.

Sec. 380. Warrant for the collection of taxes. If any tax imposed by this article or any portion of such tax be not paid within sixty days after the same becomes due, the Comptroller shall issue a warrant under his hand and official seal directed to the sheriff of any county of the State commanding him to levy upon and sell the real and personal property of the person owing the same, found within his county, for the payment of the amount thereof, with the added penalties, interest and the cost of executing the warrant, and to return such warrant to the Comptroller and pay to him the money collected by virtue thereof by a time to be therein specified, not less than sixty days from the date of the warrant. The sheriff shall within five days after the receipt of the warrant, file with the clerk of his county a copy thereof, and thereupon the clerk shall enter in the judgment docket, in the column for judgment debtors, the name of the taxpayer mentioned in the warrant, and in appropriate columns the amount of the tax or portion thereof and penalties for which the warrant is issued and the date when such copy is filed, and thereupon the amount of such warrant so docketed shall become a lien upon the title to and interest in real property or chattels real of the person against whom it is issued in the same manner as a judgment duly docketed in the office of such clerk. The said sheriff shall thereupon proceed upon the same in all respects, with like effect, and in the same manner prescribed by law in respect to executions issued against property upon judgments of a court of record, and shall be entitled to the same fees for his services in executing the warrant, to be collected in the same manner. In the discretion of the Comptroller a warrant of like terms, force and effect may be issued and directed to any

agent authorized to collect income taxes, and in the execution thereof such agent shall have all the powers conferred by law upon sheriffs, but shall be entitled to no fee or compensation in excess of actual expenses paid in the performance of such duty. If a warrant be returned not satisfied in full, the Comptroller shall have the same remedies to enforce the claim for taxes against the taxpayer as if the people of the State had recovered judgment for the amount of the tax.

Sec. 381. Action for recovery of taxes. Action may be brought at any time by the Attorney-General of the State at the instance of the Comptroller, in the name of the State to recover the amount of any taxes, penalties and interest due under this article.

Sec. 382. Distribution of the income tax. Of the revenue collected under this article the Comptroller shall retain in his hands sufficient to provide at all times a fund in the sum of \$250,000 out of which he shall pay any refunds to which taxpayers shall be entitled under the provisions of this article. Of the remainder, 50% shall be paid into the State treasury to the credit of the general fund. The remaining 50% thereof shall, not later than the first day of July, and in case of moneys subsequently collected at least quarterly thereafter, be distributed and paid to the treasurers of the several counties of the State, in the proportion that the assessed valuation of the real property of each county bears to the aggregate assessed valuation of the real property of the State. As to any county included in the city of New York such payment shall be made to the receiver of taxes in such city and be paid into the general fund for the reduction of taxation of the city of New York. The county treasurer shall apportion the amount so received among the several towns and cities within the county in proportion that the assessed valuation of the real property of each town or city bears to the aggregate assessed valuation of the real property of the county, and shall credit the amount apportioned to each town against the county tax payable by it, and shall pay the amount apportioned to each city to the chief fiscal officer of the city to be paid into the general fund for city purposes. If the amount of the credit to a town exceeds the county tax from such town, the excess shall be paid to the supervisor of the town and be by him credited to general town purposes.

Sec. 383. Comptroller to make regulations and to collect facts. The Comptroller is hereby authorized to make such rules and regulations, and to require such facts and information to be reported, as it may deem necessary to enforce the provisions of this article.

Sec. 384. Secrecy required of official; penalty for violation.

1. Except in accordance with proper judicial order or as otherwise provided by law, it shall be unlawful for the Comptroller, any agent, clerk, or other officer or employee to divulge or make known in any manner the amount of income or any particulars set forth or disclosed in any report or return required under this article. Nothing herein shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns and the items thereof, or the inspection by the Attorney-General or other legal representatives of the State of the report or return of any taxpayer who shall bring action to set aside or review the tax based thereon, or against whom an action or proceeding has been instituted in accordance with the provisions of Sections 380 and 381 of this chapter. Reports and returns shall be preserved for three years and thereafter until the Comptroller orders them to be destroyed.

2. Any offense against subdivision 1 of this section shall be punished by a fine not exceeding \$1,000 or by imprisonment not exceeding one year, or both, at the discretion of the court, and if the offender be an officer or employee of the State he shall be dismissed from office and be incapable of holding any public office in this State for a period of 5 years thereafter.

Sec. 385. Contract to assume income tax illegal. It shall be unlawful for any person to agree or contract directly or indirectly to pay or assume or bear the burden of any tax payable by any taxpayer under the provisions of this article. Any such contract or agreement shall be null and void and shall not be enforced or given effect by any court.

Sec. 2. If any clause, sentence, paragraph, or part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Sec. 3. An assessment on account of personal property made prior to Aug. 1 1919, shall be as valid and effectual as if this Act had not been passed, and nothing in this Act shall be construed to impair the obligation to pay taxes assessed on account of personal property in the year 1918 or the year 1919 prior to Aug. 1 whether payable in that year or not.

Sec. 4. If in any city entitled to receive a portion of the taxes collected under Article 16 of the tax law as added by this Act the budget for the fiscal year current on July 1 1920 shall be completed prior to that date, the board of estimate and apportionment or other board or body having the duty of preparing the budget in such city shall have the power subsequent to such date and before the levy of the taxes on account of the appropriations made by such budget to revise the estimates of city revenue so as to include in such calculation the income to the city from taxes collected under Article 16 of the tax law as added by this Act.

Sec. 5. The sum of three hundred thousand dollars (\$300,000), or so much thereof as may be needed, is hereby appropriated out of any money in the treasury, not otherwise appropriated, for the administration of Article 16 of the tax law as added by this Act, but any position established or salary fixed for such purpose shall be deemed temporary only and subject to the future action of the Legislature but no new position shall be created nor salary fixed except on the unanimous approval of the Governor, the Chairman of the Senate Finance Committee and the Chairman of the Assembly Ways and Means Committee.

Sec. 6. Except as otherwise provided herein this Act shall take effect immediately.

#### POSTMASTER-GENERAL REFUSES IMMEDIATE RETURN OF POSTAL TELEGRAPH LINES.

In response to the announcement of Postmaster-General Bursleson on April 28 that the telegraph and telephone lines, as well as the marine cables, would be returned to their owners as soon as legislation could be gotten from Congress to protect the financial interests of their owners, Clarence H. Mackay, President of the Postal Telegraph Cable Co., on April 30 sent a dispatch to Mr. Bursleson asking for the immediate return of the Postal company's lines, and repeating the statement previously made by William J. Deegan, Secretary of the company, that the company would not ask anything from the Government but the return of the profits actually earned during the period of Government control. Mr. Mackay's telegram read:

Hon. A. S. Bursleson, Postmaster-General, Washington, D. C.:

A leading New York daily newspaper of yesterday contains the following:

"The statement of Clarence H. Mackay of the Postal Telegraph that he wanted his properties back immediately and did not require the legislation suggested by the Postmaster-General was viewed with some skepticism by the Postoffice Department.

"The suggestion was made informally that if this was the position of Mr. Mackay he should say so directly to the proper authorities, who would give this statement the consideration that it deserves."

In accordance with that suggestion, the Postal Telegraph Cable Company hereby makes formal application to you for the return of its telegraph lines at once, which you have the power to do under the proclamation of the President of the United States of July 22 1918, such authority to you reading as follows:

"By subsequent order of said Postmaster-General, supervision, possession, control or operation may be relinquished in whole or in part to the owners thereof of any telegraph or telephone system or any part thereof supervision, possession, control or operation of which is hereby assumed or which may be subsequently assumed in whole or in part hereunder."

You actually exercised your authority under the above quotation several weeks ago, when you ordered the return to their owners of 8,000 small telephone companies.

We observe that you have recommended to the President that the wire lines be returned to the companies, but you state before this can be done that additional legislation is necessary by the new Congress in order to safeguard the interests of the companies. We desire to state that the Postal Telegraph Cable Company asks no additional legislation to safeguard its interests and is prepared to take its lines back on one hour's notice.

We further desire to state that we shall not ask the Government to pay to the Postal Telegraph Company one dollar for the use of its lines during the period of the Government control, but shall merely ask to be allowed to keep what the lines have actually earned from the transaction of the telegraph business during the period of Government control. In order that we may formulate our plans, an early reply will be appreciated.

In reply to this message from Mr. Mackay, Mr. Bursleson on May 1 sent the following, declining to turn back the lines of the Postal company immediately:

Replying your telegram 30th, you are advised that the public interest requires that the telegraph and telephone systems now being operated under Government control all be handled as one proposition until Congress takes some action with respect to them.

To do as you request would result in the wires under Government control being in competition with a private corporation in those parts of the country where traffic is most profitable and leaving the burden of giving to the public under a comprehensive schedule of rates a nation-wide telegraph service serving the unprofitable territory as well as the profitable. This would enable your corporation to take the profitable business and continue to disregard the equally important but more costly service for the entire country.

The interest of the public service must be guarded before private interest can be considered. The business of your company is in no way jeopardized by continued Government control and under no circumstances will be.

Mr. Mackay's response to this, sent on the same day, was as follows:

The Hon. A. S. Bursleson, Postmaster-General, Washington, D. C.:

I gather from your telegram that you propose to hold on to the Postal Telegraph lines as long as you can. This confirms the intimation we have received from various sources, including one of your representatives, that the Western Union and Bell Telephone Companies are working for continued Government control, and it is clear now that such is your purpose. Our lines, however, will come back automatically when peace is proclaimed, and if Congress meets before that date we shall ask Congress to order their return at once, and we will not ask Congress for any appropriation, such as you apparently intend to ask for the Western Union and Bell Telephone companies.

Your admission that you cannot successfully compete with us I can well understand, in view of your mode of operation, but your statement that we have the most profitable territory is incorrect, inasmuch as through the Western Union you have the telegraph business in all of the railroad stations in the country without paying any rent or the usual expenses connected with the telegraph business. The Western Union obtained these railroad contracts many years before we went into the business. The Postal Telegraph system reaches points at which originates 70% of the entire telegraph business of the country.

Your intimation that you are working in the interest of the public service is not borne out by the recent heavy increases in the telephone and telegraph rates inaugurated by you in the interest of the Western Union and Bell Telephone companies and against which we protested. In fact, all your acts have been in the interest of those companies, and your telegram cannot but be considered as further evidence of that.

I entirely disagree with you that the business of the Postal Telegraph system will not be jeopardized by your continued control. You have removed our principal officers and placed in charge of our system a telephone man with Bell Telephone affiliations, you have terrorized our staff by threats of dismissal if caught criticizing your actions against this company; you have stopped them from distributing our house organ, and your representatives are engaged in vilifying our officers with our staff. If this is not jeopardizing our business I would like to know what is. I presume there is no use in further attempts at persuasion, and we shall rely on the joint resolution of July 16 1918 and on Congress and the courts.

CLARENCE H. MACKAY.

President Postal Telegraph-Cable Company.

Mr. Mackay also sent the following to Mr. Bursleson on May 2:

Hon. A. S. Bursleson, Postmaster-General, Washington, D. C.:

Having no reply to my telegram to you of yesterday in regard to your refusal to turn back to us our telegraph lines on the ground that if you retain the Western Union lines alone you could not compete with us, I now request that you turn back the lines of both companies. That will enable competition to be resumed, something which public opinion throughout the country is demanding. Certainly if the Western Union could compete with us before you took possession, they should be able to do so now, because in the interim they have received full compensation from you, while we have received nothing. They will have to resume competition with us sooner or later anyway unless you are able to establish a monopoly of telegraphic communication in this country, which I believe impossible, and hence I see no reason why competition should not be resumed at once. The Western Union can hardly expect further assistance from Congress, in view of the tender way in which they have been treated by you, and whatever may be the situation as to the telephone lines, we can see no rea-

son for your retaining any longer the control of the two telegraph systems.

CLARENCE H. MACKAY,  
President, Postal-Cable Company.

To the foregoing Mr. Burleson replied briefly as follows:

Replying to your telegrams of yesterday and to-day, you are advised that my telegram to you of the first instant disposes of the matter so far as the Postmaster-General is concerned.

#### NEW YORK SUPREME COURT FORBIDS TELEPHONE RATE INCREASE.

Justice Rudd in the Supreme Court of New York State on April 30 upheld the contention of the Public Service Commission, Second District, that increased rates by the New York Telephone Co. and the Western Union Telegraph Company, and proposed increased rates by the New York Telephone Co. were illegal and unlawful, and issued injunction orders preventing enforcement of the increases which were ordered by the Postmaster-General. A similar injunction by Federal Judge Landis at Chicago was on May 6 set aside, as noted below, pending final decision of the right of the Federal Wire Board to prescribe intra-State rates.

Press dispatches from Albany on April 30 gave the following in regard to Judge Rudd's decision:

Justice Rudd's injunction restrains the New York Telephone Company from putting into effect to-morrow proposed increased charges throughout the State for local or exchange service. These increases were to range from 25 cents to \$2 a month in different parts of the State, except New York and Buffalo.

A further enforcement of the 20% increase in telegraph rates by the Western Union is also prohibited. No decision was rendered upon the commission's application so far as it relates to the Postal Telegraph Company.

Continuation of the advanced toll rates by the New York Telephone Company, which have been in effect for several months, is also restrained.

It was contended by the commission, in requesting the restraining orders, that the increasing of rates under instructions by the Postmaster-General, without filing with the commission a schedule of the proposed increases, as required by State law, was illegal. Justice Rudd holds that the defendant corporations have not "shown any legal or valid reason in fact or in law why they should not conform to the requirements" of this statute.

The Court orders that the defendant corporations, their officers and employees, be prevented "from charging, demanding, collecting, or receiving a different or increased compensation for any service rendered or to be rendered wholly within this State than the charge applicable to such service as specified in its schedule on file and in effect at the commencement of proceedings, except after thirty days' notice to the commission."

#### SUPREME COURT SETS ASIDE WIRE RATE INJUNCTION PENDING FINAL DECISION.

The U. S. Supreme Court on May 6 issued an order temporarily setting aside the injunction issued on April 26 by Federal Judge Landis at Chicago, the effect of which was to prevent the Federal Wire Board from putting into effect a schedule of increased rates for intra-State traffic in Illinois. Under the Supreme Court's order the Wire Board may now enforce its new rates pending final decision in the cases involving appeals from decisions by Massachusetts and South Dakota courts, arguments on which were heard on Monday last (May 5). As stated in these columns last week (page 1776), the public service commissions of several States intervened in the case, which was regarded as a test case to settle the right of the Federal authorities to prescribe intra-State rates for telephone and telegraph service. Following the arguments on Monday, the Supreme Court took the cases under advisement, but is expected to render its final decision before the adjournment of the Court for the summer, which is set for June 9.

The Government in a brief filed on May 2 declared the suits instituted by the South Dakota and Massachusetts authorities to restrain the Postmaster-General from increasing the rates were in reality brought against the United States without its consent and should be dismissed. The Government also contended that in taking over control of the telephone systems of the country the President "placed them in the hands of the Postmaster-General as his representative, under the broad power given him by the resolution to manage as he saw fit," and they thus were in effect added to the postal service and "became as much a part of the means of conveying news or communication as the mail." The brief was further quoted in press dispatches as saying:

"The regulation of rates as an exercise of power is the assertion of a right to control a private business, affected with a public interest and subject to a public use, so as to subject the private property to the public service upon the payment of just compensation. To this end, in order that the private right may not be asserted to extort undue compensation for use, the power is exercised to regulate the price for use just as it might be to regulate the price for the property itself if the fee was being taken.

"The Government brief, prepared by Solicitor-General King, denies that State police powers are impaired or affected by not submitting the rates fixed by the officers of the United States to State control, because not only the police regulations of the State do not affect rates made by the Government itself, but the police power does not extend to such a subject.

"The public has acted and fixed the rate when the public officers of the United States fixed it.

"It seems clear that if Congress had intended to confer upon the States the power to regulate the rates at which the United States will furnish telephone service, it would not have expressed that intention by a reservation to the States of their police regulations."

"When a private corporation leases, for however short a time, the property of another such corporation it is certainly with the expectation of making enough from its operations to pay the rental and even a profit to itself. It was therefore to be supposed that the Government would expect to charge in the operations of these properties sufficient rates to pay for the increasing expenses of operation and discharge the rental which it was to pay. It would have been legitimate to have even contemplated some additional sum to reimburse the Government for the time of public officers consumed in this work."

The Government contends that State public utility commissions were never authorized when created by the States nor since to deal with the rates of public utilities operated by Government agencies.

Counsel for North Dakota also filed their brief on May 2, the brief asserting that Congress in enacting the Railroad Control Act had no intention of giving Federal officials authority to interfere with intra-State freight and passenger rates and asserted that the statute did not confer arbitrary power upon the President. The brief also said:

Under the Control Act the President is authorized to make only such orders as are necessary and proper to carry out the objects of Federal control, namely, the use of the railroads for war and other purposes connected therewith. Clearly the State laws upon these subjects are not inconsistent with the Act of Congress and cannot be abrogated or superseded by an order of the President.

At the hearing before the Supreme Court on May 6 arguments were made by W. H. Hitchcock of Boston, Assistant Attorney-General of Massachusetts; Oliver E. Sweet, Assistant Attorney-General of South Dakota; Fred S. Jackson, representing the State of Kansas, and Raymond S. Pruitt, Assistant Attorney-General of Illinois, all in behalf of proceedings attacking the Postmaster-General's order brought in their respective States. Henry S. Robbins of Chicago made the closing argument for the Government.

Attorneys representing the States contended that adequate provisions had been made by the States for determining the justness of intra-State wire rates, that the Inter-State Commerce Commission had authority to regulate rates, although this power had never been exercised, and that Congress had no intention and no thought of any one attempting to exercise the jurisdiction over the wire properties the Postmaster-General is exercising.

Mr. Robbins for the Government contended that Congress conferred "one man power" upon the President to enable him to take over the resources of the country for the successful prosecution of the war; that he or his agents had ample authority to fix rates, and that Congress had no intention of hampering him in the operation of these utilities.

#### TELEPHONE RATE INCREASE FORBIDDEN BY NEW JERSEY UTILITIES COMMISSION.

The New Jersey Public Utilities Commission on May 1 issued an order suspending until Aug. 1 the increase in telephone rates prescribed by the Postmaster-General, and which was to have gone into effect on May 1. The matter came up when an application was made by the New York Telephone Co. and the Delaware & Atlantic Telephone & Telegraph Co. for a stipulation proposed by the companies that if the New Jersey Public Utilities Commission would agree to initiate no proceedings against a 20% increase in telephone rates put into effect by order of the Postmaster-General, the companies would refund the excess charge should the United States Court rule that the Postmaster-General had no power to increase intra-State rates without the approval of the regulatory commissions of the several States. In denying the application, and at the same time suspending the increased rates, the Commission set up the claim that no authority existed by which it could be a party to the stipulation, and added that "assuming the existence of such authority, the policy of bartering away the legal rights of the patrons of the companies, under a promise to rebate the excess charges illegally imposed, was unsound."

#### N. Y. CHAMBER OF COMMERCE OPPOSES CONTINUANCE OF GOVERNMENT CONTROL OF TELEGRAPH AND TELEPHONE LINES.

The Chamber of Commerce of the State of New York has expressed itself as "strongly opposed to any unnecessary continuance of Government control and operation of public utilities," and especially "to its existing control and operation of the telegraph, telephone and cable systems of the country." These declarations, and the further declaration that the existing operation of these public utilities has been inefficient, vexatious and costly, are contained in a resolu-

tion adopted at the annual meeting of the Chamber on May 1; the resolution was introduced by Darwin P. Kingsley, on behalf of the Executive Committee, and read as follows:

*Whereas*, There has been a marked deterioration in the character of service rendered since the Government took over the telegraph, telephone and cable systems of the country; and

*Whereas*, The emergency that led the Government five days after the signing of the armistice to take over the cable systems must now have measurably subsided; and

*Whereas*, The experience of business men generally with the service rendered by public utilities recently taken over by the Government has strengthened a conviction previously deep-seated and widespread that Government ownership of such utilities should be limited to the field occupied prior to the war; and the experiences of nine months have created an equally profound conviction that Government operation of such utilities should be discontinued at the earliest possible date; and

*Whereas*, In the proclamation issued by the President of the United States on the 22d of July 1918, taking over the land telegraph and telephone systems of the country, he said this amongst other things:

"By subsequent order of said Postmaster-General, supervision, possession, control or operation, may be relinquished in whole or in part to the owners thereof of any telegraph or telephone system or any part thereof supervision, possession or control of which is hereby assumed or which may be subsequently assumed in whole or in part hereunder."

*Whereas*, On April 28th 1919, Postmaster-General Burleson announced that he had recommended to President Wilson the return of the ocean cables to their owners, and would recommend that the telegraph and telephone lines also be returned as soon as legislation could be obtained from Congress safeguarding the owners; and

*Whereas*, The Postmaster-General further stated that he hoped to return the cable lines to their owners not later than May 10th; and

*Whereas*, Federal control over the telegraph and telephone lines ceases automatically upon the proclamation by the President of the exchange of ratification of the Peace Treaty; and

*Whereas*, The Postmaster-General through Judge Moon, former Chairman of the House Committee on Post-Offices and Post Roads, in January last attempted to extend Federal control of the telegraph and telephone lines indefinitely; and

*Whereas*, In a statement in the New York "Sun" of April 1st 1919 Mr. Clarence H. Mackay, former President of the Postal Telegraph & Cable Company System, removed from his office by Postmaster-General Burleson on March 19 1919, said that if the Postmaster-General would return the Postal's lines to the company at once it would carry on its business at the old rates; and

*Whereas*, Mr. Mackay in the public press on the morning of April 29th 1919 stated that there is no earthly reason why the Postmaster-General should not return the Postal System's lines to their owners immediately, and stated further that no additional legislation was necessary; now, therefore, be it

*Resolved*, That the Chamber of Commerce of the State of New York is strongly opposed to any unnecessary continuance of Government control and operation of public utilities, and especially is opposed to its existing control and operation of the telegraph, telephone and cable systems of the country;

*Resolved*, That we applaud the action of the Postmaster-General in his apparent willingness to return the cable lines to their owners; and that we recommend to his careful consideration the expressed willingness of the former officers of the Postal System immediately to take back their properties;

*Resolved*, Further, That the existing operation of these public utilities has been inefficient, vexatious and costly, and while we cannot from lack of complete knowledge assert that the war necessities of the Government have not justified this inefficiency and cost, we are not persuaded as to that; and we are persuaded so far as the Postal System at least is concerned that such control is no longer necessary; and be it further

*Resolved*, That copies of these preambles and resolutions be sent to the Postmaster-General, Washington, D. C.

#### HOWARD ELLIOTT ON RAILROAD SITUATION.

While declaring himself "an optimist of the long future of the United States," and expressing his belief that "we are on the eve of the most important fifty years in the history of this country . . . and shall accomplish wonderful results if we do not sit idly by," Howard Elliott, President of the Northern Pacific Ry. Co., in an address this week noted that he did not "minimize the dangers and difficulties of the immediate future, due in part to the results of the world-wide war." Mr. Elliott, whose remarks were addressed to members of the Economic Club of New York at a dinner of that organization at the Hotel Astor on May 8, pointed out that "one of these dangers is that the great railway system of the United States may not be protected sufficiently to prevent a financial collapse, and so that necessary development will continue." Mr. Elliott added:

During the readjustment of conditions arising from the war the rate structure ought to be adjusted to meet the expenses that have increased during the war period. If not, many roads now paying dividends will not be able to continue them, and this will affect the bonds now held by saving banks, and other roads will be unable to meet their fixed charges and will be forced into bankruptcy and the expansion of facilities will be checked unless large and continuous appropriations are made from the national treasury.

According to Mr. Elliott, some of the questions confronting the people of the United States, and upon the wise handling of which depends the peace, prosperity and happiness of all, are:

The making of a just peace.

A decision whether our form of Government shall be so changed that the State is to take the place of the individual in many activities heretofore handled by individual enterprise.

The checking of waste and extravagance in Government operation, national, State, county and municipal, with the accompanying load of taxes, which is so burdensome, by the adoption of what are called "business principles" through a suitable budget system.

A decision on the question of improved relations between that great body of our citizens who work for wages and that equally great body of citizens who have put their savings into enterprises which are the business bulwarks of our country.

The methods to be adopted for owning, managing and developing our system of transportation and communication by rail, water, air, telegraph and telephone.

Mr. Elliott said he was enough of an optimist to believe we shall answer these questions rightly if we give our minds to them. They must, he said, "be discussed and sound information must reach the people, and they, through the force of public opinion, in the last analysis, will decide. This may cause delay, and yet prompt action is most desirable, because the greater the delay the greater the danger of uncomfortable and disastrous conditions before we reach a conclusion that will permit the country to resume its work of development."

In expressing anew his views as to the control of the railroads, Mr. Elliott said in part:

I do not believe that human nature and the art of Government have developed sufficiently to make Government ownership or operation successful, but I do believe that the experiment of Government ownership and operation involves a risk of disaster, not only to the railroad system of the United States, but to some of the fundamental theories of American life and effort which have made us a great nation.

If the Government is not to own the railroads, this owning and managing them is a business just as much as owning and managing a bank, a coal mine or a steel plant. I believe, therefore, that it is just as unwise to make the furnishing of railroad transportation a function of Government as to make the furnishing in peace time of money, credit, coal and steel a function of Government, and that transportation will be given to the people at the lowest cost by admitting that the owning, managing and operating of a railroad is business.

Mr. Elliott among other things also said:

I believe that the following statements are sound:

The American people elected to have their transportation furnished by private individuals, subject to Governmental regulation rather than by the Government itself.

The experience of the last sixteen months has confirmed them in that opinion.

The people having made that decision, the furnishing of transportation is business, and must be conducted as such.

The individuals who engage in it must be permitted, as those in other forms of business are permitted, to charge enough for what they sell, namely transportation, to pay all expenses, taxes and other charges, including a fair return on the value of the property devoted to the public use, and sufficient to attract new capital to increase the facilities necessary for the public welfare.

Regulation by the Government is necessary and desirable, but it should not attempt management and operation of the business but should be confined to those steps necessary to prevent unjust discrimination, extortion or excessive profits; to provide for good service and the safety of the public, and for suitable living and working conditions for the employees. Regulation, in addition to correcting and preventing abuses, should also protect the property owner and the credit of the companies and see that facilities are expanded in time to meet the constant growth of the country. It should also provide means for continuous service to the public when differences of opinion arise as to wages and working conditions.

As the railway system is national in its work and scope, regulation by the Federal Government must be supreme and not be weakened or set aside by State regulation.

Continuous amalgamation of various railroads into a number of larger systems must be permitted, so that the whole country will be well served and there will still be the spur of self-interest and competition all the time so as to produce development and good service.

The income of the roads should be adjusted within a reasonable time to meet the necessary outgo, and until that readjustment can be brought about the Government should protect the financial situation, not for the purpose solely of making a return to individual holders of securities, but to prevent a financial collapse that will affect the whole country.

Until the valuation work can be completed, it might be assumed tentatively, and without prejudice as to the final valuation, that the standard return now being paid by the Government is a fair return on the property, and that, pending the final valuation, the Government shall not reduce rates until under normal conditions as to volume of business, the income exceeds the standard return.

It is better for the country to have the roads sustained by means of the rates charged for transporting passengers, freight, mail and express, rather than to make up the deficiency, large or small, by appropriations from the national or State treasuries.

If these statements are sound, as I believe they are, a law can be drawn that will give effect to them. Many suggestions have been made, and I believe that it is entirely possible for the statesmen in Congress, backed by the President and his advisors, to take the accumulated information to draw the bill and pass the law this year. This bill should not be a—

Railway Executives' Bill, or a  
Railway Investors' Bill, or a  
Bankers' Bill, or a  
Labor Unions' Bill, or a  
Shippers' Bill, or an  
Inter-State Commerce Commission Bill, or a  
United States Railroad Administration Bill, or a  
Republican Bill, or a  
Democratic Bill.

It should be the nation's bill, reflecting all conditions, and there should be no politics in it.

It is very important to come to a conclusion this year about the new railway legislation. All kinds of people are helping and will help, but those who represent the people must frame the law. It is their job. It can be done, it must be done, and it will be done, and done right. When done, and with reasonable financial protection until the readjustment between income and outgo is completed, our wonderful American railway system will start forward again on a period of development and service. These great highways, which are the arteries through which the commerce of the country flows, will be nourished and become elastic again. With co-operation between the railway users, the railway employees and the railway owners, and with reasonable liberty of action so that the American citizen can use his individual initiative and his tireless energy, the country will go forward to meet its great future better equipped than ever before.

**OPPOSITION OF CITIZENS SAVINGS & TRUST CO. OF CLEVELAND TO WARFIELD PLAN FOR RETURN OF RAILROADS.**

"Emphatic disapproval of the plan in its entirety, as well as to specific features involved," is registered against the Warfield plan for the return of the railroads to private operation by the Citizens Savings & Trust Co. of Cleveland, "as security owners representing probably \$25,000,000 of railroad securities." The attitude of the institution toward the plan is made plain in a letter addressed by the institution on May 1 to S. Davies Warfield, President of the National Association of Owners of Railroad Securities, whose plan, as presented to the Senate Committee on Inter-State Commerce, was referred to in our issues of Feb. 1, page 438, and Feb. 15, page 644. The conclusions of the institution, the letter states, follow a study of these and other statistical matter, as well as of Senate Bill No. S-5679, which purports to embody the Warfield plan. The matter, it is stated, was brought before the directors of the bank on April 28, and discussed fully, with the result that not only was it directed that the disapproval of the Board be conveyed to Mr. Warfield, but at the same time he be informed of the inability of the bank "to support either by influence, or contribution of funds," the program proposed. The letter says in part:

You will recall that when I was in attendance at the meeting of the Committee of Seventy in New York, early in March, I expressed doubts as to certain features of the plan proposed, and my further study of the plan has only confirmed these doubts the more strongly. As I stated to you at that time, the plan and the above bill embodying it is, to our minds, a step in the direction of outright Government ownership, and we are absolutely opposed to anything of that sort on principle. It has been stated that the bill in question is, in effect, a compromise, that it is the most conservative program that, in the opinion of its advocates, can be secured from Congress, and that unless we are willing to accept this program there is danger that something more radical will be put into effect. With this attitude we are not at all in sympathy, and we refuse to compromise in advance of the struggle. In this connection, may I not call attention to the fact that since the Warfield plan was evolved there has been a very radical change in public sentiment against Government ownership in any form, which sentiment is gaining headway every day. Within the past few days we have witnessed, in connection with the Postmaster-General's control of the wire systems, the concrete results of the aroused public feeling on this point on the one hand, and of the uncompromising attitude with respect to the return of these properties of Mr. Mackay of the Postal Telegraph Co. on the other, which we believe is without doubt the one compelling reason for the Postmaster-General's proposal to return the cables and telegraph lines at the earliest possible date. Could anything demonstrate more clearly, with respect to the railroad situation, the unwisdom of any compromise whatever by those who have the best interests of the railroads, the security owners and the country at heart?

Taking up specific features of the bill in question, we object most strenuously to a limitation of 6% on railroad earnings. Such a limitation would, in our judgment, ruin railroad credit for all time. Six (6%) per cent is the minimum dividend that any prosperous railroad should pay, leaving only the pittance which may be derived from excess earnings for re-investment in improvements, or for building up a surplus fund for lean years. The Warfield plan makes no provision whatever for lean years, and by turning over excess earnings in the manner proposed it creates a situation where, from the standpoint of the Government and the employees, it is a game of "heads I win, tails you lose." If 6% is to be the maximum normal return, on what basis will it ever be possible to pay any railroad debts, or who would be willing to purchase any railroad securities in the future? In the past few years railroads have been required to pay considerably more than 6% for funds, and the future must provide the means for taking care of the enormous obligations thus incurred.

The bill, as drawn, provides that the standard return shall be computed on the basis of 6% of "property investment," but no attempt whatever is made to define what is meant by "property investment," and so much discretion in regard to this matter is apparently left to Governmental agencies, that to our minds the provision is calculated to produce the utmost friction and litigation between the carriers and the Governmental agencies. We have already seen the spectacle of an attempt to arrive at physical valuation, and while the Government has been spending years and millions of money in this attempt, we are still far from any helpful or definite conclusions, or even suggestions.

The theory of dividing excess earnings in three ways is, to our minds, a mistaken one. Organized labor has for years contended for a uniform rate on all railroads, regardless of size or their ability to earn them. Such rates have now been made effective. To use one-third of excess earnings to reward employees of prosperous roads, or regions, would immediately create an inequality of rates, which would at once result in demands for further increases on all other roads to re-establish uniformity of rates, working conditions, insurance or pension allowances, &c. The theory of labor participating has failed of convincing demonstration even in small units and, in our judgment, if applied on the vast organizations of the railroads it would never work out practically, but would, instead, prove a boomerang leading to new labor troubles.

One-third of excess earnings is not sufficient to encourage capital to finance improvements that would bring about economies of operation. For example, if on a certain railroad \$1,000,000 spent for grade revision would promise reduction in operation amounting to 20% of the amount to be invested, one-third of which would accrue to the corporation for payment of interest, the other two-thirds going to interests that had no responsibility in providing the \$1,000,000, how can one conceive that a board of directors would ever authorize the expenditure? This is not a hypothetical case, as I have in mind a specific instance of such an expenditure resulting in just the manner mentioned, which, under the Warfield plan, would certainly never have been authorized. The economic waste of continuing the old operation, in the above example, would go on forever, and not only would the public be deprived of superior facilities, but there would be absolutely lacking any incentive for judicious and effective supervision of the road itself.

Another weakness involved in the distribution of excess earnings, as stated in the above bill, is that the plan takes too much out of the

total excess earnings for the prosperous lines within a given region, not leaving enough to encourage these stronger lines to take over the weaker lines under their protection, building them up and strengthening them to give the public better service, which is both desirable and necessary, provided such consolidations are properly safeguarded by Governmental supervision.

The proposal to create regional commissions composed of three men each, drawing maximum salaries of only \$7,500 each, and providing that no person shall be eligible who is in any way pecuniarily interested in any railroad property, or who owns any railroad stocks or bonds, or who holds any official relation to any common carrier, is little short of Bolshevism, for who could qualify, or who could be obtained under these restrictions, except some cheap lawyer or politician? It seems to me that we have already had more than enough of the theory that a man is disqualified for public service who happens to possess the evidence of success and fitness in the particular field in which he is called to render that service.

Too large systems do not make for efficient of economic operation, and the attempt to lodge executive powers in the hands of a few men supervising groups of systems, or large regions, or to group all the roads in certain sections into single systems, as has been elsewhere proposed, is most objectionable. Large systems tend to congest both in their traffic and in their official handling, for the executive's authority is necessarily too far removed from the activities which turn the wheels under the cars. Such an organization (and your proposed regional commissions and the National Railways Association, with the powers vested in them, constitute such an organization) inevitably takes on bureaucratic methods, which are necessarily slow, and the result is that the answer comes after the train has gone. Responsibility is too far removed from the seat of operation, with the result that not only is the esprit de corps destroyed, but efficiency of operation is reduced to a minimum.

The proposal to create a body to be known as "The National Railways Association," to facilitate the return of the railroads to their owners would, I believe, be commendable, provided its functions should be confined within that scope, but to create such a body as a permanent institution to gather under its control one-third of the excess earnings of all the railroads of the country, as provided in the bill, is a measure fraught with the greatest danger. As money would accumulate in the hands of the National Association, there is practical certainty that the aggregate fund would, in due time, far overreach the immediate necessities of the Association, with respect to rolling stock purchases and the like, and it is beyond human nature to conceive that when this fund should become reasonably large in proportions, the Association would not begin to look around for means of spending it, either in the construction of competing railroad lines, or in the initial steps of a program of actual Government ownership.

In this connection, it is pertinent to point out also that the Railroad Administration, as a purely war measure, purchased a large amount of rolling stock, which, under war conditions, cost much more than the normal price for such equipment. The Railroad Administration has, as you know, attempted to force this equipment upon the railroads of the country, even at the exorbitant cost at which it was acquired, as just indicated. Such forced allocation of the equipment in question is, to our minds, unjust and immoral, and we are utterly opposed to any measure which may even remotely contemplate such action. Senate Bill No. S-5679 gives no assurance whatever that the National Association in leasing, or sub-letting, this Government equipment to needy roads would not do so on the basis of the original exorbitant and abnormal cost, and it is our contention that if the individual roads are to relieve the Government of its war purchases of equipment, this must be accomplished on equitable terms, with due reference to the normal cost of such equipment and only with the consent of the roads in question. In other words, we hold, as already stated, that the Government purchased this rolling stock as a necessary war measure, just as the Government purchased motor trucks and other war equipment, which surplus equipment the Government is now obliged to sell, or dispose of, at the inevitable sacrifice price, and if that is true in the case of motor trucks and other miscellaneous equipment, the same rule should apply in the case of railroad rolling stock, and the Government should absorb the inevitable loss on this score also as a necessary expense of the war. We shall be opposed, therefore, to any measure that may provide otherwise.

To sum up our position, therefore, we find it impossible to approve the Warfield plan on the ground that it is a compromise, and an attempted straddle which, to our minds, is worse than outright Government ownership and quite impossible. Accordingly, we are unalterably opposed to the passage of the above bill, and we take the position that the President and the Administration should carry out, in terms, the promise conveyed in the President's proclamation. We believe that the strength of the railroad security holders and the railroad owners should be directed toward securing the return of the railroads to their owners at the earliest possible date; that whatever Federal legislation is enacted to provide for improved conditions, over those which existed prior to the war, should confine itself to the elimination of multiplied jurisdictions and the centralization of control in the hands of the Federal Government as far as rates, wages, security issues and operating conditions are concerned. I mean by this that Congress should instruct the Inter-State Commerce Commission, or other supervising bodies, to correlate rates and wages so as to enable the roads to earn a proper return upon their investment; in other words, to provide that rates shall be placed upon a level which will bear proper relations to the wages imposed by Governmental edict. We believe that many of the roads could be returned to their owners immediately. Others could be returned later, and in regard to others specific plans might have to be worked out to avoid disaster, but, as stated early in this letter, in our minds the only way to return the roads, as promised by the President, is to return them, and we are utterly opposed to any compromise legislation which will in any way deprive the roads of their inherent rights, or move us one step nearer Socialism or Government ownership. It is with great regret that we find ourselves in opposition to your program, which I trust we have not misconstrued, and you will understand, I am sure, our resultant inability to further support the actions of the National Association of Owners of Railroad Securities in this connection, either with funds or with our influence.

**RAILROAD DEFICIT OF \$192,000,000 FOR FIRST QUARTER OF 1919.**

A deficit of approximately \$192,000,000 for the first three months of the present year, after deducting the rental due to the railroads, is shown for the railroads under Government control, in a statement issued on May 6 by Walker D. Hines, Director-General of Railroads. The latter's statement followed the issuance earlier in the day of the estimate of earnings and expenses of the railroads compiled by the Bureau of Railway Economics from the reports of the Inter-State Commerce Commission; this disclosed a deficit of

approximately \$133,000,000 in the case of class I roads for the first quarter. With respect to the differences between Mr. Hines' figures and those of the Bureau, it is pointed out that Mr. Hines calculated the guaranteed compensation for the three months as three-twelfths of the annual compensation, while the Bureau calculated each month's share on the basis of the average for that month in the three pre-war years. The Railroad Administration figure also included small roads, not included in the so-called Class I, which are under Government control, and also expenses of the control and administration and cost of operating inland waterways. Mr. Hines explained that his system of calculating tended to show the Railroad Administration's position rather at a disadvantage for the first three months. We quote as follows from Mr. Hines' statement:

The results for the calendar year 1918 show that at Dec. 31 1918 the deficit incurred by the Railroad Administration for that year after deducting the rental due the railroad companies amounted to \$226,000,000. This included the expenses of the central and regional administrations, and also included the operations of the inland waterways under control of the Railroad Administration as well as the incidental statement. There remained comparatively small amounts of back pay for the calendar year 1918 which were not charged into the accounts for that year, but which have largely been charged into the three months ending with March 1919.

For the months of January, February and March 1919 the aggregate deficit incurred, after deducting the rental due to the railroad companies, was approximately \$192,000,000. This figure includes not only the class I railroads but all other roads under Federal control, the expenses of the central and regional administrations, the operation of inland waterways under control of the Railroad Administration, as well as some incidental and miscellaneous items.

In arriving at this figure there has been charged against each of these months one-twelfth of the annual rental of the railroads. Generally speaking, these three months have always earned much less than three-twelfths of the return for the year so that a substantially less charge of rental into these months would not be inappropriate. Still it seems preferable to charge a full one-twelfth of the rental into each of these months rather than to run the risk of an impression arising that there is any disposition to understate the actual results.

To a large extent the unfavorable results for January, February, and March are due to the fact that business has fallen off and that expenses could not be correspondingly readjusted, so that the loss largely arises in connection with the period of readjustment through which the country is going. Industrial enterprises generally have suffered embarrassment on account of the fact that business has been curtailed so much more rapidly than expenses could be curtailed. The railroad business is probably in its nature less elastic than any other business and shows more unfavorably the embarrassments of readjustment.

Since the first of the year I have conferred repeatedly with the regional directors and I have also conferred with nearly all the Federal managers in the United States on the subject of costs. The entire railroad organization has been and is working most earnestly to readjust costs to meet the present conditions, but the nature of the railroad business, whether under private or public control, is such that to a very large extent it is impossible to offset loss in business by a corresponding reduction in costs. On the other hand, when there shall be a substantial increase in business the revenues therefrom will be largely reflected in the net because the costs will not be correspondingly increased.

It is believed that this improvement will be considerably emphasized by reason of the fact that maintenance work has been carried forward during the favorable weather of January, February, and March on a liberal basis, despite unfavorable business, and this should be reflected in a saving in maintenance costs later in the year.

While passenger business for the three months was only slightly less than last year, the loss in freight business was much more pronounced, as is shown by the following table:

Total Net Ton Miles. (Revenue and Non-Revenue.)			
	1919.	1918.	1917.
January	30,383,169,000	27,619,867,000	32,652,616,000
February	25,681,943,000	29,678,260,000	28,386,351,000
March	28,952,925,000	37,706,100,000	31,674,619,000

The figures for 1919 are strictly comparable with those for 1918, but the 1917 figures do not include all the large roads in Federal operation. In order to put all three reports on a conveniently comparable basis, the net ton miles per mile of road per day are given in the following table:

Net Ton Miles per Mile of Road per Day. (Revenue and Non-Revenue.)			
	1919.	1918.	1917.
January	4.275	3.878	4.770
February	4.002	4.591	4.511
March	4.059	5.273	5.192

It is impossible on the basis of these three months to predict the results for the year as a whole, although it is believed the results will be very much less unfavorable if, as seems to be generally anticipated, there shall be an important resumption of business later in the year, especially if the great crops now in prospect shall be realized.

On the trip in the West which I have just completed I have found the most pronounced optimism on the part of business and agricultural interests generally, which gives a reasonable basis for hoping for an enlarged business that will be relatively profitable to the railroads, since handling it should not correspondingly increase their costs. But, while it is proper to mention these factors, it must be admitted that in the midst of the present period of post-war readjustment it is impossible to make any confident statement as to the results of railroad operations for the remainder of this calendar year.

The present unfavorable results naturally lead to agitation of the question whether there ought to be an increase in rates. My own judgment is that the present conditions are too abnormal to serve as a basis for any general change in the level of rates and that it is preferable to defer action on that subject until there shall have been a fuller opportunity to get a more reliable, and possibly a more normal, measure of the conditions, meanwhile resorting to every practicable economy, studying the situation with the greatest care, and keeping the public fully informed as to developments.

There has not been included in the months of January, February, and March the sum of approximately \$6,000,000 per month for back pay on

account of wage orders recently issued to put into effect recommendations of the Board of Railroad Wages and Working Conditions which were made upon proceedings pending before it during the war, such wage orders being necessary, as heretofore explained, to complete the war cycle of wages to which the Government was necessarily committed during the war. These amounts of back pay will appear in the next few months and of course will result in diminishing operating income for those months.

One other item needs to be mentioned. Under the contract between the Government and the American Railway Express Co. in the summer of 1918 the Government undertook to assume any operating deficit which the Express Company might incur during Government control. Such operating deficit for the first year will not be ascertainable or technically chargeable against the Railroad Administration until the end of twelve months from the effective date of the contract, i. e., July 1 1918. The amount of this deficit, however, should be borne in mind. For the six months ending Dec. 1 1918 such deficit was approximately \$9,500,000, and for the months of January and February 1919 (including allowance for back pay to be hereafter paid on account of those months), it is roughly estimated that such deficit will be approximately \$5,040,000, making the operating deficit now in sight for the first eight months of the year which will end June 30 1919 approximately \$14,540,000. It can reasonably be assumed that this additional expenditure will have to be incurred by the Railroad Administration on account of the eight months in question, although it will not appear in the accounts until after June 30 next. No estimate can yet be made for the month of March.

It is not anticipated that the conditions for April will be more favorable than the conditions for January, February, and March. In many parts of the country the effects of business readjustment were more pronounced in April than in the earlier part of the year.

It is my policy to give the public facts, and, where the inference to be drawn is doubtful, to resolve the doubt in such way as to avoid the risk of making a statement more favorable than the ultimate facts will justify.

INCREASE IN PAYROLL OF RAILROADS.

A report submitted to Director-General of Railroads Walker D. Hines on April 26 by the Operating Statistics Section of the Railroad Administration shows that the aggregate payrolls for all classes of employees of railroads under Government control rose from \$153,039,998 in December to \$230,800,589 last January, with the average rate of pay increase 48%. There was a reduction in pay of one class, general officers. The report deals with the number employed in each class, days and hours worked, pay in the aggregate, per day and per hour, and the rate of advance, as of December 1917, the last month of private operation, and January 1919. It is the first report of the kind ever prepared by the Railroad Administration. It shows that in the thirteen months between the two dates, the number of employees rose from 1,703,748 to 1,848,774, or 8.5%. This was said to be only a normal rate of increase to take care of traffic handled. In most classes of employment the numbers increased, except in the cases of freight and passenger enginemen, firemen, conductors, trainmen and flagmen. The demand for these classes of men on military railways in France caused a decrease in the number employed in the United States. It is stated that, although the report does not give specifically the number of hours for each man, or even an average, it was indicated that hours worked amounted to less in January than in the month preceding Government control. The aggregate of hours worked increased a little more than 1% and for the classes employed by the day, working time was 5.7% greater. The report showed that passenger engineers are the highest paid railway employees, receiving an average of 98 cents an hour. The next highest paid are train dispatchers, whose average is 91 cents an hour. For members of the "Big Four" Brotherhoods, and allied employments, whose recent wage advance was not figured in this report, the percentage rates of any increased were as follows: Freight engineers, 17%; freight firemen, 35; freight conductors, 21; freight brakemen and flagmen, 41; passenger engineers, 16; Passenger firemen, 24; passenger conductors, 13; passenger baggagemen, 37; passenger brakemen and flagmen, 37. The number of clerks employed rose from 108,000 to 205,000, and their wages went up 19%, or less than half of the average increase for all employees. Sectionmen, of whom an army of 249,000 was employed, received a general advance of 75%, but were still among the lower paid employees. Shopmen received a larger share of increased wages than any other similar group. Some of the percentage increases give these men are as follows: Machinists, 41; boilermakers, 42; blacksmiths, 43; masons and bricklayers, 73; structural ironworkers, 98; carpenters, 65; painters, 60; electricians, 67; car repairers, 55; mechanics' helpers, 59. Telegraphers got 64% increase, and station service employees, 72%.

DECISION OF INTER-STATE COMMERCE COMMISSION AS TO BILLS OF LADING.

A decision of the Inter-State Commerce Commission in the matter of bills of lading, handed down April 14, was made public on April 30. The subject was divided into three sections, one dealing with the general merchandise bill,

another with the export bill, and a third with the live stock contract of bill of lading. This latter section of the decision will be issued at a later date, as will additional forms for other special forms of railroad traffic such as coal and perishables held necessary by the Commission. In its decision the Commission held that the limitation of the carriers' liability by the value of property at the time and place of shipment is in contravention of the Cummins amendment, and is, therefore, null and void, and this long-standing provision of bills of lading was ordered stricken out in its entirety from the domestic bill. The Commission announces, however, that such a provision is permitted to be retained in the export bill because the Cummins amendment is held not to be applicable to traffic destined to non-adjacent foreign countries. An important feature of the Commission's report, and one which, it is stated, will be of the greatest practical importance to transportation and commercial interests, is the fact that the Commission's order standardizes the bills under which the great bulk of traffic in this country moves by prescribing uniform bills of lading for use in both domestic and export commerce, to be used upon the lines of all carriers amenable to the Act to Regulate Commerce. The new bills were ordered put into use by all carriers, subject to the Commission, on or before Aug. 8, with thirty days' notice to the public of the change. In its synopsis of its findings the Commission says:

Pursuant to an order of investigation instituted by the Commission upon its own motion and after due hearing and inquiry into the general subject of the form and substance of bills of lading, and of the practices of carriers in respect to the issuance, transfer and surrender thereof, and upon consideration of all the facts of record and of the common law affecting bills of lading, its modification by Federal statutory law, and the duties and powers of the Commission thereunder:

*Held:* With respect to domestic traffic moving in inter-State commerce:

1. That the numerous complaints made to the Commission in the past alleging unfair and varying practices of carriers in the interpretation and application of the rules and regulations contained in their present bills of lading; the great importance of the bill of lading, not only in transportation usage, but as an assignable and negotiable instrument in commercial transactions and the uncertainties in which shippers, carriers and other interested parties frequently find themselves involved respecting questions arising in connection with bills of lading, have made it imperative that the Commission take appropriate action for the purpose of formulating and prescribing uniform bills of lading.

2. That the Commission has authority in a proper proceeding under the law to require carriers subject to the Act to regulate commerce to comply with the provisions of the law respecting the issuance of bills of lading; to file with it the rules and regulations which they write into their bills of lading; to require that uniform rules and regulations be adopted by them, and to determine what are reasonable and non-discriminatory rules and regulations.

3. That with respect to the application of the Cummins amendment to the Act to regulate commerce, property transported by carriers subject thereto may be put into three classes: (a) "ordinary live stock" as to which no limitation of liability whatsoever is lawful; (b) property, other than ordinary live stock, concerning which the carrier may upon proper authorization, obtained from the Commission, be permitted to contract for a limitation of the measure of its liability, that is, of the amount of recovery; (c) property, other than ordinary live stock, as to which the carrier has not obtained authorization to contract for a limitation of its liability and as to which, therefore, no limitation of liability is lawful.

4. Various findings in conformity with this interpretation of the law made in respect of the proposed rules and regulations and a form of bill of lading designated and described as Appendix B, applicable to domestic shipments moving in inter-State commerce prescribed for use upon all lines subject to the Act to regulate commerce:

*Held:* With respect to questions affecting export traffic, and with respect to those involving the issuance and use of bills of lading applicable to the transportation of shipments from a point in the United States to a point in a non-adjacent foreign country:

1. That the transportation of traffic from an inland point in the United States to a port of export, for export, is subject to all the provisions of section 1 of the Act, even though the transportation to the port is performed wholly within the confines of the State in which it originates, and whether the traffic be carried on local or through bills of lading.

2. That the Cummins amendment does not apply to traffic to a non-adjacent foreign country.

3. That while the Commission's authority over bills of lading to non-adjacent foreign countries is more limited and attaches more indirectly than in case of bills covering domestic inter-State traffic, or traffic to an adjacent foreign country, it nevertheless does have authority over the rules, regulations and practices of inland carriers subject to the Act to regulate commerce, when, and if, they join in through bills of lading to non-adjacent foreign countries, and it requires such rules and regulations to be published and filed.

4. A form of bill of lading which the Commission finds would be just, reasonable and lawful to be used upon the lines of all carriers subject to the Act to regulate commerce on export traffic to non-adjacent foreign countries prescribed, and referred to and designated in the report as Appendix D.

In what it has to say regarding domestic bills of lading, the report says:

The Cummins amendment requires any common carrier, railroad or transportation company subject to the provisions of the Act, receiving property for transportation as defined therein, to issue a receipt or bill of lading therefor, and makes such carrier liable to the lawful holder thereof for the "full actual loss, damage or injury to such property caused by it or by any such common carrier, railroad or transportation company to which such property may be delivered or over whose line or lines such property may pass within the United States or within an adjacent foreign country when transported on a through bill of lading," &c. Many of the exemptions proposed to be incorporated in this section for the benefit of carriers by water would be in direct violation of the provisions of the Cummins amendment which we construe as applying to such carriers when used in connection with a rail carrier under a common control, management or ar-

range for a continuous carriage or shipment. Carriers by water that are subject to the Act, or that are willing to subject themselves to the Act, by participating in the transportation of inter-State traffic under arrangements with a railroad for through and continuous carriage and shipment of goods, must accept and be bound by the provisions of the Act, including the provisions of the Cummins amendment, in respect to liabilities of carriers.

The exemptions from liability which the respondents desire to incorporate into the bill of lading solely on behalf of carriers by water, when they participate in transportation subject to the Act, might be proper in respect of transportation from port to port, or to transportation of such other character as does not fall within the Cummins amendment. With such transportation we have nothing to do, but it is our opinion that, as applied to the transportation by a water carrier under an arrangement with a railroad for common control and continuous carriage or shipment, the proposed rule would be in contravention of the Cummins amendment and therefore null and void.

We cannot approve its incorporation in the proposed uniform bill of lading.

On the subject of the export bill of lading the Commission says:

The principal differences between the carriers and the shippers with respect to the terms and conditions which should, or should not, be incorporated in the export bill seem to arise (1) from the question whether or not the Carmack and Cummins amendments apply to traffic to a non-adjacent foreign country, (2) whether the rail carrier in delivering at its terminus, or at the end of its haul, may be treated as delivering to a consignee or his agent, or must be treated as delivering to a connecting carrier.

The deduction seems clear and inevitable that transportation from a point in the United States to a point in a non-adjacent foreign country cannot be brought within the specification of the Cummins amendment of commerce "from a point in one State or Territory or the District of Columbia to a point in another State, Territory, District of Columbia, or from any point in the United States to a point in an adjacent foreign country." For obvious reasons, not necessary to enlarge upon, it seems equally clear that commerce from a point in the United States to a point in a non-adjacent foreign country moving wholly intra-State from the point of shipment to a port of export is not within the purview of the amendment.

#### THE PARADE OF THE SEVENTY-SEVENTH.

The march of the 77th Division, National Army—"New York's Own"—up Fifth avenue, on Tuesday last, was the occasion of a welcoming demonstration which, in its whole-hearted enthusiasm, was second to none ever seen in this city. The experience with the overflowing crowds which turned out to see the parade of the 27th Division a few weeks previously led to police regulations which barred thousands of spectators from the avenue, but the resulting freedom of movement for the marching troops added to the picturesque and the military smartness of the parade, and the universal testimony was that a finer and better trained body of men had never been seen in this city. Owing to the mass formation adopted for the parade only 45 minutes was consumed by the 31,000 men in passing the reviewing stand.

By resolution of the Board of Aldermen the day was made a city holiday and public offices and schools were closed. The Stock Exchange and other like institutions also closed, and the day was generally observed as a holiday by the business community.

An impressive feature of the parade was the cortege of honor, composed of members of the division bearing ten service flags with 2,356 gold stars in memory of their fallen comrades, and palms, emblematic of victory. Accompanied by representatives of the 189 Draft Boards of the city, bearing wreaths, the cortege started ten minutes ahead of the main parade, and to the solemn strains of a funeral march, paced slowly up the avenue to the Court of the Heroic Dead in front of the Public Library. Here they fell out and remained in position while the parade marched by. The Court of the Heroic Dead was flanked by high pylons supporting a purple net curtain bearing in gilt letters the names of the battles the division participated in, and a roll of honor made up of the names of the fallen. Mayor Hylan and Governor Smith, who rode at the head of the procession, deposited a wreath in the name of the city. The 189 wreaths sent by the Local Draft Boards, each bearing a purple mourning sash, were piled at the foot of the Roll of Honor. At the top of the curtain was a quotation from the letter sent by Abraham Lincoln to Mrs. Bixby of Boston, who lost her five sons in the Civil War. It read:

I feel how weak and fruitless must be any words of mine which should attempt to beguile you from the grief of a loss so overwhelming. I pray that our Heavenly Father may assuage the anguish of your bereavement and leave you only the cherished memory of the loved and lost and the solemn pride that must be yours to have laid so costly a sacrifice upon the altar of freedom.

In striking contrast to the mournful solemnity of the memorial ceremonies the snappy marching—128 steps to the minute—ruddy cheeks and vigorous health of the marching men was an inspiration and a revelation to their friends and relatives who, with the splendid fighting record of the division fresh in mind, joined in the universal wonder



that city bred civilians could so quickly have been turned into war-hardened veterans.

On the previous day Major-General Alexander, commander of the division, and his staff paid an official visit to the City Hall, where they were welcomed in the name of the city by Mayor Hylan. General Alexander was formally introduced by Deputy Police Commissioner Rodman Wanamaker, and Mayor Hylan read an address of welcome in which he said:

On behalf of the people of New York I extend to you a most hearty welcome. The people of the city are proud of you and the officers and men of the Metropolitan Division. You have gloriously demonstrated that effective team work in military affairs, as well as in civil life, is the only successful method of accomplishing great results. The achievements of the 77th Division are the more remarkable because of its being composed of many races, speaking many tongues.

Men were taken from all walks of life—from offices, factories, sweatshops, and in fact from every possible professional and commercial activity. Many were unaccustomed to outdoor life, undernourished with pallid cheeks; men with stooped shoulders, the result of long hours of confinement in dark offices and shops, were all called to the colors.

Of the 77th Division I understand that fully 30% are men of Hebrew extraction. The splendid record they made on the other side, with only a few months of intensive training, is most remarkable. It is most phenomenal how the men of the 77th under military discipline proved themselves equal to the most exacting and trying tasks. Their courage, their fearlessness, and their heroism will ever remain unsurpassed.

To-day they return to us with manly, soldierly bearing, added self-respect, new ideas, renewed determination and better physically, morally and spiritually. They return to us with intellects awakened, ambition spurred and higher and better ideals. They return to us with a realization that the opportunities of America and its free institutions should be upheld and perpetuated.

The people of the entire country, and particularly the City of New York, have been thrilled with a feeling of pride at the extraordinary heroism of the American soldier, and too much praise cannot be given the discipline and valor that were displayed by the American Army in the great world war.

Let us pause for a moment to recount some of the deeds of the 77th Division, the conquerors of the Argonne Forest, the routing of the enemy from the Vesle to the Aisne River, the military achievement accomplished by tearing through the supposed impenetrable forest, and the continuous engagement of the division in fighting from its entrance into the Lorraine sector until it reached the gates of Sedan when the armistice was signed.

We of New York City want the officers and men of the 77th Division to know that we realize it required a great courage to plunge into the very heart of the Argonne. Twenty-one American divisions were on the twenty-mile front when the Meuse-Argonne offensive was begun, but the 77th was the only division which attacked the enemy in his stronghold and succeeded in driving him from the Argonne jungle. This remarkable military achievement commanded the admiration not only of the country but of all the civilized world. The penetration of the supposed impervious thickets and the triumphant smashing of the cunningly devised enemy defenses have added imperishable renown to our flag and the achievements of our Army.

Again the traditions of America have been upheld. Again the stirring military prowess of the American soldier has been demonstrated. Again the forces of civilization, swept on by resistless dash and energy, have triumphed over the forces of entrenched autocracy. Again was displayed the courage of the men of 1776, of 1812, of 1861, and of 1898.

General Alexander, I offer to you the heartfelt congratulations of the people of this city on the splendid work of the men of the Liberty Division. We hail with joy those who have returned to us from the glorious fields of battle.

But there are many of your brave comrades who have not returned. Their blood has sanctified the soil of France and Flanders fields. This city bows in reverence for those who died. We extend our sincere sympathy in their hour of sorrow to the wives who gave their husbands and to the mothers who gave their sons to bring peace and safety to all nations.

Expressing in the name of the division his appreciation of the reception New York had accorded the 77th, General Alexander told of the great pride he felt in commanding the New York contingent.

"It was my good fortune on Christmas Day to tell the President of the United States how extremely proud I was of my division," General Alexander said. "Every man in it was fired with the ennobling principles of Americanism, and it was this spirit which pushed the division through a fortress deemed impregnable by military experts. For twenty days of battle your division arose from its bed in the mud and attacked. They paid heavily the price of these attacks, but they played the game and won their objectives. The men never asked relief and their record is one of which we all are proud."

"The Commander-in-Chief insisted that the men should be safeguarded, not only in battle but in camps and billets. We had great assistance in this work from the welfare organizations, and the men have come home sane in mind and clean in body. Keep them so."

Major-General Alexander on Sunday made public a letter from General Pershing, in which the American Commander expressed his admiration for the splendid record made by the New York City drafted men. The letter read:

AMERICAN EXPEDITIONARY FORCES,  
Office of the Commander-in-Chief,

Major-Gen. Robert Alexander, Commanding 77th Division, A. E. F., Sables-sarthe.

My Dear General Alexander: It gives me great pleasure to extend to you and the officers and men of the 77th Division my compliments upon their splendid work while in France.

Arriving in April 1918 their training with the British was interrupted, and by the end of June the division was in a quiet part of the line near Baccarat, thus releasing veteran divisions for the active battle. After slightly more than a month's experience here it went into the Oise-Aisne offensive from Aug. 12 until Sept. 16 advancing against strong opposition for twelve kilometers from near the Ourcq River, crossing the Vesle, to a position a little west of the Aisne River. In the Meuse-Argonne offensive, in which it took part from Sept. 28 to Oct. 16, and from Oct. 31 to Nov. 11, it had to advance through the exceedingly difficult terrain of the Argonne Forest. It finally worked its way twenty-two kilometers to the north edge of the forest and captured Grand Pré. From Nov. 1 to Nov. 7 the division advanced thirty-seven and one-half kilometers from

the Aire to the Meuse, capturing Champigneulle, Buzancy, and all towns and heights on the west of the Meuse within the divisional sector.

It was gratifying to see your troops in such good physical shape, but still more so to know that the moral tone of all ranks is so high. I am sure that they will carry this high standard back into whatever tasks lie before them when they return to civil life.

I want the officers and men of the 77th Division to know how much they have contributed to the success of our armies. They should go home justly proud of the gratitude of the Allies with whom they have fought and conscious of the admiration of their fellows throughout the American Expeditionary Forces. Very sincerely yours,  
(Signed) JOHN J. PERSHING.

On Tuesday night the officers of the 77th were entertained at a dinner at the Waldorf-Astoria by the Mayor's Committee of Welcome. Numerous festivities for men and officers were also provided in other places, including a ball at the Hotel Astor. It is expected that the bulk of the men in the 77th will be mustered out by Monday of next week.

REMARKS OF PREMIER CLEMENCEAU TO GERMAN ENVOYS ON PRESENTATION OF PEACE TREATY.

The treaty, framed by the peace conferees, and embodying the terms upon which the Allied and Associated Powers will make peace with Germany, was handed to the German plenipotentiaries at Versailles on May 7 in the Great Hall of the Trianon Palace Hotel. Delegates of the twenty-seven nations which are parties to the compact were in attendance at the assemblage. The press dispatches state that "although only fourteen official German representatives and five correspondents attended the meeting at the hotel, the remaining members of the German delegation, now almost 250, were as excited as if they also had a role in the day's great ceremony." The ceremony began at 3:10 p. m. and was concluded at 3:51 p. m. Georges Clemenceau, the French Premier, President of the Peace Congress, presided over the session, with President Wilson and the other American representatives on his right and David Lloyd George, the British Premier and his colleagues on the left. It is interesting to record that the day marked the fourth anniversary of the sinking of the Lusitania by a German submarine. In opening the session of the Peace Congress, Premier Clemenceau said:

Gentlemen, Plenipotentiaries of the German Empire:

It is neither the time nor the place for superfluous words. You have before you the accredited plenipotentiaries of all the small and great Powers united to fight together in the war that has been so cruelly imposed upon them. The time has come when we must settle our account.

You have asked for peace. We are ready to give you peace. We shall present to you now a book which contains our conditions. You will be given every facility to examine these conditions, and the time necessary for it. Everything will be done with the courtesy that is the privilege of civilized nations.

To give you my thought completely, you will find us ready to give you any explanation you want, but we must say at the same time that this second treaty of Versailles has cost us too much not to take on our side all the necessary precautions and guarantees that the peace shall be a lasting one.

I will give you notice of the procedure that has been adopted by the conference for discussion, and if any one has any observations to offer he will have the right to do so. No oral discussion is to take place, and the observations of the German delegation will have to be submitted in writing.

The German plenipotentiaries will know that they have the maximum period of fifteen days within which to present in English and French their written observations on the whole of the treaty. Before the expiration of the aforesaid period of fifteen days the German delegates will be entitled to send their reply on particular headings of the treaty, or to ask questions in regard to them.

After having examined the observations presented within the aforementioned period, the Supreme Council will send their answer in writing to the German delegation and determine the period within which the final global (worldwide) answer must be given by this delegation.

The President wishes to add that when we receive, after two or three or four or five days, any observations from the German delegation on any point of the treaty, we shall not wait until the end of the fifteen days to give our answer. We shall at once proceed in the way indicated by this document.

The treaty, a document of 80,000 words, was not printed in German, but in French and English, on opposite pages. The official summary of the treaty is published elsewhere in to-day's issue of our paper.

REPLY TO PREMIER CLEMENCEAU BY GERMAN DELEGATE.

Following the remarks of Premier Clemenceau with the presentation of the peace treaty to the German plenipotentiaries, Paul Dutasta, Secretary-General of the Peace Conference, delivered a copy of the treaty to Count von Brockdorff-Rantzau, head of the German delegation, who made a brief reply, as follows:

Gentlemen: We are deeply impressed with the sublime task which has brought us hither to give a durable peace to the world. We are under no illusion as to the extent of our defeat and the degree of our want of power. We know that the power of the German army is broken. We know the power of the armed which we encounter here and we have heard the passionate demand that the vanquishers may make us pay as the vanquished, and shall punish those who are worthy of being punished. It is demanded from us that we shall confess ourselves to be the only

ones guilty of the war. Such a confession in my mouth would be a lie. We are far from declining any responsibility that this great war of the world has come to pass and that it was made in the way in which it was made. The attitude of the former German Government at The Hague Peace Conference, its actions and omissions in the tragic twelve days of July have certainly contributed to the disaster. But we energetically deny that Germany and its people, who were convinced that they were making a war of defense, were alone guilty.

Nobody will want to contend that the disaster took its course only in the disastrous moment when the successor to the throne of Austria-Hungary fell the victim of murderous hands. In the last fifty years the imperialism of all the European States has chronically poisoned the international situation. The policy of retaliation and the policy of expansion and the disregard of the rights of peoples to determine their own destiny have contributed to the illness of Europe, which saw its crisis in the world war.

Russian mobilization took from the statesmen the possibility of healing, and gave the decision into the hands of the military powers. Public opinion in all the countries of our adversaries is resounding with the crimes which Germany is said to have committed in the war. Here also we are ready to confess wrong that may have been done.

We have not come here to belittle the responsibility of the men who have waged the war politically and economically, or to deny any crimes which may have been committed against the rights of peoples. We repeat the declaration which has been made in the German Reichstag at the beginning of the war, that is to say, "wrong has been done to Belgium," and we are willing to repair it.

But in the manner of making war also Germany is not the only guilty one. Every nation knows of deeds and of people which the best nationals only remember with regret. I do not want to answer by reproaches to reproaches, but I ask them to remember, when reparation is demanded, not to forget the armistice. It took you six weeks until we got it at last, and six more until we came to know your conditions of peace.

Crimes in war may not be excusable, but they are committed in the struggle for victory and in the defense of national existence, and passions are aroused which make the conscience of peoples blunt.

The hundreds of thousands of non-combatants who have perished since Nov. 11 by reason of the blockade were killed with cold deliberation after our adversaries had conquered and victory had been assured to them. Think of that when you speak of guilt and of punishment.

The measure of the guilt of all those who have taken part can only be stated by an impartial inquest before a neutral commission, before which all the principal persons of the tragedy are allowed to speak and to which all the archives are open. We have demanded such an inquest and we repeat this demand.

In this conference also, where we stand toward our adversaries alone and without any allies, we are not quite without protection. You, yourselves, have brought us an ally, namely, the right which is guaranteed by the treaty and by the principles of peace.

The Allied and Associated Governments have foresworn in the time between the 5th of October and the 5th of November 1918 a peace of violence and have written a peace of justice on their banner. On the 5th of October 1918 the German Government proposed the principles of the President of the United States of North America as the basis of peace, and on the 5th of November their Secretary of State, Mr. Lansing, declared that the Allied and Associated Powers agreed to this basis, with two definite deviations.

The principles of President Wilson have thus become binding to both parties to the war—for you, as well as for us, and also for our former allies. The various principles demand from us heavy national and economic sacrifices, but the holy fundamental rights of all peoples are protected by this treaty. The conscience of the world is behind it. There is no nation which might violate it without punishment.

You will find us ready to examine upon this basis the preliminary peace which you have proposed to us, with a firm intention of rebuilding in common work with you that which has been destroyed and repairing any wrong that may have been committed, principally the wrong to Belgium, and to show to mankind new aims of political and social progress.

Considering the tremendous quantity of problems which arise, we ought as soon as possible to make an examination of the principal tasks by special commissions of experts, on the basis of the treaty which you have proposed to us. In this it will be our chief task to re-establish the devastated vigor of mankind and of all the people who have taken part by international protection of the life, health and liberty of the working classes.

As our next aim, I consider the reconstruction of the territories of Belgium and of Northern France, which have been occupied by us and which have been destroyed by war.

To do so we have taken upon ourselves the solemn obligation, and we are resolved to execute it to the extent which shall have been agreed upon between us. This task we cannot do without the co-operation of our former adversaries. We cannot accomplish the work without the technical and financial participation of the victorious peoples, and you cannot execute it without us.

Impoverished Europe must desire that the reconstruction shall be fulfilled with the greatest success and with as little expense as in any way possible. This desire can only be employed. It would be the worst method to go on and have the work done by German prisoners of war. Certainly this work is cheap, but it would cost the world dear if hatred and despair shall seize the German people when they consider that their brothers, sons and fathers who are prisoners are kept prisoners beyond the preliminary peace in former penal work.

Without any immediate solution of this question, which has been drawn out too long, we cannot come to a durable peace. Experts on both sides will have to examine how the German people may come up to their financial obligations to repair, without succumbing under their heavy burden. A crash would bereave those who have a right to repair to the advantages to which they have a claim, and would draw after it irretrievable disorder of the whole European economical system.

The vanquishers, as well as the vanquished peoples, must guard against this menacing danger, with its incalculable consequences. There is only one means of banishing it—unlimited confessions of the economic and social solidarity of all the peoples in a free and rising League of Nations.

Gentlemen—The sublime thought to be derived from the most terrible disaster in the history of mankind is the League of Nations. The greatest progress in the development of mankind has been pronounced, and will make its way. Only if the gates of the League of Nations are thrown open to all who are of good will, can the aim be attained, and only then the dead of this war will not have died in vain.

The German people, in their hearts, are ready to take upon themselves their heavy lot, if the bases of peace which have been established are not any more shaken.

The peace which may not be defended in the name of right before the world always calls forth new resistance against it. Nobody will be capable of subscribing to it with good conscience, for it will not be possible of ful-

fillment. Nobody could be able to take upon himself the guarantee of its execution, which ought to lie in its signature.

We shall examine the document handed to us with good will and in the hope that the final result of our interview may be subscribed to by all of us.

The defiant attitude of the German delegates has been commented upon in cablegrams from the other side, and the fact that Count von Brockdorff-Rantzau did not rise as did Premier Clemenceau, but remained seated while reading his speech, has also been criticized; his seeming discourtesy, it is explained, however, may have been due to the fact that he had been ill. The London cablegrams of the 7th, in referring to some of the criticisms directed against the German delegates, said in part:

After the conference William M. Hughes, Premier of Australia, said, according to a Reuter dispatch: "The attitude of Count von Brockdorff-Rantzau was an intolerable insult to the Conference, for while Premier Clemenceau spoke standing, the German spokesman did not rise while making his address. In spite of their intolerable arrogance, this has been a day of humiliation for the Germans, which we could see had entered into their souls."

#### DISPOSITION OF FORMER GERMAN COLONIES—CHINA'S OPPOSITION TO TREATY—FIUME.

In addition to what we give elsewhere regarding the treaty with Germany, the following relative to the agreement as to the disposition of the former German colonies came from Paris in Associated Press advices May 7:

The Council of Three has agreed upon the disposition of the former German colonies. The mandate for the German Samoan Islands goes to New Zealand, and for the other former German possessions south of the equator to Australia. Japan is to be mandatory of the islands north of the equator. The official communication on this subject says:

"The Council of Three, M. Clemenceau, President Wilson and Mr. Lloyd George, yesterday decided as to the disposition of the former German colonies as follows:

"Togoland and Kamerun—France and Great Britain shall make a joint recommendation to the League of Nations as to their future.

"German East Africa—The mandate shall be held by Great Britain.

"German Southwest Africa—The mandate shall be held by the Union of South Africa.

"The German Samoan Islands—The mandate shall be held by New Zealand.

"The other German Pacific possessions south of the equator, excluding the German Samoan Islands and Nauru—The mandate shall be held by Australia.

"Nauru (Pleasant Island)—The mandate shall be given to the British Empire.

"The German Pacific islands north of the equator—The mandate shall be held by Japan."

Under this agreement Japan wins the mandatory for the Marshall, Caroline and Ladrone groups of islands, despite the strong contest instituted by Australia.

#### BELGIUM'S FEELING TOWARD DISPOSITION OF EAST AFRICA.

Last night (May 8) the Paris cablegrams said:

The Belgian delegation has issued a note relative to Great Britain being appointed mandatory for German East Africa, saying that it is "unable to believe that this action has been taken by the Council of Four."

"In view of Belgium's important military operations in Africa, her sacrifices to insure the conquest of German East Africa, and the fact that her situation has given her rights on that continent," the note says, "Belgium is unable to admit that German East Africa could be disposed of by agreements in which she has not participated."

The Belgian delegation called at American headquarters to-day and made energetic representations regarding the mandate for German East Africa. The members also complained strongly of the omission from the peace treaty of a provision indemnifying Belgium for the seven billion marks of German money forced into circulation in Belgium during the German occupation and which has depreciated to one-fourth of its face value.

#### ARRANGEMENTS AS TO FIUME.

Associated Press advices from Paris May 7 had the following to say as to Fiume:

As a basis of resuming participation in the peace negotiations, Premier Orlando, who returned to Paris with Foreign Minister Sonnino this morning (May 7), accepted a proposal that Italy administer Fiume as a mandatory of the League of Nations until 1923, after which Fiume will revert to Italian sovereignty.

During the four years of Italian administration, a harbor for the Jugoslavs will be built at a port a few miles lower down the Adriatic coast. The harbor will have railroad communication with Agram and other cities.

Italy, it is understood, also is prepared to make sacrifices of some of her other claims on the Dalmatian coast.

The proposal which induced the Italians to return to Paris was made to them by Camille Barrere, the French Ambassador at Rome.

Premier Orlando and Baron Sonnino, the Foreign Minister, arrived in Paris from Rome this morning. The Premier arrived at the Paris "White House" just as the Council of Four assembled and resumed his seat in the Council.

#### PLEDGE IN BEHALF OF FRANCE BY UNITED STATES AND GREAT BRITAIN.

According to a statement given out by the Committee on Public Information on May 7, following the issuance of the summary of the text of the Peace Treaty a pledge to ask and in behalf of France in case of an unprovoked attack by Germany, has been given by President Wilson and the British Premier Lloyd George. The following is the statement:

In addition to the securities afforded in the treaty of peace, the President of the United States has pledged himself to propose to the Senate of the United States, and the Prime Minister of Great Britain has pledged himself

to propose to the Parliament of Great Britain, an engagement, subject to the approval of the Council of the League of Nations, to come immediately to the assistance of France in case of unprovoked attack by Germany.

From Paris May 7 the Associated Press had the following to say regarding the report of an alliance between the United States, Great Britain and France:

Reports of an alliance between the United States, France and Great Britain, supplementing the peace treaty, have developed the fact that while no offensive or defensive alliance is contemplated, yet the chiefs of the three governments are discussing such a pact, or an agreement to meet the French demand for military security against renewed German aggression.

Such a plan would, if formulated, be submitted to the United States Congress for such action as Congress might see fit to take. It is said that this is in no sense a treaty. Such being, of course, beyond the President's Constitutional powers, but in the nature of a statement of facts relating to the French claims. Neither does it contemplate unlimited guarantees of security, but, rather, security, with reasonable limits of time and of general character.

If finally concluded, this supplemental agreement will be separate from the treaty itself and will be made public.

The discussion on this subject continued to-day at the session of the Council of Three, and is understood to have centred largely on phraseology and form.

A Paris (Havas) cablegram of the same day said:

France, the United States and Great Britain have concluded an agreement giving supplementary guarantees for France and security for the peace treaty, "Le Echo de Paris" said to-day.

It added that Premiers Clemenceau and Lloyd George and President Wilson were to meet this morning to draft in final form this additional pact, which was not to be secret.

On the 8th inst. the following further information relative to the reported alliance, was contained in Paris cablegrams:

The first move toward an alliance among France, Great Britain and the United States supplementing the peace treaty, it is understood, was made by Premier Clemenceau in a letter to President Wilson with a view of developing American co-operation in the French desire for an agreement. Later letters passed between Premier Lloyd George and President Wilson which, it is understood, brought out the fact that while the British and French Premiers were free to conclude arrangements, President Wilson could not do so without Congressional action.

This in turn developed the present tendency of the negotiations to place the whole matter before the American Congress. Discussions were devoted yesterday to the form of presentation to Congress.

The understanding takes the form of a letter signed by Premier Lloyd George and Mr. Wilson referring the question to the British Parliament and the American Congress. It is also contemplated that the agreement shall be separate from the peace treaty and that any necessity for action under it shall be subject to a recommendation of the Council of the League of Nations.

The proposed alliance is an effort to meet the French demand for military security against German aggression. The terms are general in character.

In reporting on May 8 that vigorous opposition to the proposed alliance was expressed by Senator Borah of Idaho (Republican), the Washington dispatches quoted him as saying:

I am not in favor of any treaty or alliance with France or with any foreign power obligating ourselves in any way concerning future wars in Europe. Whether we shall take part in any future European war is a matter which should be determined upon the facts when and as they arise and by the particular generation which must bear the brunt of war and by the intelligence and conscience and the judgment of the American people as they see the situation when face to face with it.

I shall not support any treaty or any alliance which binds future generations concerning the matter of war with any European power. I am opposed to the whole scheme and policy upon principle.

It was announced at Washington last night that President Wilson had sent the following cablegram to Secretary Tumulty explaining the proposed alliance:

Happily there is no mystery or privacy about what I have promised the Government here. I promised to propose to the Senate a supplement in which we shall agree, subject to the approval of the Council of the League of Nations, to come immediately to the assistance of France in case of unprovoked attacks by Germany, thus merely hastening the action through which we should be bound by the covenant of the League of Nations.

#### BOUNDARIES OF GERMANY UNDER PEACE TREATY.

The following, as showing the boundaries of Germany as they are to run under the terms of the peace treaty was officially given out at Paris on May 7:

The new boundaries of Germany may be described approximately as follows:

- (1) Present boundary with Holland.
- (2) With Belgium, east of neutral Moresnet and along the eastern boundary of Kreise, of Eupen and Malmédy.
- (3) The present frontier with Luxemburg.
- (4) The frontier with France of 1870, i. e., the eastern boundary of Alsace-Lorraine, with reservations as regards the Sarre Basin.
- (5) The present frontier of Switzerland.
- (6) Frontier of 1914 with Austria to the angle east of Neustadt.
- (7) The new frontier with Poland runs thence northward, passing west of Oppeln to the most southerly point of Posnania (Posen), thence to the western boundary of Posnania to the River Bartsch; thence from the River Bartsch to a point about ten miles east of Glogau; thence from the boundary of Posnania northeast to southwest of Lissa; thence northeast to west of Kopnitz (forty-five miles southwest of Posen); thence the line will run north along the line of lakes and crossing the River Warthe to meet the boundary of Posnania eight miles west-northwest of Birnbaum; thence east-northwest to the River Netze; thence up the River Netze to the bend eight miles southwest of Schneidemühl; thence west of Schneidemühl; thence northeast about five miles west of the Schneidemühl-Konitz Railway, and passing east of Schlochau to a point about three miles northwest of Kopnitz; thence it will run north to the old boundary of West Prussia, which it follows to a salient five miles southeast of Lauterburg; thence north to meet the Baltic about eight miles west of the old boundary of West Prussia.

2. (a) The new boundary of East Prussia, with reservations for plebiscites, as in (2) leaves the Baltic and runs southwest up the River Nogat, and thence south up the River Vistula to about twelve miles southwest of Marienwerder, thence generally east to the former boundary, thence southeast to the former boundary south of Neidenburg, thence from the former boundary to the River Niemen, thence from the River Niemen to a point near Nidden, and thence west by north to the Baltic.

(b) Boundary areas for plebiscites, between the boundary of East Prussia defined above, and (1) the Marienwerder area. A line running from a point on the Nogat southwest of Elbing eastward to the old western boundary of East Prussia, and then to the latter boundary southward.

(c) The Allenstein area—The old western boundary of East Prussia on the west and then a line running generally east-northeast to include Regierungsbezirk Allenstein and Kreis Gletzko.

Sarre Basin—Northern boundary, from the French frontier west of Merzig, a line east by north to a point of five miles north of St. Wendel. The eastern boundary runs thence southeast to pass east of Homburg, and then south to the French frontier south of Zwiëbrücken so as to pass west of that place.

Areas for plebiscite in Schleswig: Between the present Danish frontier and a line running (1) through Flensburgfjord, south of Tondern and north of the Island of Sylt; (2) from a point on the Baltic Coast about eight miles east by north from Flensburg, southwest to a point about fifteen miles southwest of Flensburg, then northwest to Scholmer Au, just east of Soholm, thence from Scholmer Au to the coast, thence south of the Islands of Fohr and Amrum in the North Sea; (3) along the course of the Schlei, thence south of Schleswig to Reider Au, then down the stream but passing east and south of Friederichstadt before meeting the Elder which it follows to the sea.

Boundaries of the free City of Danzig: On the east from the Baltic to the junction of the Dogat and the Vistula the boundary of East Prussia as described in 2 (a); on the south and west the River Vistula northward to about fifteen miles southeast of Danzig; thence west by South for about sixteen miles; thence northwest for about eight miles to Lonkenauer Ze; thence to Pollenzinen; thence northeast for about twelve miles to about seven miles southwest of Danzig; thence north, passing east of Oliva; thence northeast, passing between Kollekön and Zoppot, to the Baltic, about nine miles north northwest of Danzig.

#### GERMAN PEACE MISSION PRESENTS CREDENTIALS —DELEGATES OF SMALL POWERS HEAR TREATY READ.

The first step in the peace negotiations with Germany were taken on May 1, when, at a session lasting barely five minutes, the German delegates presented their credentials and received in return those of the Allied representatives. Count von Brockdorff-Rantzau, the German Foreign Secretary and head of the peace mission, was almost overcome by emotion, the reports say, as he presented the German credentials, and was barely able to walk to his car when the brief ceremony was over. The Associated Press dispatches gave the following account of the meeting:

The meeting took place in the room of the Trianon Hotel previously used for the sessions of the Supreme Military Council. Count von Brockdorff-Rantzau, on entering, was accompanied by Herr Landsberg, Professor Schnecking and two secretaries. Waiting for him, the Allied representatives were grouped around Jules Cambon, the former French Ambassador at Berlin, who is Chairman of the Commission. Other members of the Allied party included Henry White of the United States, Lord Hardinge of Great Britain, and Ambassador Matsui of Japan.

M. Cambon immediately addressed Count von Brockdorff-Rantzau, stating that he was Chairman of the Commission entrusted by the Allied Powers to receive and examine the credentials of the German delegates as the first step in a conference which, it was hoped, would lead to peace.

"Here are ours," continued M. Cambon, extending, as he spoke, the formal credentials of the Allied Commission as plenipotentiaries to the Congress. Count von Brockdorff-Rantzau surrendered the German credentials, with even less of a formal address, his emotion being too great to enable him to deliver an extended discourse.

After these brief ceremonies the Germans turned and left the hall, walking a few steps to the cars in waiting. They were followed immediately by the Allied representatives. The whole ceremony was over by 3.20 o'clock. The Allied delegates then rode to the chateau to inspect the Hall of Mirrors, where the treaty will be signed, and eventually returned to the hotel for tea.

The French official statement in regard to the ceremony read:

The President of the Committee on Verification of Credentials of the Inter-Allied Conference, Jules Cambon, and the other members, Henry White, Lord Hardinge, and Baron Matsui, received at 3.15 o'clock to-day at Trianon Palace Count von Brockdorff-Rantzau, President of the German delegation. The latter presented the President of the German Committee on Verification, Herr Landsberg, Minister of Justice, and also Herr Simonds, Director of Justice in the Foreign Office, and Herr Gausz, counselor of the Foreign Office.

The German credentials were given to M. Cambon, who handed over in exchange the credentials established by the Allied and Associated Powers. The German delegates then retired. The respective committees will now examine the credentials submitted to them.

The credentials of the Italian delegates to the Peace Conference were handed to the German plenipotentiaries on May 6, it was officially announced. This action followed the receipt of a telegram from Premier Orlando the previous day, announcing that the Italian delegates would return to Paris on Wednesday, and that credentials had been forwarded for presentation to the Germans.

A secret plenary session of the Peace Conference was held on Tuesday (May 6) for the purpose of reading the peace treaty to the delegates of the smaller Powers. Protests against provisions of the treaty were presented at the session, the most striking being that of Marshal Foch, who declared that the security given France was inadequate from a military point of view, and said it was his personal con-

viction that the treaty should not be signed. The Marshal emphasized the necessity of France holding the bridgeheads along the Rhine, and said that occupation limited to fifteen years was not sufficient. The press accounts of the meeting further said:

The Chinese delegation presented a brief, formal, and dignified protest concerning the disposition of the controversy with Japan, Lu Cheng-hsiang, the Chinese Foreign Minister, asking for reconsideration of the decision regarding Shantung and Kiao-Chau.

He said that in the opinion of the Chinese delegation the decision had been made without regard for justice or for the protection of the territorial integrity of China. He said that, if reconsideration was impossible, he desired to make reservation on behalf of China.

Italy was represented at the session by Signor Crespi, who said he desired to make reservations concerning any provisions in the treaty not acceptable to Italy.

The Portuguese delegates expressed dissatisfaction regarding the treatment accorded Portugal.

The protestations made by the various delegations are not regarded as serious, as no definite reservations were made by the protestants.

The session was held in the Foreign Office, with the same setting and distinguished personnel as at previous public sessions, except in the case of Italy, which to-day was represented by Dr. Silvio Crespi, the former Food Administrator, pending the arrival of Premier Orlando and Foreign Minister Sonnino to-morrow.

Premier Clemenceau presided, with President Wilson at his right and Premier Lloyd George at his left, with the entire membership of the Conference grouped around the table.

Enormous throngs surrounded the Foreign Office, watching the arrival of the delegates. Among those who assembled within the building were Marshal Foch and the British Admiral, Sir Rosslyn Wemyss, with their staffs.

While the session was a secret one, it is understood that Captain Andre Tardieu, representing France, explained the provisions of the document and was questioned from time to time, the explanations given being full and free.

The Conference adjourned at 5.15 o'clock. The draft of the instrument is now considered as having passed the last stage before being presented to the Germans.

The clause regarding responsibilities, which was not acted on at the previous session of the plenary Conference, it is understood, has been incorporated in the final draft of the treaty.

This provides for the trial of the former German Emperor for "a supreme offense against international morality and the sanctity of treaties" by a tribunal composed of representatives of the United States, Great Britain, France, Italy and Japan.

#### ARRIVAL OF GERMAN PEACE DELEGATES AT VERSAILLES.

The principal German delegates to the peace conference arrived at Versailles on the evening of April 29, and were received in the name of the French Government by M. Chalere, Prefect of the Department of Seine-et-Oise, to whom Count Brockdorff-Rantzau, the German Foreign Minister and head of the delegation, expressed thanks on behalf of the delegation. The Count's Secretary, Herr Rudiger, subsequently remarked to the newspaper men present:

Words fail to describe my feelings as I crossed your devastated regions. I hope the peace which we are about to sign will give satisfaction to all the nations which participated in the war.

Fifteen German newspaper men accompanied the German representatives to the Peace Congress. No censorship, it is said, will be imposed upon the newspaper men's dispatches to Germany, but they will not be allowed to communicate with the Allied diplomats or newspaper men. Their status is the same as that of the German delegates and they will receive the same treatment. When the first train pulled into the Vaucresson Station, M. Chalere and Baron von Lersner, followed by 100 newspaper men, approached the car occupied by Count von Brockdorff-Rantzau. Baron von Lersner entered the car and reported to the Foreign Minister, who then stepped out. The head of the German delegation was received with a brief and formal speech of greeting, the text of which had been carefully studied by the Foreign Minister in order to give it the exact tone suitable for the occasion.

Dispatches from Versailles on May 2 reported that the German delegation to the Peace Congress was rapidly assuming a position of equality, in numbers, at least, with the delegations of the various Allied and Associated Powers. Up to that date, 218 delegates and subordinates had arrived, which later estimates increased to 250.

The "German quarter" of Versailles has been closed off by a wooden barricade, which not only bars the public out, but shuts the Germans in. Some of the German correspondents have been sarcastic in their references to the limitations imposed on the delegations. The barricades, it is said, consist of wooden palings bound with wire and are set up on both sides of the Rue des Reservoirs, one side of which is reserved for the Germans, while the opposite side has been left free for residents. Strict control has been established at all exits to prevent the Germans from going out of bounds without authority. These strict measures were thought necessary because of the alleged disinclination of some of the subordinates in the German party to obey the regulations prescribed for their movements.

#### SUMMARY OF PEACE TREATY WITH GERMANY.

A summary of the Treaty of Peace between the twenty-seven Allied and Associated Powers on the one hand and Germany on the other, was made public on May 7, when the treaty was handed to the German plenipotentiaries at Versailles. We are giving below the official summary, and elsewhere give the remarks of Premier Clemenceau with the presentation of the treaty to the German delegates, and likewise publish on another page the reply in behalf of Germany. The Paris cables gave in brief form as follows the main features of the Treaty:

It is the longest treaty ever drawn. It totals about 80,000 words, is divided into fifteen main sections, and represents the combined product of over a thousand experts working continually through a series of commissions for three and a half months since Jan. 18. The treaty is printed in parallel pages of English and French, which are recognized as having equal validity. It does not deal with questions affecting Austria, Bulgaria and Turkey, except in so far as binding Germany to accept any agreement reached with those former allies.

Germany by the terms of the treaty restores Alsace-Lorraine to France, accepts the internationalization of the Sarre Basin temporarily and of Danzig permanently, agrees to territorial changes toward Belgium and Denmark and in East Prussia, cedes most of Upper Silesia to Poland, and renounces all territorial and political rights outside of Europe, as to her own or other allies' territories, and especially to Morocco, Egypt, Siam, Liberia and Shantung. She also recognizes the total independence of German Austria, Czecho-Slovakia and Poland.

Her army is reduced to 100,000 men, including officers; conscription within her territories is abolished; all forts fifty kilometers east of the Rhine are razed, and all importation, exportation, and nearly all production of war material stopped. Allied occupation of parts of Germany will continue till reparation is made, but will be reduced at the end of each of three five-year periods if Germany is fulfilling her obligations. Any violation by Germany of the conditions as to the zone fifty kilometers east of the Rhine will be regarded as an act of war.

The German navy is reduced to six battleships, six light cruisers, and twelve torpedo boats, without submarines, and a personnel of not over 15,000. All other vessels must be surrendered or destroyed. Germany is forbidden to build forts controlling the Baltic, must demolish Heligoland, open the Kiel Canal to all nations, and surrender her fourteen submarine cables. She may have no military or naval air forces except 100 unarmed seaplanes until Oct. 1 to detect mines, and may manufacture aviation material for six months.

Germany accepts full responsibility for all damages caused to the Allied and Associated Governments and nationals, agrees specifically to reimburse all civilian damages, beginning with an initial payment of 20,000,000,000 marks (about \$5,000,000,000 at pre-war reckoning), subsequent payments to be secured by bonds to be issued at the discretion of the Reparation Commission. Germany is to pay shipping damage on a ton-for-ton basis by cession of a large part of her merchant, coasting and river fleets, and by new construction; and to devote her economic resources to the rebuilding of the devastated regions.

She agrees to return to the 1914 most-favored-nation tariffs, without discrimination of any sort; to allow Allied and Associated nationals freedom of transit through her territories, and to accept highly detailed provisions as to pre-war debts, unfair competition, internationalization of roads and rivers, and other economic and financial clauses. She also agrees to the trial of the ex-Kaiser by an international high court for a supreme offense against international morality, and of other nationals for violation of the laws and customs of war, Holland to be asked to extradite the former and Germany being responsible for delivering the latter.

Germany is required to deliver manuscripts and prints equivalent in value to those destroyed in the Louvain Library. She must also return works of church art removed from Belgium to Germany.

The League of Nations is accepted by the Allied and Associated Powers as operative, and by Germany, in principle, but without membership. Similarly, an international labor body is brought into being with a permanent office and an annual convention. A great number of international bodies of different kinds and for different purposes are created, some under the League of Nations, some to execute the Peace Treaty; among the former is the Commission to Govern the Sarre Basin till a plebiscite is held, fifteen years hence; the High Commissioner of Danzig, which is created into a free city under the League, and various commissions for plebiscites in Malmedy, Schleswig and East Prussia. Among those to carry out the Peace Treaty are the Reparations, Military, Naval, Air, Financial and Economic Commissions, the International High Court and Military Tribunals to Fix Responsibilities, and a series of bodies for the control of international rivers.

Certain problems are left for solution between the Allied and Associated Powers, notably the details of the disposition of the German fleet and cables, the former German colonies, and the values paid in reparation. Certain other problems, such as the laws of the air and the opium, arms, and liquor traffic, are either agreed to in detail or set for early international action.

The following is the official summary of the Treaty of Peace with Germany, presented by the Associated Powers to the German delegates at Versailles on May 7:

#### PREAMBLE.

The preamble names as parties of the first part these nations, described as the five Allied and Associated Powers:

The United States,	The British Empire,	France,
Italy,	Japan;	

And includes these twenty-two nations, which, with the five named above, are described as the Allied and Associated Powers:

Belgium,	Ecuador,	Honduras,	Poland,
Bolivia,	Greece,	Liberia,	Portugal,
Brazil,	Guatemala,	Nicaragua,	Rumania,
China,	Haiti,	Panama,	Serbia,
Cuba,	The Hedjaz,	Peru,	Siam,
Czecho-Slovakia,			Uruguay.

who with the five above are described as the Allied and Associated Powers, and on the other part Germany.

It states that, bearing in mind that on the request of the then Imperial German Government an armistice was granted on Nov. 11 1918 by the principal Allied and Associated Powers in order that a treaty of peace might be concluded with her, and whereas the Allied and Associated Powers, being equally desirous that the war in which they were successively involved directly or indirectly and which originated in the declaration of war

by Austria-Hungary on July 28 1914 against Serbia, the declaration of war by Germany against Russia on Aug. 1 1914, and against France on Aug. 3 1914, and in the invasion of Belgium, should be replaced by a firm, just and durable peace, the plenipotentiaries (having communicated their full powers found in good and due form) have agreed as follows:

From the coming into force of the present treaty the state of war will terminate. From the moment and subject to the provisions of this treaty, official relations with Germany, and with each of the German States, will be resumed by the Allied and Associated Powers.

### SECTION I.

#### League of Nations.

[This, it is to be noted, is a summary of the League of Nations Covenant; the full text of the Covenant was printed in our issue of Saturday last, page 1785.—Ed.]

The covenant of the League of Nations constitutes Section I. of the Peace Treaty, which places upon the League many specific in addition to its general duties. It may question Germany at any time for a violation of the neutralized zone east of the Rhine as a threat against the world's peace. It will appoint three of the five members of the Sarre Commission, oversee its regime and carry out the plebiscite. It will appoint the High Commissioner of Danzig, guarantee the independence of the free city and arrange for treaties between Danzig and Germany and Poland. It will work out the mandatory system to be applied to the former German colonies, and act as a final court in part of the plebiscites of the Belgian-German frontier, and in disputes as to the Kiel Canal, and decide certain of the economic and financial problems. An international conference on labor is to be held in October under its direction, and another on the international control of ports, waterways and railways is foreshadowed.

#### Membership.

The members of the League will be the signatories of the covenant and other States invited to accede, who must lodge a declaration of accession without reservation within two months. A new State, dominion or colony may be admitted provided its admission is agreed by two-thirds of the assembly. A State may withdraw upon giving two years' notice, if it has fulfilled all its international obligations.

#### Secretariat.

A permanent Secretariat will be established at the seat of the League, which will be at Geneva.

#### Assembly.

The Assembly will consist of representatives of the members of the League, and will meet at stated intervals. Voting will be by States. Each member will have one vote and not more than three representatives.

#### Council.

The Council will consist of representatives of the five great Allied Powers together with representatives of four members selected by the Assembly from time to time; it may admit additional States and will meet at least once a year. Members not represented will be invited to send a representative when questions affecting their interests are discussed. Voting will be by States. Each State will have one vote and not more than one representative. Decision taken by the Assembly and Council must be unanimous except in regard to procedure, and in certain cases specified in the covenant and in the treaty, where decisions will be by a majority.

#### Armaments.

The Council will formulate plans for a reduction of armaments for consideration and adoption. These plans will be revised every ten years. Once they are adopted, no member must exceed the armaments fixed without the concurrence of the Council. All members will exchange full information as to armaments and programs, and a permanent commission will advise the Council on military and naval questions.

#### Preventing of War.

Upon any war, or threat of war, the Council will meet to consider what common action shall be taken. Members are pledged to submit matters of dispute to arbitration or inquiry and not to resort to war until three months after the award. Members agree to carry out an arbitral award, and not to go to war with any party to the dispute which complies with it. If a member fails to carry out the award, the Council will propose the necessary measures. The Council will formulate plans for the establishment of a permanent Court of International Justice to determine international disputes or to give advisory opinions. Members who do not submit their case to arbitration must accept the jurisdiction of the Assembly. If the Council, less the parties to the dispute, is unanimously agreed upon the rights of it, the members agree that they will not go to war with any party to the dispute which complies with its recommendations. In this case a recommendation by the Assembly, concurred in by all its members represented on the Council and a simple majority of the rest, less the parties to the dispute, will have the force of a unanimous recommendation by the Council. In either case, if the necessary agreement cannot be secured, the members reserve the right to take such action as may be necessary for the maintenance of right and justice. Members resorting to war in disregard of the covenant will immediately be debarred from all intercourse with other members. The Council will in such cases consider what military or naval action can be taken by the League collectively for the protection of the covenant and will afford facilities to members co-operating in this enterprise.

#### Validity of Treaties.

All treaties or international engagements concluded after the institution of the League will be registered with the Secretariat and published. The Assembly may from time to time advise members to reconsider treaties which have become inapplicable or involve danger to peace. The covenant abrogates all obligations between members inconsistent with its terms, but nothing in it shall affect the validity of international engagement such as treaties of arbitration or regional understandings like the Monroe Doctrine for securing the maintenance of peace.

#### Mandatory System.

The tutelage of nations not yet able to stand by themselves will be entrusted to advanced nations who are best fitted to undertake it. The covenant recognizes three different stages of development requiring different kinds of mandates.

(a) Communities like those belonging to the Turkish Empire which can be provisionally recognized as independent, subject to advice and assistance from a mandatory in whose selection they would be allowed a voice.

(b) Communities like those of Central Africa, to be administered by the mandatory under conditions generally approved by the members of the League, where equal opportunities for trade will be allowed to all members; certain abuses, such as trade in slaves, arms and liquor will be prohibited, and the construction of military and naval bases and the introduction of compulsory military training will be disallowed.

(c) Other communities, such as Southwest Africa and the South Pacific Islands, but administered under the laws of the mandatory as integra

portions of its territory. In every case the mandatory will render an annual report and the degree of its authority will be defined.

#### General International Provisions.

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the members of the League will in general endeavor, through the international organization established by the labor convention, to secure and maintain fair conditions of labor for men, women and children in their own countries and other countries, and undertake to secure just treatment of the native inhabitants of territories under their control; they will entrust the League with the general supervision over the execution of agreements for the suppression of traffic in women and children, &c., and the control of the trade in arms and ammunition with countries in which control is necessary; they will make provision for freedom of communications of transit and equitable treatment for commerce of all members of the League, with special reference to the necessities of regions devastated during the war; and they will endeavor to take steps for international prevention and control of disease. International bureaus and commissions already established will be placed under the League, as well as those to be established in the future.

#### Amendments to the Covenant.

Amendments to the covenant will take effect when ratified by the Council and by a majority of the Assembly.

### SECTION II.

#### Boundaries of Germany.

Germany cedes to France Alsace-Lorraine, 5,600 square miles in the southwest, and to Belgium two small districts between Luxembourg and Holland, totaling 382 square miles. She also cedes to Poland the southeastern tip of Silesia beyond and including Oppeln, most of Posen, and West Prussia, 27,686 square miles; East Prussia being isolated from the main body by a part of Poland.

She loses sovereignty over the northeasternmost tip of East Prussia, 40 square miles north of the River Memel, and the internationalized areas about Danzig, 729 square miles, and the basin of the Sarre, 738 square miles, between the western border of the Rhenish Palatinate of Bavaria and the southeast corner of Luxembourg.

The Danzig area consists of the V between the Nogat and Vistula Rivers made a W by the addition of a similar V on the west, including the city of Danzig. The southeastern third of East Prussia and the area between East Prussia and the Vistula north of latitude 53 degrees 3 minutes is to have its nationality determined by popular vote, 5,785 square miles, as is to be the case in part of Schleswig, 2,787 square miles.

### SECTION III.

#### Belgium.

Germany is to consent to the abrogation of the treaties of 1839, by which Belgium was established as a neutral State, and to agree in advance to any convention with which the Allied and Associated Powers may determine to replace them. She is to recognize the full sovereignty of Belgium over the contested territory of Moresnet and over part of Prussian Moresnet, and to renounce in favor of Belgium all rights over the fiefes of Eupen and Malmedy, the inhabitants of which are to be entitled within six months to protest against this change of sovereignty either in whole or in part, the final decision to be reserved to the League of Nations. A commission is to settle the details of the frontier, and various regulations for change of nationality are laid down.

#### Luxemburg.

Germany renounces her various treaties and conventions with the Grand Duchy of Luxemburg, recognizes that it ceased to be a part of the German Zollverein from Jan. 1 last, renounces all right of exploitation of the railroads, adheres to the abrogation of its neutrality, and accepts in advance any international agreement as to it, reached by the Allied and Associated Powers.

#### Left Bank of Rhine.

As provided in the military clauses, Germany will not maintain any fortifications or armed forces less than fifty kilometers to the east of the Rhine, hold any manoeuvres, nor maintain any works to facilitate mobilization. In case of violation, she shall be regarded as committing a hostile act against the powers who sign the present treaty and as intending to disturb the peace of the world.

"By virtue of the present treaty, Germany shall be bound to respond to any request for an explanation which the Council of the League of Nations may think it necessary to address to her."

#### Alsace-Lorraine.

After recognition of the moral obligation to repair the wrong done in 1871 by Germany to France and the people of Alsace-Lorraine, the territories ceded to Germany by the Treaty of Frankfurt are restored to France with their frontiers as before 1871, to date from the signing of the armistice, and to be free of all public debts.

Citizenship is regulated by detailed provisions distinguishing those who are immediately restored to full French citizenship, those who have to make formal applications therefor, and those for whom naturalization is open after three years. The last named class includes German residents in Alsace-Lorraine, as distinguished from those who acquire the position of Alsace-Lorrainers as defined in the treaty.

All public property and all private property of German ex-sovereigns passes to France without payment or credit. France is substituted for Germany as regards ownership of the railroads and rights over concessions of tramways. The Rhine bridges pass to France with the obligation for their upkeep.

For five years manufactured products of Alsace-Lorraine will be admitted to Germany free of duty to a total amount not exceeding in any year the average of the three years preceding the war, and textile materials may be imported from Germany to Alsace-Lorraine and re-exported free of duty. Contracts for electric power from the right bank must be continued for ten years. For seven years with possible extension to ten the ports of Kehl and Strassbourg shall be administered as a single unit by a French administrator appointed and supervised by the Central Rhine Commission. Property rights will be safeguarded in both ports and equality of treatment as respects traffic assured the nationals, vessels and goods of every country.

Contracts between Alsace-Lorrainers and Germans are maintained, save for France's right to annul on grounds of public interest. Judgments of courts hold in certain classes of cases, while in others a judicial exequatur is first required. Political condemnations during the war are null and void and the obligation to repay war fines is established as in other parts of Allied territory.

Various clauses adjust the general provisions of the treaty to the special conditions of Alsace-Lorraine, certain matters of execution being left to conventions to be made between France and Germany.

*The Sarre.*

In compensation for the destruction of coal mines in Northern France and as payment on account of reparation, Germany cedes to France full ownership of the coal mines of the Sarre Basin with their subsidiaries, accessories and facilities. Their value will be estimated by the Reparation Commission and credited against that account. The French rights will be governed by German law in force at the armistice, excepting war legislation, France replacing the present owners, whom Germany undertakes to indemnify. France will continue to furnish the present proportion of coal for local needs and contribute in just proportion to local taxes. The Basin extends from the frontier of Lorraine as reannexed to France north as far as Stwendel, including on the west the valley of the Sarre as far as Sarreholz and on the east the town of Homburg.

In order to secure the rights and welfare of the population and guarantee to France entire freedom in working the mines, the territory will be governed by a commission appointed by the League of Nations and consisting of five members: One French, one a native inhabitant of the Sarre, and three representing three different countries other than France and Germany. The League will appoint a member of the commission as Chairman to act as executive of the commission. The commission will have all powers of government formerly belonging to the German Empire, Prussia and Bavaria, will administer the railroads and other public services and have full power to interpret the treaty clauses. The local courts will continue, but subject to the commission. Existing German legislation will remain the basis of the law, but the commission may make modifications after consulting a local representative assembly, which it will organize. It will have the taxing power, but for local purposes only; new taxes must be approved by this assembly. Labor legislation will consider the wishes of the local labor organizations and the labor program of the League. French and other labor may be freely utilized, the former being free to belong to French unions. All rights acquired as to pensions and social insurance will be maintained by Germany and the Sarre commission. There will be no military service, but only a local gendarmerie to preserve order. The people will preserve their local assemblies, religious liberties, schools and language, but may vote only for local assemblies. They will keep their present nationality, except so far as individuals may change it. Those wishing to leave will have every facility, with respect to their property. The territory will form part of the French customs system with no export tax on coal and metallurgical products going to Germany nor on German products entering the basin and for five years no import duties on products of the basin going to Germany or German products coming into the basin for local consumption. French money may circulate without restriction.

After fifteen years a plebiscite will be held by communes to ascertain the desires of the population as to continuance of the existing regime under the League of Nations, union with France or union with Germany. The right to vote will belong to all inhabitants over 20 resident therein at the signature.

Taking into account the opinions thus expressed, the League will decide the ultimate sovereignty. In any portion restored to Germany the German Government must buy out the French mines at an appraised valuation. If the price is not paid within six months thereafter, this portion passes finally to France. If Germany buys back the mines, the League will determine how much of the coal shall annually be sold to France.

## SECTION IV.

*German Austria.*

Germany recognizes the total independence of German Austria in the boundaries traced.

*Czecho-Slovakia.*

Germany recognizes the entire independence of the Czecho-Slovak State, including the autonomous territory of the Ruthenians south of the Carpathians, and accepts the frontiers of this State as to be determined, which in the case of the German frontier shall follow the frontier of Bohemia in 1914. The usual stipulations as to acquisition and change of nationality follow.

*Poland.*

Germany cedes to Poland the greater part of Upper Silesia, Posen and the Province of West Prussia on the left bank of the Vistula. A field boundary commission of seven, five representing the Allied and Associated Powers and one each representing Poland and Germany, shall be constituted within fifteen days of the peace to delimit this boundary. Such special provisions as are necessary to protect racial, linguistic or religious minorities and to protect freedom of transit and equitable treatment of commerce of other nations shall be laid down in a subsequent treaty between the five Allied and Associated Powers and Poland.

*East Prussia.*

The southern and the eastern frontier of East Prussia as touching Poland is to be fixed by plebiscites, the first in the regency of Allenstein, between the southern frontier of East Prussia and the northern frontier of Regierungsbezirk Allenstein, from where it meets the boundary between East and West Prussia to its junction with the boundary between the circles of Oletzko and Angersburg, thence the northern boundary of Oletzko to its junction with the present frontier, and the second in the area comprising the circles of Stuhm and Rosenberg and the parts of the circles of Marienburg and Marienwerder east of the Vistula.

In each case German troops and authorities will move out within fifteen days of the peace and the territories be placed under an international commission of five members appointed by the five Allied and Associated Powers, with the particular duty of arranging for a free, fair and secret vote. The commission will report the results of the plebiscites to the five Powers with a recommendation for the boundary and will terminate its work as soon as the boundary has been laid down and the new authorities set up.

The five Allied and Associated Powers will draw up regulations assuring East Prussia full and equitable access to and use of the Vistula. A subsequent convention of which the terms will be fixed by the five Allied and Associated Powers, will be entered into between Poland, Germany and Danzig to assure suitable railroad communication across German territory on the right bank of the Vistula between Poland and Danzig, while Poland shall grant free passage from East Prussia to Germany.

The northeastern corner of East Prussia about Memel is to be ceded by Germany to the Associated Powers, the former agreeing to accept the settlement made, especially as regards the nationality of the inhabitants.

*Danzig.*

Danzig and the district immediately about it is to be constituted into the "Free City of Danzig" under the guarantee of the League of Nations. A high commissioner appointed by the League and resident at Danzig shall draw up a constitution in agreement with the duly appointed representatives of the city, and shall deal in the first instance with all differences arising between the city and Poland. The actual boundaries of the

city shall be delimited by a commission appointed within six months from the peace, and to include three representatives chosen by the Allied and Associated Powers and one each by Germany and Poland.

A convention, the terms of which shall be fixed by the five Allied and Associated Powers, shall be concluded between Poland and Danzig, which shall include Danzig within the Polish customs frontiers, though a free area in the port; insure to Poland the free use of all the city's waterways, docks and other port facilities, the control and administration of the Vistula and the whole through railway system within the city, and postal, telegraphic and telephonic communication between Poland and Danzig; provide against discrimination against Poles within the city and place its foreign relations and the diplomatic protection of its citizens abroad in charge of Poland.

*Denmark.*

The frontier between Germany and Denmark will be defined by the self-determination of the population. Ten days from the peace German troops and authorities shall evacuate the region north of the line running from the mouth of the Schlei, south of Kappel, Schleswig and Friedrichstadt along the Eider to the North Sea south of Tönning; the Workmen's and Soldiers' Councils shall be dissolved, and the territory administered by an international commission of five, of whom Norway and Sweden shall be invited to name two.

The Commission shall insure a free and secret vote in three zones. That between the German-Danish frontier and a line running south of the Island of Alsens, north of Flensburg and south of Tondern to the North Sea north of the Island of Sylt will vote as a unit within three weeks after the evacuation. Within five weeks after this vote the second zone, whose southern boundary runs from the North Sea south of the Island of Fehrl to the Baltic south of Sygum, will vote by communes. Two weeks after that vote the third zone, running to the limit of evacuation, will also vote by communes. The International Commission will then draw a new frontier on the basis of these plebiscites and with due regard for geographical and economic conditions. Germany will renounce all sovereignty over territories north of this line in favor of the associated Governments, who will hand them over to Denmark.

*Helligoland.*

The fortifications, military establishments and harbors of the islands of Helligoland and Dune are to be destroyed under the supervision of the Allies by German labor, and at Germany's expense. They may not be reconstructed or any similar fortifications built in the future.

*Russia.*

Germany agrees to respect as permanent and inalienable the independence of all territories which were part of the former Russian Empire, to accept the abrogation of the Brest-Litovsk and other treaties entered into with the Maximalist Government of Russia, to recognize the full force of all treaties entered into by the Allied and Associated Powers with States which were a part of the former Russian Empire, and to recognize the frontiers as determined thereon. The Allied and Associated Powers formally reserve the right of Russia to obtain restitution and reparation on the principles of the present treaty.

## SECTION V.

*German Rights Outside Europe.*

Outside Europe Germany renounces all rights, titles and privileges as to her own or her allies' territories to all the Allied and Associated Powers, and undertakes to accept whatever measures are taken by the five Allied Powers in relation thereto.

*Colonies and Overseas Possessions.*

Germany renounces in favor of the Allied and Associated Powers her overseas possessions with all rights and titles therein. All movable and immovable property belonging to the German Empire or to any German State shall pass to the Government exercising authority therein. These Governments may make whatever provisions seem suitable for the repatriation of German nationals and as to the conditions on which German subjects of European origin shall reside, hold property, or carry on business. Germany undertakes to pay reparation for damage suffered by French nationals in the Cameroons or frontier zone through the acts of German civil and military authorities and of individual Germans from Jan. 1 1900 to Aug. 1 1914. Germany renounces all rights under the convention of Nov. 4 1911 and Sept. 29 1912, and undertakes to pay to France in accordance with an estimate presented and approved by the repatriation commission all deposits, credits, advances, &c., thereby secured. Germany undertakes to accept and observe any provisions by the Allied and Associated Powers as to the trade in arms and spirits in Africa, as well as to the General Act of Berlin of 1855, and the General Act of Brussels of 1890. Diplomatic protection to inhabitants of former German colonies is to be given by the Governments exercising authority.

*China.*

Germany renounces in favor of China all privileges and indemnities resulting from the Boxer Protocol of 1901 and all buildings, wharves, barracks for the munition of warships, wireless plants and other public property except diplomatic or consular establishments in the German concessions of Tientsin and Hankow and in other Chinese territory, except Kiao Chou, and agrees to return to China at her own expense all the astronomical instruments seized in 1900 and 1901. China will, however, take no measures for disposal of German property in the Legation Quarter at Peking without the consent of the Powers signatory to the Boxer Protocol.

Germany accepts the abrogation of the concessions at Hankow and Tientsin, China, agreeing to open them to international use. Germany renounces all claims against China or any Allied and Associated Government for the internment or repatriation of her citizens in China and for the seizure or liquidation of German interests there since Aug. 14 1917. She renounces in favor of Great Britain her State property in the British concession at Canton and of France and China jointly of the property of the German school in the French concession at Shanghai.

*Siam.*

Germany recognizes that all agreements between herself and Siam, including the right of extraterritoriality ceased July 22 1917. All German public property, except consular and diplomatic premises, passes without compensation to Siam; German private property to be dealt with in accordance with the economic clauses. Germany waives all claims against Siam for the seizure and condemnation of her ships, liquidation of her property, or internment of her nationals.

*Liberia.*

Germany renounces all rights under the international arrangements of 1911 and 1912 regarding Liberia, more particularly the right to nominate a receiver of the customs, and disinterests herself in any further negotiations for the rehabilitation of Liberia. She regards as abrogated all commercial treaties and agreements between herself and Liberia

and recognizes Liberia's right to determine the status and condition of the re-establishment of Germans in Liberia.

#### Morocco.

Germany renounces all her rights, titles and privileges under the Act of Algeiras and the Franco-German agreements of 1909 and 1911 and under all treaties and arrangements with the Sherifian Empire. She undertakes not to intervene in any negotiations as to Morocco between France and other Powers, accepts all the consequences of the French protectorate and renounces the Capitulations: the Sherifian Government shall have complete liberty of action in regard to German nationals, and all German protected persons shall be subject to the common law. All movable and immovable German property, including mining rights, may be sold at public auction, the proceeds to be paid to the Sherifian Government and deducted from the reparation account. Germany is also required to relinquish her interests in the State Bank of Morocco. All Moroccan goods entering Germany shall have the same privilege as French goods.

#### Egypt.

Germany recognize the British Protectorate over Egypt declared on Dec. 18 1914 and renounces as from Aug. 4 1914 the Capitulation and all the treaties, agreements, &c., concluded by her with Egypt. She undertakes not to intervene in any negotiations about Egypt between Great Britain and other Powers. There are provisions for jurisdiction over German nationals and property, and for German consent to any changes which may be made in relation to the Commission of Public Debt. Germany consents to the transfer to Great Britain of the powers given to the late Sultan of Turkey for securing the free navigation of the Suez Canal. Arrangements for property belonging to German nationals in Egypt are made similar to those in the case of Morocco and other countries. Anglo-Egyptian goods entering Germany shall enjoy the same treatment as British goods.

#### Turkey and Bulgaria.

Germany accepts all arrangements which the Allied and Associated Powers make with Turkey and Bulgaria with reference to any right, privileges, or interests claimed in those countries by Germany or her nationals and not dealt with elsewhere.

#### Shantung.

Germany cedes to Japan all rights, titles and privileges, notable as to Kiao-Chou, and the railroads, mines, and cables acquired by her treaty with China of March 6 1897, by and other agreements as to Shantung. All German rights to the railroad from Tsing Tao to Tsin Anfu, including all facilities and mining rights and rights of exploitation, pass equally to Japan, and the cables from Tsing Tao to Shanghai and Chefoo, the cables free of all charges. All German State property, movable and immovable, in Kiao-Chou is acquired by Japan free of all charges.

### SECTION VI.

#### Military, Naval and Air.

In order to render possible the initiation of a general limitation of the armaments of all nations, Germany undertakes directly to observe the military, naval and air clauses which follow:

#### Military Forces.

The demobilization of the German army must take place within two months of the peace. Its strength may not exceed 100,000, including 4,000 officers, with not over seven divisions of infantry and three of cavalry, and to be devoted exclusively to maintenance of internal order and control of frontiers. Divisions may not be grouped under more than two army corps headquarters staffs. The great German General Staff is abolished. The army administrative service, consisting of civilian personnel not included in the number of effectives, as reduced to one-tenth the total in the 1913 budget. Employees of the German States, such as customs officers, first guards and coast guards, may not exceed the number of 1913. Gendarmes and local police may be increased only in accordance with the growth of population. None of these may be assembled for military training.

#### Armaments.

All establishments for the manufacturing, preparation, storage or design of arms and munitions of war, except those specifically excepted, must be closed within three months of the peace and their personnel dismissed. The exact amount of armament and munitions allowed Germany is laid down in detailed tables, all in excess to be surrendered, or rendered useless. The manufacture or importation of asphyxiating, poisonous or other gases and all analogous liquids is forbidden, as well as the importation of arms, munitions and war materials. Germany may not manufacture such materials for foreign governments.

#### Conscription.

Conscription is abolished in Germany. The enlisted personnel must be maintained by voluntary enlistments for terms of twelve consecutive years, the number of discharges before the expiration of that term not in any year to exceed 5% of the total effectives. Officers remaining in the service must agree to serve to the age of 45 years, and newly appointed officers must agree to serve actively for 25 years.

No military schools except those absolutely indispensable for the units allowed shall exist in Germany two months after the peace. No associations, such as societies of discharged soldiers, shooting or touring clubs, educational establishments or universities, may occupy themselves with military matters. All measures of mobilization are forbidden.

#### Fortresses.

All fortified works, fortresses and field works situated in German territory within a zone fifty kilometers east of the Rhine will be dismantled within three months. The construction of any new fortifications there is forbidden. The fortified works on the southern and eastern frontiers, however, may remain.

#### Control.

Inter-Allied commissions of control will see to the execution of the provisions for which a time limit is set, the maximum named being three months. They may establish headquarters at the German seat of Government and go to any part of Germany desired. Germany must give them complete facilities, pay their expenses, and also the expenses of execution of the treaty, including the labor and material necessary in demolition, destruction or surrender of war equipment.

#### Naval.

The German navy must be demobilized within a period of two months after the peace. She will be allowed six small battleships, six light cruisers, twelve destroyers, twelve torpedo boats and no submarines, either military or commercial, with a personnel of fifteen thousand men, including officers, and no reserve force of any character. Conscription is abolished, only voluntary service being permitted, with a minimum period of 25 years' service for officers and 12 for men. No member of the German mercantile marine will be permitted any naval training.

All German vessels of war in foreign ports, and the German High Seas fleet interned at Scapa Flow, will be surrendered, the final disposition of these ships to be decided upon by the Allied and Associated Powers. Germany must surrender forty-two modern destroyers, fifty modern torpedo boats and all submarines with their salvage vessels; all war vessels under construction, including submarines, must be broken up. War vessels not otherwise provided for are to be placed in reserve or used for commercial purposes. Replacement of ships except those lost can take place only at the end of 20 years for battleships, and 15 years for destroyers. The largest armored ship Germany will be permitted will be 10,000 tons.

Germany is required to sweep up the mines in the North Sea and the Baltic Sea as decided upon by the Allies. All German fortifications in the Baltic defending the passages through the belts must be demolished. Other coast defenses are permitted, but the number and calibre of the guns must not be increased.

#### Wireless.

During a period of three months after the peace German high-power wireless stations, at Nauen, Hanover and Berlin, will not be permitted to send any messages except for commercial purposes and under supervision of the Allied and Associated Governments, nor may any more be constructed.

#### Cables.

Germany renounces all title to specified cables, the value of such as were privately owned being credited to her against reparation indebtedness.

Germany will be allowed to repair German submarine cables which have been cut, but are not being utilized by the Allied Powers, and also portions of cables which, after having been cut, have been removed, or are at any rate not being utilized by any one of the Allied and Associated Powers. In such cases the cables or portions of cables removed or utilized remain the property of Allied and Associated Powers, and accordingly fourteen cables or parts of cables are specified which will not be restored to Germany.

#### Air.

The armed forces of Germany must not include any military or naval air forces except for not over one hundred unarmed seaplanes to be retained till Oct. 1 to search for submarine mines. No dirigible shall be kept. The entire air personnel is to be demobilized within two months, except for 1,000 officers and men retained till October. No aviation grounds or dirigible sheds are to be allowed within 150 kilometers of the Rhine or the eastern or southern frontiers, existing installations within these limits to be destroyed. The manufacture of aircraft and parts of aircraft is forbidden for six months. All military and naval aeronautical material under a most exhaustive definition must be surrendered within three months, except for the 100 seaplanes already specified.

### SECTION VII.

#### Prisoners of War.

The repatriation of German prisoners and interned civilians is to be carried out without delay and at Germany's expense by a commission composed of representatives of the Allies and Germany. Those under sentence for offenses against discipline are to be repatriated without regard to the completion of their sentence, until Germany has surrendered persons guilty of offenses against the laws and customs of war, the Allies have the right to retain selected German officers. The Allies may deal at their own discretion with German nationals who do not desire to be repatriated, all repatriation being conditional on the immediate release of any Allied subjects still in Germany. Germany is to accord facilities to commissions of inquiry in collecting information in regard to missing prisoners of war and of imposing penalties on German officials who have concealed Allied nationals. Germany is to restore all property belonging to Allied prisoners. There is to be a reciprocal exchange of information as to dead prisoners and their graves.

#### Graves.

Both parties will respect and maintain the graves of soldiers and sailors buried on their territories, agree to recognize and assist any commission charged by any Allied or Associate Government with identifying, registering, maintaining or erecting suitable monuments over the graves, and to afford to each other all facilities for the repatriation of the remains of their soldiers.

#### Responsibilities.

"The Allied and Associated Powers publicly arraign William II, of Hohenzollern, formerly German Emperor, not for an offense against criminal law, but for a supreme offense against international morality and the sanctity of treaties."

The ex-Emperor's surrender is to be requested of Holland and a special tribunal set up composed of one judge from each of the five Great Powers; with full guarantees of the right of defense. It is to be guided "by the highest motive of international policy with a view of vindicating the solemn obligations of international undertakings and the validity of international morality" and will fix the punishment it feels should be imposed.

Persons accused of having committed acts in violation of the laws and customs of war are to be tried and punished by military tribunals under military law. If the charges affect nationals of only one State, they will be tried before a tribunal of that State; if they affect nationals of several States, they will be tried before joint tribunals of the States concerned. Germany shall hand over to the Associated Governments either jointly or severally all persons so accused and all documents and information necessary to insure full knowledge of the incriminating acts, the discovery of the offenders, and the just appreciation of the responsibility. The Judge [garbled in cabling] will be entitled to name his own counsel.

### SECTION VIII.

#### Reparation and Restitution.

The Allied and Associated Governments affirm and Germany accepts the responsibility of herself and her allies for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Germany and her allies.

The total obligation of Germany to pay, as defined in the category of damages, is to be determined and notified to her after a fair hearing and not later than May 1 1921, by an Inter-Allied Reparation Commission. At the same time a schedule of payments to discharge the obligation within thirty years shall be presented. These payments are subject to postponement in certain contingencies. Germany irrevocably recognizes the full authority of this Commission, agrees to supply it with all the necessary information and to pass legislation to effectuate its findings. She further agrees to restore to the Allies cash and certain articles which can be identified.

As an immediate step toward restoration, Germany shall pay within two years 20,000,000,000 marks in either gold, goods, ships, or other specific forms of payment. This sum being included in and not additional to the first thousand million bond issue referred to below; with the under-

standing that certain expenses, such as those of the armies of occupation and payments for food and raw materials may be deducted, at the discretion of the Allies.

Germany further binds herself to repay all sums borrowed by Belgium from her allies as a result of Germany's violation of the treaty of 1839 up to Nov. 11 1918, and for this purpose will issue at once and hand over to the Reparation Commission 5% gold bonds falling due in 1926.

While the Allied and Associated Governments recognize that the resources of Germany are not adequate, after taking into account permanent diminutions of such resources which will result from other treaty claims, to make complete reparation for all such loss and damage, they require her to make compensation for all damages caused to civilians under seven main categories:

- (a) Damage by personal injury to civilians caused by acts of war, directly or indirectly, including bombardments from the air.
- (b) Damage caused to civilians, including exposure at sea, resulting from acts of cruelty ordered by the enemy and to civilians in the occupied territories.
- (c) Damages caused by maltreatment of prisoners.
- (d) Damages to the allied peoples represented by pensions and separation allowances, capitalized at the signature of this treaty.
- (e) Damages to property other than naval or military materials.
- (f) Damage to civilians by being forced to labor.
- (g) Damages in the form of levies or fines imposed by the enemy.

In periodically estimating Germany's capacity to pay, the Reparation Commission shall examine the German system of taxation, to the end that the sums for reparation which Germany is required to pay shall become a charge upon all her revenues prior to that, for the service or discharge of any domestic loan, and, secondly, so as to satisfy itself that in general the German scheme of taxation is fully as heavy proportionately as that of any of the Powers represented on the commission.

The measures which the Allied and Associated Powers shall have the right to take, in case of voluntary default by Germany, and which Germany agrees not to regard as acts of war, may include economic and financial prohibitions and reprisals, and in general such other measures as the respective Governments may determine to be necessary in the circumstances.

The commission shall consist of one representative each of the United States, Great Britain, France, Italy and Belgium, a representative of Serbia or Japan taking the place of the Belgian representative when the interests of either country are particularly affected, with all other Allied Powers entitled, when their claims are under consideration, to the right of representation without voting power. It shall permit Germany to give evidence regarding her capacity to pay and shall assure a just opportunity to be heard. It shall make its permanent headquarters at Paris, establish its own procedure and personnel, have general control of the whole reparation problem, and become the exclusive agency of the Allies for receiving, holding, selling and distributing reparation payments. Majority vote shall prevail except that unanimity is required on questions involving the sovereignty of any of the Allies, the cancellation of all or part of Germany's obligations, the time and manner of selling, distributing and negotiating bonds issued by Germany, any postponement between 1921 and 1926 of annual payments beyond 1930, and any postponement after 1926 for a period of more than three years of the application of a different method of measuring damage than in a similar former case and the interpretation of provisions. Withdrawals from representation is permitted upon twelve months notice.

The commission may require Germany to give from time to time, by way of guarantee, issues of bonds or other obligations to cover such claims as are not otherwise satisfied in this connection, and on account of the total amount of claims bond issues are presently to be required of Germany in acknowledgment of its debt as follows:

20,000,000,000 marks gold, payable not later than May 1 1921, without interest; 40,000,000,000 marks gold bearing 2½% interest between 1921 and 1926, and thereafter 5% with a 1% sinking fund payment beginning 1926; and an undertaking to deliver 40,000,000,000 marks gold bonds bearing interest at 5%, under terms to be fixed by the Commission. Interest on Germany's debt will be 5%, unless otherwise determined by the commission in the future, and payments that are not made in gold may "be accepted by the commission in the form of properties, commodities, businesses, rights, concessions, &c." Certificates of beneficial interest, representing either bonds or goods delivered by Germany, may be issued by the commission to the interested Powers, no Power being entitled, however, to have its certificates divided into more than five pieces. As bonds are distributed and pass from the control of the commission an amount of Germany's debt equivalent to their par value is to be considered as liquidated.

#### Shipping.

The German Government recognizes the right of the Allies to the replacement, ton for ton and class for class, of all merchant ships and fishing boats lost or damaged owing to the war, and agrees to cede to the Allies all German merchant ships of 1,000 tons gross and upward one-half of her ships between 1,600 and 1,000 tons gross, and one-quarter of her steam trawlers and other fishing boats. These ships are to be delivered within two months to the Reparation Commission, together with documents of title evidencing the transfer of the ships from free encumbrance.

"As an additional part of reparation," the German Government further agrees to build merchant ships for the account of the Allies to the amount of not exceeding 200,000 tons gross annually during the next five years. All ships used for inland navigation taken by Germany from the Allies are to be restored within two months, the amount of loss not covered by such restitution to be made up by the cession of the German river fleet up to 20% thereof.

#### Dyestuffs and Chemical Drugs.

In order to effect payment by deliveries in kind, Germany is required, for a limited number of years, varying in the case of each, to deliver coal, coal-tar products, dyestuffs and chemical drugs, in specific amounts to the Reparation Commission. The Commission may so modify the conditions of delivery as not to interfere unduly with Germany's industrial requirements. The deliveries of coal are based largely upon the principle of making good diminutions in the production of the Allied countries resulting from the war.

Germany accords option to the Commission on dyestuffs and chemical drugs, including quinine, up to 50% of the total stock in Germany at the time the treaty comes into force, and similar option during each six months to the end of 1924 up to 25% of the previous six months' output.

#### Devastated Areas.

Germany undertakes to devote her economic resources directly to the physical restoration of the invaded areas. The Reparation Commission is authorized to require Germany to replace the destroyed articles by the delivery of animals, machinery, &c., existing in Germany and to manufacture materials required for reconstruction purposes, all with due consideration for Germany's essential domestic requirements.

#### Coal, &c.

Germany is to deliver annually for ten years to France coal equivalent to the difference between the annual pre-war output of Nord and Pas De Calais mines and the annual production during the above ten-year period. Germany further gives options over ten years for delivery of 7,000,000 tons of coal per year to France, in addition to the above; of 8,000,000 tons to Belgium and of an amount rising from four and a half million tons in 1919 to 1920 to eight and a half million tons in 1923 to 1942 to Italy at prices to be fixed as prescribed in the treaty. Coke may be taken in place of coal in the ratio of three tons to four. Provision is also made for delivery to France over three years of benzol, coal tar and sulphate of ammonia. The commission has powers to postpone or annul the above deliveries should they interfere unduly with the industrial requirements of Germany.

Germany is to restore within six months the Koran of the Caliph Othman, formerly at Medina, to the King of the Hedjaz, and the skull of the Sultan Okwawa, formerly in German East Africa, to his Britannic Majesty's Government.

The German Government is also to restore to the French Government certain papers taken by the German authorities in 1870, belonging then to M. Reuher, and to restore the French flags taken during the war of 1870 and 1871.

As reparation for the destruction of the Library of Louvain Germany is to hand over manuscripts, early printed books, prints, &c., to the equivalent of those destroyed. In addition to the above Germany is to hand over to Belgium wings now at Berlin belonging to the altarpiece of "The Adoration of the Lamb," by Hubert and Jan Van Eyck, the centre of which is now in the Church of St. Bavon at Ghent, and the wings now in Berlin and Munich of the altarpiece of "The Last Supper," by Dirk Bouts, the centre of which belongs to the Church of St. Peter at Louvain.

#### SECTION IX.

##### Finance.

Powers to which German territory is ceded will assume a certain portion of the German pre-war debt, the amount to be fixed by the Reparations Commission on the basis of the ratio between the revenue and of the ceded territory and Germany's total revenues for the three years preceding the war. In view, however, of the special circumstances under which Alsace-Lorraine was separated from France in 1871, when Germany refused to accept any part of the French public debt, France will not assume any part of Germany's pre-war debt there, nor will Poland share in certain German debts incurred for the oppression of Poland. If the value of the German public property in ceded territory exceeds the amount of debt assumed, the States to which property is ceded will give credit on reparation for the excess, with the exception of Alsace-Lorraine. Mandatory Powers will not assume any German debts or give any credit for German Government property. Germany renounces all right of representation or, control of, State banks, commissions, or other similar international financial and economic organizations.

Germany is required to pay the total cost of the Armies of Occupation from the date of the armistice as long as they are maintained in German territory, this cost to be a first charge on her resources. The cost of reparation is the next charge, after making such provisions for payments for imports as the Allies may deem necessary.

Germany is to deliver to the Allied and Associated Powers all sums deposited in Germany by Turkey and Austria-Hungary in connection with the financial support extended by her to them during the war, and to transfer to the Allies all claims against Austria-Hungary, Bulgaria or Turkey in connection with agreements made during the war. Germany confirms the renunciation of the treaties of Bucharest and Brest-Litovsk.

On the request of the Reparations Commission, Germany will appropriate any rights or interests of her nationals in public utilities in ceded territories or those administered by mandatories, and in Turkey, China, Russia, Austria-Hungary and Bulgaria, and transfer them to the Reparations Commission, which will credit her with their value. Germany guarantees to repay to Brazil the fund arising from the sale of Sao Paulo coffee which she refused to allow Brazil to withdraw from Germany.

#### SECTION X.

##### ECONOMIC CLAUSES.

##### Customs.

For a period of six months Germany shall impose no tariff duties higher than the lowest in force in 1914 and for certain agricultural products, wines, vegetable oils, artificial silk and washed or scoured wool. This restriction obtains for two and a half years or for five years unless further extended by the League of Nations. Germany must give most favored nation treatment to the Allied and Associated Powers. She shall impose no customs tariff for five years on goods originating in Alsace-Lorraine and for three years on goods originating in former German territory ceded to Poland with the right of observation of a similar exception for Luxembourg.

##### Shipping.

Ships of the Allied and Associated Powers shall for five years and thereafter, under condition of reciprocity unless the League of Nations otherwise decides, enjoy the same rights in German ports as German vessels and have most favored nation treatment in fishing, coasting trade and towage even in territorial waters. Ships of a country having no seacoast may be registered at some one place within its territory.

##### Unfair Competition.

Germany undertakes to give the trade of the Allied and Associated Powers adequate safeguards against unfair competition and in particular to suppress the use of false wrappings and markings and on condition of reciprocity to respect the laws and judicial decisions of Allied and Associated States in respect of regional appellations of wines and spirits.

##### Treatment of Nationals.

Germany shall impose no exceptional taxes or restriction upon the nationals of Allied and Associated States for a period of five years and unless the League of Nations acts for an additional five years German nationality shall not continue to attach to a person who has become a national of an Allied or Associated State.

##### Multilateral Conventions.

Some forty multilateral conventions are renewed between Germany and the Allied and Associated Powers, but special conditions are attached to Germany's readmission to several. As to postal and telegraphic conventions Germany must not refuse to make reciprocal agreements with the new States. She must agree as respects the radio-telegraphic convention to provisional rules to be communicated to her and adhere to the new convention when formulated. In the North Sea fisheries and North Sea liquor traffic convention rights of inspection and police over Associated fishing boats shall be exercised for at least five years only by vessels of these Powers. As to the International Railway Union she shall adhere to the new convention when formulated.



*China.*

As to the Chinese customs tariff arrangement, the arrangement of 1905 regarding Whampoo and the Boxer indemnity of 1901; France, Portugal and Rumania as to The Hague Convention of 1903, relating to civil procedure and Great Britain and the United States as to Article III of the Samoan treaty of 1899 are relieved of all obligation toward Germany.

*Bilateral Treaties.*

Each Allied and Associate State may renew any treaty with Germany in so far as consistent with the peace treaty by giving notice within six months. Treaties entered into by Germany since Aug. 1 1914 with other enemy States and before or since that date with Rumania, Russia and Governments representing parts of Russia are abrogated and concessions granted under pressure by Russia to German subjects are annulled. The Allied and Associated States are to enjoy most favored nation treatment under treaties entered into by Germany and other enemy States before Aug. 1 1914, and under treaties entered into by Germany and neutral States during the war.

*Pre-War Debts.*

A system of clearing houses is to be created within three months, one in Germany and one in each Allied and Associated State which adopts the plan for the payment of pre-war debts, including those arising from contracts suspended by the war, for the adjustment of the proceeds of the liquidation of enemy property and the settlement of other obligations. Each participating State assumes responsibility for the payment of all debts owing by its nationals to nationals of the enemy States except in cases of pre-war insolvency of the debtor. The proceeds of the sale of private enemy property in each participating State may be used to pay the debts owed to the nationals of that State, direct payment from debtor to creditor and all communications relating thereto being prohibited. Disputes may be settled by arbitration, by the courts of the debtor country or by the mixed arbitral tribunal. Any Allied or Associated Power may, however, decline to participate in this system by giving Germany six months notice.

*Enemy Property.*

Germany shall restore or pay for all private enemy property seized or damaged by her, the amount of damages to be fixed by the mixed arbitral tribunal. The Allied and Associated States may liquidate German private property within their territories as compensation for property of their nationals not restored or paid for by Germany. For debts owed to their nationals by German nationals and for other claims against Germany, Germany is to compensate its nationals for such losses and to deliver within six months all documents relating to property held by its nationals in Allied and Associated States. All war legislation as to enemy property rights and interests is confirmed and all claims by Germany against the Allied or Associated Governments for acts under exceptional war measures abandoned.

*Contracts.*

Pre-war contracts between Allied and Associated nationals, excepting the United States, Japan and Brazil, and German nationals are canceled except for debts for accounts already performed.

*Agreements.*

For the transfer of property where the property had already passed, leases of land and houses, contracts of mortgages, pledge or lien, mining concessions, contracts with Governments and insurance contracts, mixed arbitral tribunals shall be established of three members, one chosen by Germany, one by the Associated States and the third by agreement, or, failing which, by the President of Switzerland. They shall have jurisdiction over all disputes as to contracts concluded before the present peace treaty.

Fire insurance contracts are not considered dissolved by the war, even if premiums have not been paid, but lapse at the date of the first annual premium falling due three months after the peace. Life insurance contracts may be restored by payments of accumulated premiums with interest, sums falling due on such contracts during the war to be recoverable with interest. Marine insurance contracts are dissolved by the outbreak of war, except where the risk insured against had already been incurred.

Where the risk had not attached premiums paid are recoverable; otherwise premiums due and sums due on losses are recoverable. Reinsurance treaties are abrogated unless invasion has made it impossible for the reinsured to find another reinsurer. Any Allied or Associated Power, however, may cancel all the contracts running between its nationals and a German life insurance company, the latter being obligated to hand over the proportion of its assets attributable to such policies.

*Industrial Property.*

Rights as to industrial, literary and artistic property are re-established. The special war measures of the Allied and Associated Powers are ratified and the right reserved to impose conditions on the use of German patents and copyrights when in the public interest. Except as between the United States and Germany, pre-war licenses and rights to sue for infringements committed during the war are canceled.

*Opium.*

The contracting Powers agree, whether or not they have signed and ratified the opium convention of Jan. 23 1912, or signed the special protocol opened at The Hague, in accordance with resolutions adopted by the Third Opium Conference in 1914, to bring the said convention into force by enacting within twelve months of the peace the necessary legislation.

*Religious Missions.*

The Allied and Associated Powers agree that properties of religious missions in territories belonging or ceded to them shall continue in their work under the control of the Powers, Germany renouncing all claims in their behalf.

*Rhine-Meuse Canal.*

Belgium is to be permitted to build a deep draft Rhine-Meuse canal if she so desires within twenty-five years, in which case Germany must construct the part within her territory on plans drawn by Belgium. Similarly the interested Allied Governments may construct a Rhine-Meuse canal, both, if constructed, to come under the competent international commission. Germany may not object if the Central Rhine Commission desires to extend its jurisdiction over the lower Moselle, the upper Rhine, or lateral canals.

Germany must cede to the Allied and Associated Governments certain tugs, vessels and facilities for navigation on all these rivers, the specific details to be established by an arbitrator named by the United States. Decision will be based on the legitimate needs of the parties concerned and on the shipping traffic during the five years before the war. The value will be included in the regular reparation account. In the case of the Rhine, shares in the German navigation companies and property, such as wharves and warehouses, held by Germany in Rotterdam at the outbreak of war, must be handed over.

*Railways.*

Germany, in addition to most favored nation treatment on her railways, agrees to co-operate in the establishment of through ticket services for passengers and baggage; to insure communication by rail between the Allied, Associated and other States; to allow the construction or improvement within twenty-five years of such lines as necessary; and to conform her rolling stock to enable its incorporation in trains of the Allied or Associated Powers. She also agrees to accept the denunciation of the St. Gothard convention if Switzerland and Italy so request, and temporarily to execute instructions as to the transport of troops and supplies and the establishment of postal and telegraphic service as provided.

*Czecho-Slovakia.*

To assure Czecho-Slovakia access to the sea, special rights are given her both north and south. Toward the Adriatic, she is permitted to run her own through trains to Fiume and Trieste. To the north, Germany is to lease her for ninety-nine years spaces in Hamburg and Stettin, the details to be worked out by a commission of three representing Czecho-Slovakia, Germany and Great Britain.

*The Kiel Canal.*

The Kiel Canal is to remain free and open to war and merchant ships of all nations at peace with Germany, subjects, goods and ships of all States are to be treated on terms of absolute equality, and no taxes to be imposed beyond those necessary for the upkeep and improvement, for which Germany is to be responsible. In case of violation of or disagreement as to those provisions, any State may appeal to the League of Nations, and may demand the appointment of an international commission. For preliminary hearing of complaints Germany shall establish a local authority at Kiel.

## SECTION XI.

*Aerial Navigation.*

Aircraft of the Allied and Associated Powers shall have full liberty of passage and landing over and in German territory, equal treatment with German planes as to use of German airdromes, and with most favored nation planes as to internal commercial traffic in Germany. Germany agrees to accept Allied certificates of nationality, airworthiness or competency or licenses and to apply the convention relative to aerial navigation concluded between the Allied and Associated Powers to her own aircraft over her own territory. These rules apply until 1923 unless Germany has since been admitted to the League of Nations or to the above convention.

## SECTION XII.

*Freedom of Transit.*

Germany must grant freedom of transit through her territories by mail or water to persons, goods, ships, carriages, and mails from or to any of the Allied or Associated Powers, without customs or transit duties, undue delays, restrictions, or discriminations based on nationality, means of transport, or place of entry or departure. Goods in transit shall be assured all possible speed of journey, especially perishable goods. Germany may not divert traffic from its normal course in favor of her own transport routes or maintain "control stations" in connection with transmigration traffic. She may not establish any tax discrimination against the ports of Allied or Associated Powers; must grant the latter's seaports all factors and reduced tariffs granted her own or other nationals, and afford the Allied or Associated Powers equal rights with those of her own nationals in her ports and waterways, save that she is free to open or close her maritime coasting trade.

*Free Zones in Ports.*

Free zones existing in German ports on Aug. 1 1914 must be maintained with due facilities as to warehouses, and packing and shipping, without discrimination, and without charges except for expenses of administration and use. Goods leaving the free zones for consumption in Germany and goods brought into the free zones from Germany shall be subject to the ordinary import and export taxes.

*International Rivers.*

The Elbe from the junction of the Urtava, the Urtava from Prague, the Oder from Oppa, the Niemen from Grodno, and the Danube from Ulm are declared international, together with their connections. The riparian States must insure good conditions of navigation within their territories unless a special organization exists therefor. Otherwise appeal may be had to a special tribunal of the League of Nations, which also may arrange for a general international waterways convention.

The Elbe and the Oder are to be placed under international commissions to meet within three months, that for the Elbe composed of four representatives of Germany, two from Czecho-Slovakia, and one each from Great Britain, France, Italy and Belgium; and that for the Oder composed of one each from Poland, Russia, Czecho-Slovakia, Great Britain, France, Denmark and Sweden. If any riparian State on the Niemen should so request of the League of Nations, a similar commission shall be established there. These commissions shall upon request of any riparian State meet within three months to revise existing international agreements.

*The Danube.*

The European Danube Commission re-assumes its pre-war powers, but for the time being with representatives of only Great Britain, France, Italy and Rumania. The Upper Danube is to be administered by a new international commission until a definitive statute be drawn up at a conference of the Powers nominated by the Allied and Associated Governments within one year after the peace. The enemy Governments shall make full reparations for all war damages caused to the European commission; shall cede their river facilities in surrendered territory, and give Czecho-Slovakia, Serbia and Rumania any rights necessary on their shores for carrying out improvements in navigation.

*The Rhine and the Moselle.*

The Rhine is placed under the central commission to meet at Strassburg within six months after the peace and to be composed of four representatives of France, which shall in addition select the President; four of Germany, and two each of Great Britain, Italy, Belgium, Switzerland and the Netherlands. Germany must give France on the course of the Rhine included between the two extreme points of her frontiers all rights to take water to feed canals, while herself agreeing not to make canals on the right bank opposite France. She must also hand over to France all her drafts and designs for this part of the river.

## SECTION XIII.

*International Labor Organization.*

Members of the League of Nations agree to establish a permanent organization to promote international adjustment of labor conditions, to consist of an annual international labor conference and an international labor office.

The former is composed of four representatives of each State, two from the Government and one each from the employers and the employed;

each of them may vote individually. It will be a deliberative legislative body, its measures taking the form of draft conventions or recommendations for legislation, which if passed by two-thirds vote must be submitted to the lawmaking authority in every State participating. Each Government may either enact the terms into law; approve the principle but modify them to local needs; leave the actual legislation in case of a Federal State to local legislatures; or reject the convention altogether without further obligation.

The International Labor Office is established at the seat of the League of Nations as part of its organization. It is to collect and distribute information on labor throughout the world and prepare agenda for the conference. It will publish a periodical in French and English, and possibly other languages. Each State agrees to make to it for presentation to the conference an annual report of measures taken to execute accepted conventions. The governing body in its executive, consists of 24 members, 12 representing the Governments, six the employers and six the employees, to serve for three years.

On complaint that any Government has failed to carry out a convention to which it is a party, the governing body may make inquiries directly to that Government, and in case the reply is unsatisfactory may publish the complaint with comment. A complaint by one Government against another may be referred by the governing body to a commission of inquiry nominated by the Secretary-General of the League. If the Commission report fails to bring satisfactory action, the matter may be taken to a permanent court of international justice for final decision. The chief reliance for securing enforcement of the law will be publicity, with a possibility of economic action in the background.

The first meeting of the Conference will take place in October, 1919, at Washington, to discuss the eight-hour day or forty-eight-hour week; prevention of unemployment; extension and application of the international conventions adopted at Berne in 1906 prohibiting night work for women and the use of white phosphorus in the manufacture of matches; and employment of women and children at night or in unhealthy work, of women before and after childbirth, including maternity benefit, and of children as regards minimum age.

#### Labor Clauses.

Nine principles of labor conditions were recognized on the ground that "the well-being, physical and moral, of the industrial wage earners is of supreme international importance." With exceptions necessitated by differences of climate, habits and economic development, they include the guiding principle that labor should not be regarded merely as a commodity or article of commerce; right of association of employers and employees; a wage adequate to maintain a reasonable standard of life; the eight-hour day or forty-eight hour week; a weekly rest of at least 24 hours, which should include Sunday wherever practicable; abolition of child labor and assurance of the continuation of the education and proper physical development of children; equal pay for equal work as between men and women; equitable treatment of all workers lawfully resident therein, including foreigners, and a system of inspection in which women should take part.

#### SECTION XIV.

##### GUARANTEES.

###### Western Europe.

As a guarantee for the execution of the treaty German territory to the west of the Rhine, together with the bridgeheads, will be occupied by Allied and Associated troops for a fifteen years' period. If the conditions are faithfully carried out by Germany, certain districts, including the bridgehead of Cologne, will be evacuated at the expiration of five years; certain other districts, including the bridgehead of Coblenz, and the territories nearest the Belgian frontier, will be evacuated after ten years, and the remainder, including the bridgehead of Mainz, will be evacuated after fifteen years. In case the Inter-Allied Reparation Commission finds that Germany has failed to observe the whole or part of her obligations, either during the occupation or after the fifteen years have expired, the whole or part of the areas specified will be reoccupied immediately. If before the expiration of the fifteen years Germany complies with all the treaty undertakings, the occupying forces will be withdrawn immediately.

###### Eastern Europe.

All German troops at present in territories to the east of the new frontier shall return as soon as the Allied and Associated Governments deem wise. They are to abstain from all requisitions and are in no way to interfere with measures for national defense taken by the Government concerned.

All questions regarding occupation not provided for by the treaty will be regulated by a subsequent convention or conventions which will have similar force and effect.

#### SECTION XV.

##### Miscellaneous.

Germany agrees to recognize the full validity of the treaties of peace and additional conventions to be concluded by the Allied and Associated Powers with the Powers allied with Germany, to agree to the decisions to be taken as to the territories of Austria-Hungary, Bulgaria and Turkey, and to recognize the new States in the frontiers to be fixed for them.

Germany agrees not to put forward any pecuniary claims against any Allied or Associated Power signing the present treaty based on events previous to the coming into force of the treaty.

Germany accepts all decrees as to German ships and goods made by any Allied or Associated prize court. The Allies reserve the right to examine all decisions of German prize courts. The present treaty, of which the French and British texts are both authentic, shall be ratified and the depositions of ratifications made in Paris as soon as possible. The treaty is to become effective in all respects for each Power on the date of deposition of its ratification.

#### PROPOSAL FOR GERMAN BOND ISSUE GUARANTEED BY UNITED STATES AND ALLIES.

With regard to reports that British delegates at Paris had proposed a \$5,000,000,000 German bond issue, guaranteed by the United States and the Allied and Associated Governments, a press dispatch to the daily papers under date of May 2 said:

Authoritative disapproval of a plan that has been advanced for the rehabilitation of European financial credit was expressed to-day by the financial members of the American delegation. It was made known definitely that the United States would not be a party to any joint action having for its purpose the restoration of German business.

It had been proposed by the British that a German bond issue of \$5,000,000,000 be arranged, with Great Britain, France, the United States, and

the other Allied and Associated Powers as guarantors. The American delegates took the position that such a plan would be not only impracticable but contrary to American precedent.

It was explained that the British proposal included the apportionment of the issue among all the Powers, including even the small, newly created Governments.

The apportionment was to be based upon the relative wealth of the signatories. One objection raised was that the failure of any one of the guarantors to bear its share would result in increasing the burden and responsibility of the others, thus creating a situation obviously unjust.

#### ECONOMIC ISOLATION FOR GERMANY IN CASE OF REFUSAL TO SIGN TREATY—16TH MEETING OF SUPREME ECONOMIC COUNCIL.

Plans for the complete economic isolation of Germany in case of a refusal to sign the peace treaty are being considered by the Supreme Economic Council, according to announcements made at Paris on Tuesday. Removal of financial restrictions on trade with Germany pending the signing of the treaty were also announced. The statement issued read:

The Supreme Economic Council held its sixteenth meeting May 5 at 10 a. m. under the chairmanship of Lord Robert Cecil at the Ministry of Commerce.

Proposed blockade measures to be adopted in the event of Germany refusing to sign the peace treaty:

The Council considered plans which had been formulated to bring about the complete economic isolation of Germany in the event that the German delegates should refuse to sign the preliminaries of peace. The blockade section was directed to draw up and submit for the approval of the Council of Foreign Ministers a plan of blockade measures to be immediately put into effect should the Associated Governments desire to have recourse to economic coercion.

Removal of financial restrictions of trade with Germany:

Upon recommendation by the financial section, the Council decided to make the following relaxations of financial restrictions of trade with Germany pending the signing of the peace treaty:

First—The financial list to be suspended (if this has not been done already) and announcement to be made that neutrals are entirely free to extend credits of any kind to Germany or to its nationals.

Second—That German-owned cash, balances and bills already in neutral countries are freely available in payment for imports.

Third—That the proceeds of exports from Germany may be freely available in payment for all kinds of permitted imports.

Fourth—That the finance section shall have discretion to grant licenses for the export of gold and securities from Germany in payment for imports, on application from the German authorities.

Fifth—That the above be communicated to the financial commission at Villetta and to the committee of neutral financiers, and that their suggestions be invited as to what further relaxations are desired by them.

Control of traffic on the Danube:

The Council considered again the question of the control of navigation on the Danube, and it was decided that this control should be placed entirely under one authority. A sub-committee was appointed to arrange the details with a view to expediting the reopening of commercial and relief traffic on the Danube.

#### ORGANIZATION OF LEAGUE OF NATIONS.

Steps toward the organization of the League of Nations were taken on Monday of this week, when the Organization Committee appointed by the plenary session of the Peace Conference on April 28 held its initial meeting. Stephen Pichon, Minister of Foreign Affairs of France, was elected Chairman of the provisional organization and Sir Eric Drummond was invited to assume his duties as permanent Secretary-General. An official statement issued read:

The Organization Committee of the League of Nations, which was appointed by a resolution of the Plenary Conference on April 28 held its first meeting at the Hotel Crillon at 4 o'clock on Monday, May 5, and agreed on a number of resolutions for the provisional organization of the League.

On motion of Colonel E. M. House of the United States, M. Pichon, Minister of Foreign Affairs, was elected Chairman, and Sir Eric Drummond was invited to occupy his seat as Acting Secretary-General.

The following were present: M. Pichon, France, Chairman; Colonel E. M. House, United States; Lord Robert Cecil, Great Britain; Marquis Imperiali, Italy; Viscount Chinda, Japan; M. Rollin Jacquemyns, Belgium; M. Venizelos, Greece; Senor Gubones de Leon, Spain; and Antonio O. de Magalhães, Brazil.

In adopting the rules for the temporary organization, it was said, care was taken by the committee that nothing of a permanent nature should be done previous to the ratification of the peace treaty by the United States Senate.

It was also announced that the Organizing Committee of the International Labor Conference, formed under the peace treaty, held its first meeting in London on May 6, Professor J. T. Shotwell, representing the United States. The committee will hold further meetings to collect and tabulate information for the first conference at Washington in October.

#### PRESIDENT WILSON REGARDS LABOR PROGRAM IN PEACE TREATY AS IMPORTANT ACHIEVEMENT.

That President Wilson regards the labor program embodied in the peace treaty as "one of the most important achievements of the new day, in which the interests of labor are to be systematically and intelligently safeguarded and promoted," was announced in a cablegram received by the

President's Secretary, Joseph Tumulty, on May 2. The message was made public at the White House as follows:

The labor program which the Conference of Peace has adopted as part of the treaty of peace constitutes one of the most important achievements of the new day in which the interests of labor are to be systematically and intelligently safeguarded and promoted. Amidst the multitude of other interests this great step forward is apt to be overlooked, and yet no other single thing that has been done will help more to stabilize conditions of labor throughout the world and ultimately relieve the unhappy conditions which in too many places have prevailed. Personally, I regard this as one of the most gratifying achievements of the Conference.

#### BELGIUM DECIDES TO SIGN PEACE TREATY.

After listening to a report by Paul Hymans, Minister of Foreign Affairs, and head of the Belgian delegation at the Peace Conference, the Belgian Cabinet Council on May 4, as reported in Associated Press dispatches from Brussels, decided to recommend the signing of the peace treaty by the Belgian representatives, at the same time calling the attention of the Powers to the financial and economic situation in Belgium and to the necessity that the Allies assure Belgium of complete support looking to her economic restoration. The Council was further of the opinion that the Allies should be asked to support the initiation of negotiations with Holland regarding the settlement of the question of the freedom of the Scheldt and the waterways of East Belgium. Premier Delacroix in a statement on May 5 in connection with the decision said:

We considered it impossible to withdraw from the Conference, as our delegates had secured important results. The negotiations had arrived at a deadlock, but the Powers had granted us very great concessions, releasing us from loans contracted during the war amounting to 6,000,000,000 francs, while we shall have priority in receiving 2,500,000,000 francs, payable in gold and destined to cover inter-provincial bonds we were obliged to issue during the war.

A cablegram received by the Belgian Information Service at Washington on May 6 stated that plenipotentiaries from Belgium, France, England and Holland were soon to meet and determine the conditions which would take the place of the Treaty of 1839, and added:

The attention of the Allies will be called to Belgium's need of military security. The towns of Eupen and Malmédy, handed over to Prussia by the Congress of Vienna, will be returned to the mother country, as also the Forest of Hertenwald, a portion of which lies in Belgian territory. It is believed, furthermore, that the Walloon district of Moresnet, comprising about two square miles, which before the war was neutralized and administered jointly by Germany and Belgium, will revert to the latter.

#### PROPOSED PEACE TERMS WITH AUSTRIA.

With regard to the peace terms to be exacted from Austria and the indemnity to be demanded, the Associated Press in Paris cablegrams May 8 said:

The Council of Four, with Premier Orlando of Italy present, began to-day to arrange the program for the presentation of peace terms to the Austrian, Hungarian and Bulgarian delegates.

The Austrian treaty has begun to take form. Portions of it already have been drafted.

It appears that instead of Germany being required to pay the entire indemnity demanded by the Allies a considerable sum will be demanded of Austria, the estimate of this sum at present being 5,000,000,000 crowns (normally approximately \$2,500,000,000).

This indemnity provision and the delimitation of the frontiers of the new State will be the main features of the treaty now in the making. Provision is to be made for dividing Austria-Hungary's pre-war debt among the new States formed from territory formerly belonging to that Empire.

The frontiers between German Austria and Italy, and probably the Adriatic settlement, will also figure in the Austrian treaty.

According to Paris cablegrams last night (May 9) the naval terms of the treaty to be presented to Austria, as they have been completed entirely wipe out the Austrian Navy. All the ships of that navy, large and small, are, it is stated, to be surrendered. Their disposition among the Allies, it is added, is to be adjusted later.

#### CHINESE PEACE MISSION VIEWS DISAPPOINTMENT OVER KIAO-CHAU.

The intense disappointment of the Chinese delegates to the Peace Conference with the settlement of the Kiao-Chau controversy between China and Japan was voiced in a statement issued on May 2, which charges among other things that Great Britain and France were pledged by a secret pledge made in 1917 to support the Japanese claims to the Shantung Peninsula. China knew nothing of this agreement, the statement says, and was not even told when she entered the war in August 1917. The statement in full follows:

The Chinese delegation has been informed orally on behalf of the Council of Three of the outline of the settlement proposed regarding the Shantung question. Under this settlement all rights to Kiao-Chau, formerly belonging to Germany, are transferred to Japan. While Japan voluntarily engages to hand back the Shantung Peninsula in full sovereignty to China, she is allowed to retain the economic privileges formerly enjoyed by Germany.

These privileges, the delegation is informed, refer to the Tsing-tao-China Railway, 280 miles long, the mines connected with it, and the two railways to be built connecting Shantung with the two trunk lines from Peking to the Yangtse Valley. In addition, she obtains the right to establish a

settlement at Tsing-tao and, although the Japanese military forces, it is understood, will be withdrawn from Shantung at the earliest possible moment, the employment of special railway police is permitted.

Such being the outline of the proposed settlement, the Chinese delegation cannot but view it with disappointment and dissatisfaction.

These German rights in Shantung originated in an act of wanton aggression in 1897, characteristic of Prussian militarism. To transfer these rights to Japan, as the Council of Three proposes to do, is, therefore, to confirm an act of aggression, which has been resented by the Chinese people ever since its perpetration.

Such a virtual substitution of Japan for Germany in Shantung is serious enough in itself, but it becomes grave when the position of Japan in Southern Manchuria and Eastern Mongolia is read in connection with it. Firmly entrenched on both sides of the Gulf of Pe-chili, the water outlet of Peking, with a hold on the three trunk lines from Peking and connecting it with the rest of China, the capital becomes but an enclave in the midst of Japanese influence.

Moreover, owing to China's declaration of war against the Central Powers on Aug. 14 1917 and the abrogation of all treaties and agreements between China and these Powers, the German rights automatically reverted to China. This declaration was officially notified to and taken cognizance of by the Allied and Associated Governments. It is, therefore, significant that the Council in announcing the settlement of the Kiao-chau-Shantung question referred to the rights to be transferred to Japan as "the rights formerly belonging to Germany."

It appears clear, then, that the Council has been bestowing on Japan the rights, not of Germany, but of China; not of an enemy, but of an ally. The more powerful ally has reaped a benefit at the expense, not of the common enemy, but of the weaker ally.

Besides, Shantung is China's Holy Land, packed with memories of Confucius and Mencius and hallowed as the cradle of her civilization.

If it is the intention of the Council to restore it to China, it is difficult to see on what consideration of principle or of expediency can be justified the transfer in the first instance to an alien Power which then "voluntarily engages" to hand it back to the rightful owner.

Japan based its claim for the German rights in Shantung also on the treaty and notes of 1915, and the notes of 1918 with China. It is to be noted, however, that the documents of 1915 were agreed to by China under coercion of an ultimatum threatening war in case of non-compliance with the twenty-one demands.

The notes of 1918 were made by China as the price for Japan's promise to withdraw her troops, whose presence in the interior of Shantung, as well as the establishment of Japanese civil administration bureaus in the district, had aroused such popular opposition that the Chinese Government felt constrained to make the arrangement.

The Chinese delegation understands that the Council was prompted by the fact that Great Britain and France had undertaken in February and March 1917, to support at the Peace Conference the transferring to Japan of the German rights in Shantung. To none of these secret agreements was China a party, nor was she informed of their contents when invited to join the war against the Central Empires. The fortunes of China appear thus to have been made objects of negotiation and compensation after she had already definitely allied herself with the Allied Powers.

Apart from this, it is at least open to question how far these agreements will be applicable, inasmuch as China has since become a belligerent. The claims of Japan referred to in this agreement appear, moreover, to be scarcely compatible with the Fourteen Points adopted by the Powers associated against Germany.

If the Council has granted the claims of Japan in full for the purpose of saving the League of Nations, as is intimated to be the case, China has less to complain of, believing, as she does, that it is a duty to make sacrifices for such a noble cause as the League of Nations. She cannot, however, refrain from wishing that the Council had seen fit, as would be far more consonant with the spirit of the League now on the eve of formation, to call upon strong Japan to forego her claims animated by a desire for aggrandizement, instead of upon weak China to surrender what is hers by right.

China came to the conference with a strong faith in the lofty principles adopted by the Allied and Associated Powers as the basis of a just and permanent world peace. Great, therefore, will be the disappointment and disillusion of the Chinese people over the proposed settlement.

If there is reason for the Council to stand firm on the question of Fiume, there would seem to be all the more reason to uphold the claim of China relating to Shantung, which includes the future welfare of 36,000,000 souls, and the highest interest of peace in the Far East.

In a further statement issued by the Chinese Press Bureau on May 4, the Chinese delegates complain bitterly that Japan is granted all that Germany had claimed and more, with no assurance as to what Japan would eventually return to China. "It will be difficult to explain to the Chinese people," the statement concludes, "what the Peace Conference means by 'justice'." The statement says:

New light on the settlement of the Kiao-Chau-Shantung question has made the Chinese delegation indignant. A member of the delegation stated that although three days have elapsed since the settlement by the Council was announced no details of the settlement had reached the delegation. While still waiting in suspense, the delegation has learned with surprise that clauses to be inserted in the peace treaty relating to Shantung go further than was even suspected.

Japan is given everything Germany obtained from China by aggression, and more. She is given all the rights, titles or privileges concerning especially the territory of Kiao-Chau and the railways, mines and submarine cables Germany acquired by virtue of the treaty of 1898, and of all other acts concerning the Province of Shantung. Japan is given all the rights on the Tsing-tao-China Railway, its branches and the mines attached thereto, the submarine cables from Tsing-tao to Shanghai and from Tsing-tao to Chefoo, and all German public property rights, movable and immovable in the territory of Kiao-Chau.

Although China has the best title to these rights, which are all Chinese territory, not a word is said in the draft clauses as to what rights China may expect to recover for herself. It is entirely with Japan to say what she will be pleased to return to China, and what she will retain for her own enjoyment.

The important fact seems to be altogether ignored that Shantung is a Chinese province, the territory of a partner in the war on the side of the Allied and Associated Powers. The Tsing-tao Railway was built with Chinese and German private capital, while the line of 280 miles is entirely in Chinese territory. To substitute Japan for Germany's rights in this territory is to endanger greatly the welfare and security of the Chinese Republic, because Japan is much nearer to China than Germany, and because she already claims a sphere of influence in Manchuria close to the north of Shantung.

Reading the draft clauses together with the outlines the Council has proposed in settlement, it is clear that the Council makes China lose both ways. It has given Japan not only more than Germany had in Shantung, but also more than Japan claims from China in the treaty of 1915 and the notes of 1918.

The Council's proposed settlement seems to sanction, for example, the policing of the Shantung Railway, a privilege which Germany did not exercise nor claim, and it is apprehended it substitutes a permanent Japanese settlement under Japanese control and administration for a German leasehold limited to a fixed period of years.

Again, by transferring to Japan all German rights in Shantung, as stated in the draft clauses, it also appears to give Japan preferential rights which she did not claim from China, such as the supply of capital, materials, and technical experts in Shantung.

The more the Chinese delegates study the proposed settlement, the less they understand the meaning and purpose, and the more they feel aggrieved. It will be difficult to explain to the Chinese people what the Peace Conference really means by justice.

An Associated Press dispatch from Paris on May 1, in discussing the attitude of the American Peace Mission toward the Shantung settlement, said:

The American delegation regards the agreement as the best possible solution of the Far Eastern problem to be obtained without risking a break similar to that which resulted in the Italian delegation leaving Paris. Confidence is felt that the League of Nations, which will have control over the future relations between Japan and China and which will guarantee the future territorial integrity and independence of China, will be sufficiently strong to safeguard Chinese interests and insure the return of all China's rights in the Shantung Province.

President Wilson and Premiers Lloyd George and Clemenceau are especially eager for the withdrawal of allied troops from all enemy colonies and are confident that the League of Nations can speedily solve pending disputes when military pressure is eliminated.

#### CHINA'S REFUSAL TO SIGN TREATY.

In its Paris accounts regarding the refusal of China to sign the treaty the Associated Press yesterday said:

The Chinese delegation has received cabled instructions from Peking not to sign the Treaty of Peace, because of the Kiao-Chau-Shantung settlement.

Instructions to the same effect have been received from the representatives of both the northern and southern governments in the Peace Conference at Shanghai.

The Chinese delegation to the Peace Conference has issued a statement saying that 5,000 students marched to the American and British Legations in Peking to ask the Ministers to urge the Council of Three to reconsider their Shantung decision. The police prevented the admission of the crowd to the Legation Square. The students then set fire to the residence of the Minister of Communications. During the disorders the Chinese Minister to Tokio, who is in Peking, was seriously injured.

It had previously been announced from Peking that the Chinese Cabinet at a meeting on May 6 had decided to instruct the Chinese delegates in Paris not to sign a peace treaty assigning the German rights in Shantung to the Japanese.

This was supplemented by the following from Paris May 7:

Serious trouble has broken out in China as a result of the decision of the Council of Three with regard to Shantung and Kiao-Chau, according to news received in authoritative circles here. In riots in Peking the house of Tsao Yu-lin, Minister of Communications, who is friendly to Japan, was burned.

Still later, the Paris cablegrams to the daily press May 8 said:

American Minister Reinsch at Peking has informed Secretary of State Lansing that all wire communication out of Peking has been cut except for one wire which goes to Siberia.

#### SENATOR BRANDEGEE INSISTS LEAGUE COVENANT NEEDS REVISION ALONG LINES SUGGESTED BY ROOT.

Asserting that none of the amendments to the covenant of the League of Nations suggested by Senator Root has been embodied in the document as finally adopted, Senator Brandegee (Republican) of Connecticut, in a statement issued at Washington on May 5, insisted it was the duty of the Senate to consider Senator Root's proposals before agreeing to the covenant. Senator Brandegee's statement was given in part as follows in special advices to the New York "Times":

In his letter, March 29 1919, to Chairman Hays, Senator Root analyzed the original draft of the Constitution of the League of Nations. He proceeded to specify and propose six amendments. The Constitution in the form finally approved by the Peace Conference embodies no one of the six amendments thus proposed. Every one of them might have been adopted by the Conference without impairing the effectiveness of the plan of which the Constitution is an expression.

The rejection places the Conference as squarely on record as if it had deliberately made the following declaration on the six points in discussion:

1. "We decline to create a high court of justice or to do more than direct that plans be formulated for a tribunal whose only jurisdiction will depend upon the consent of the parties. We decline to enact national covenants to arbitrate justiciable conditions instead of fighting over them. We are persistent in vesting in the International Executive Cabinet the power to make final decisions upon all disputed questions, whether legal or political in their nature. We accordingly reject Senator Root's first amendment.

2. "We persist in the practical abandonment of all effort to promote or maintain a system of international law. We decline to provide for a Conference of powers to state in authoritative form the principles and rules of international law. We reject Senator Root's second amendment.

3. (a) "Not recognizing the Monroe Doctrine as a declaration of traditional opposition to the extension on the Western Continent of the sovereignty of foreign States, we insist rather upon classifying it as a regional understanding, and we leave the Cabinet of Nine to determine in any emergency whether or not to recognize the validity of the doctrine, according to their political opinion of its effect upon the peace of the world.

(b) "We refuse to permit the United States or any nation specifically to reserve for its own decision what immigration it will sanction or forbid.

(c) "We decline to sanction the specific reservation by the United States of purely American questions. We insist upon leaving the question of a protective tariff, the Panama Canal, and the coastwise trade of the United States in the uncertain position in which they were left by the original draft. We accordingly decline Senator Root's third amendment.

4. "We insist that every member of the League shall give a continuing guarantee to preserve, as against external aggression, the territorial integrity and existing political independence of all members of the League. We decline to permit a nation to determine its obligations as a world guarantor and yet remain a League member. We decline Senator Root's fourth amendment.

5. "Though recognizing that the primary purpose of the League is to obstruct war and that limitation of armaments is the most effective method of obstruction, we decline to give to the Commission constituted under Article 9 powers either of inspection of the actual conditions of armament existing in any country or of verification of reports of armaments submitted. We decline Senator Root's fifth amendment.

6. "While it has been pointed out to us that the League cannot be a league of peace for some years to come, that it is rather an alliance of one-half the active world for the control of the other half, and that the Constitution is not a final or conclusive instrument, we decline to provide for the calling of a conference for its revision. We insist that no amendment shall be made except with the approval of a majority of nations represented in the Assembly. We accordingly decline Senator Root's sixth amendment."

In view of the deliberate refusal of the Conference to incorporate in the Constitution all or any of the vital amendments submitted by Senator Root, it becomes the solemn responsibility of the Senate of the United States to consider the proposals which the Conference has rejected.

The President will return as a Commissioner, bringing with him a document prepared in the superheated atmosphere of the Conference. He will submit it to the country as one already committed to the acceptance of all its terms. He will find no chief executive waiting to subject the document to calm and judicial review.

Unless the Senate is free to consider the Root amendments and others, unembarrassed by executive pressure or by popular clamor, the people of the United States will be deprived of the protection of their own constitutional safeguards, and may be committed without adequate understanding to a serious international experiment, from the results of which they have little to gain and much to lose.

#### REPUBLICAN SENATORS OPPOSE MAKING LEAGUE COVENANT A PARTY ISSUE.

Resistance has cropped up among Republican Senators of the group known as Progressive to the plan of Senator Lodge to hold a Republican caucus to determine the party's attitude toward the League of Nations. Their attitude was made known during discussion of the telegram sent out by Senator Lodge and Senator Curtis, Republican whip in the Senate, requesting Republican Senators to withhold comment upon the League covenant until a caucus could be held. Senator Curtis on May 2 stated that favorable replies to his telegram had been received from all but six of the Republican Senators, but press dispatches from Washington have quoted Progressive Senators as saying that the League covenant was too big a question to be made a party matter, and that they would refuse to be bound by any action taken. Such a dispatch under date of April 30 said:

Several Republican Senators let it be known to-day that they opposed having the League of Nations covenant considered at a Republican conference, with a view to determining the attitude of the party toward the document. Senators Johnson of California, Jones of Washington, McNary of Oregon and Borah of Idaho made statements declaring the League could not be made a party question. They were commenting on the action of Senator Lodge and Senator Curtis, whip, in telegraphing Republican members of the Senate to withhold expressions concerning the League until a party conference could be held. Senator Norris of Nebraska said he did not oppose the Conference, but would refuse to be bound by any action it might take.

"I don't care what Mr. Lodge, Mr. Root or anyone else says or determines; it won't influence me in this matter," said Senator Johnson. "This matter transcends all other questions in importance too much to be made a party question. If any man can't determine his own attitude upon the League he is not fit to hold his seat in the Senate."

Senator Jones said he thought it was a mistake to inject politics into the consideration of the League of Nations.

"I am opposed," he said, "to making this a party matter, but I don't think they can do it, anyway. It's too big a matter to be dealt with in that way."

Senator McNary, who recently announced that he would support the covenant, as finally revised in Paris, criticized the sending of the Lodge-Curtis telegram, which, he said, he thought was a mistake, and declared, in his opinion, every Senator should determine his attitude upon the League individually, and not from a party standpoint.

"This is a matter no political party can bind me on unless it agrees with my views," said Senator Borah.

Senator Lodge to-day denied widely circulated reports that he had conferred with Elihu Root and other party leaders in New York regarding the League.

"I have not set foot out of Washington since I returned here," said Senator Lodge. "There are enough conferences here."

He added that no such conferences are contemplated, and that he would remain in Washington.

Later, Senator Curtis made this statement:

"There has been no conference of Republicans on binding the party one way or the other on the League of Nations. There is a general feeling among Republicans here that Senators should refrain from passing an opinion upon the covenant until they know just what it contains, and they won't know until it has been presented to the Senate for action.

"The Lodge telegram was sent, after consideration with a number of Senators here in Washington, because it was believed to be a better plan for the Senators not to express themselves on the proposition, as it has not been studied, and the amendments suggested not verified. There have been already statements as to what amendments have been agreed to, but there has been no authentic statement regarding them made."

Senator Sherman of Illinois, in a statement late to-day, also opposed any efforts that might be made to make the League of Nations a partisan issue.

"It is too big and important a question to be disposed of in a partisan way," he said and added he was opposed to being bound by any Republican caucus.

Senator McCormick of Illinois, Republican, issued a statement in which he said that the amended covenant in its present form was "rather a guarantee of empire than a league to enforce peace."

"It is a triumph for Mr. Lloyd George," he said. "The 'phrase maker of the King' is a better negotiator than the 'King of phrase makers.' Under Article 10 we would still have to defend British rule in India, French rule in Africa, Portuguese rule in Southern China and Japanese rule in Korea, if any of them were threatened by the military action of neighboring African or Asiatic peoples, seeking emancipation from foreign rule and tutelage."

Senator Kenyon of Iowa and Poindexter of Washington on May 2 joined with other Republicans of the Progressive group in opposing the making of the League of Nations a party matter. Senator Kenyon was quoted as saying:

It will not be a party question. The question will be determined in the Senate not on any theory of helping or injuring any political party, but solely on its merits as a distinct problem. It would be most unpatriotic as well as foolish to have any such line of division between parties. Further, it would be impossible, as many Republicans will support a League of Nations and some Democrats will oppose it. Let us try to forget any politics and any feeling about the President in the solution of this momentous question. I believe that certain dubious questions in it can be cleared up in the resolution of ratification.

Senator Poindexter who had just returned from a month's speaking trip in opposition to the League, also said on May 2 that he did not see how the League of Nations could be made a party question at this time. In a statement which he issued he asserted that the former sentiment in favor of the League, among people of the Pacific Coast, seemed to be "receding." Action of the American delegates to the Peace Conference "in assuming entire responsibility for the settlement of the Italian controversy" has resulted in strong opposition among the people of the West, said the Senator, and added:

The people look upon the Italian controversy as peculiarly a European problem, and feel that the statesmen of France and England have achieved a diplomatic triumph in shifting the responsibility of its settlement to the United States. One of the consequences of the attempt by the American delegation to dominate and dictate the settlement of purely European controversies is shown in the bitter resentment being manifested by various peoples who but a short time ago were our ardent friends.

#### SAMUEL GOMPERS AND CHARLES M. SCHWAB ON RELATIONS OF CAPITAL AND LABOR.

Charles M. Schwab of the Bethlehem Steel Co., one of the largest individual employers of labor, and Samuel Gompers, President of the American Federation of Labor, were joint speakers at the annual dinner on April 25 of the National Institute of Social Sciences at the Hotel Astor, this city. The brief remarks of the two made at the gathering showed them as in accord on the principles in general which should govern the relations of capital and labor. Both Messrs. Gompers and Schwab were awarded medals at the gathering for the part played by them in the war, a gold medal going to Mr. Gompers and a silver medal to Mr. Schwab. In replying to the presentation speech of George Gordon Battle, Mr. Gompers, is quoted in the New York "Tribune" as saying:

The world now is in the remaking. We must deal fairly with each other. I am informed that 60,000 workers are unemployed in one industry and under one management. To men who come back from France and find their employment gone and no means of self-support the triumph of a glorious victory will be nothing.

The New York "Times" also credited Mr. Gompers with the following:

I am in touch with all corners of this country and I cannot forecast what will happen if the employers of this country become antagonistic to organized labor. I speak to-night in plan terms, so that there may be no misunderstanding of what I say. It is the common duty that devolved upon the people of this country to see that the cause for which we fought shall not be lost or frittered away.

It is your duty to see that the tranquility of our nation is preserved, and further, that we may not alone offer the nations of the world an example of political but also industrial democracy. If we fail the light of hope will go out over our land. Men and women, don't let that happen. You labored overseas and on this side for the cause of humanity. You have glorified yourself.

According to the "Times" Mr. Schwab, who was General Manager of the Shipping Board during the war, referring to Mr. Gompers' mention of the section of the industrial resolution offered for inclusion in the compact of the Peace Congress, to the effect that employers and workers should be allowed the right of association for lawful purposes, said:

I am obliged to say that I consider this paragraph more important than all others combined. The time has arrived when employers and employees must act together as one. Although I originally opposed the first of such propositions when made, I am now bound to confess that it offers the way and solution of some of the big problems of the industrial progress. I would not go back to the old situation.

The "Times" also says:

He [Mr. Schwab] pictured the plan now in force at the Bethlehem mills, where the employers and representatives of the employees gathered around

a table and discussed the affairs affecting both sides, particularly the questions of labor and wages.

"One thing I would urge," continued Mr. Schwab, "is that of financial preparation to meet new conditions. While millions have been spent for war and other millions must yet be expended for that purpose, the great social and industrial changes we are now undergoing in this country will require of us preparation to spend more millions for peace industry—problems that include among a great multitude of things that of the railways and of public improvements."

#### LABOR COMMITTEE OF AMERICAN NEWSPAPER PUBLISHERS' ASSOCIATION ON LABOR'S ATTITUDE.

At the meeting on April 24 of the American Newspaper Publishers' Association held at the Waldorf-Astoria, a report of the special Standing Committee on Labor presented by Chairman Kellogg, warned that "the danger of Bolshevism is by no means past," saying, according to the New York "Times":

In conclusion, your committee deems it necessary to warn you that the danger of Bolshevism is by no means past. At a public meeting in New York City on Feb. 28, the President of one of the local pressmen's unions said:

"It might be a good thing for us to have prohibition. The moment the Government took liquor away from the people of Russia the people took the Government in their own hands. Presses will be smashed and windows broken on July 1. What happened in Russia will happen here. We ought to be men enough to say, 'Take beer away from us and we will take the Government away from you.'"

"We have waited long about calling a general strike. It is time we went back to our organizations and told them to stop work now. Or, if later we are told to starve to death, we will starve, but starving, we will break into the grocery stores. The world is ripe for revolution, and the sooner we get it the better."

Remarks of that character have been made at labor union meetings. No doubt all present are familiar with the agitation for a new trial in the Mooney case and the proceedings of the Mooney meeting in Chicago, at which many delegates uttered sentiments that were almost treason.

Members of the association should lose no opportunity to both publicly and privately call attention to the danger and fallacy of the radical theories and in every possible way assist conservative officers and members of labor unions to maintain their supremacy. It is vitally important that all questions raised by officers or members of local unions be given prompt attention and in instances where any unfairness or injustice has prevailed, remedies be applied without delay.

It is possible that employers generally may help to stabilize conditions and quiet the unrest among employees by adopting some form of profit sharing. If any members present have such systems, they are urgently requested to send full statements respecting them to the Chairman of your committee.

#### CHILD LABOR PROVISION IN WAR REVENUE ACT DECLARED UNCONSTITUTIONAL.

The child labor section of the War Revenue Act was declared unconstitutional by Federal Judge J. E. Boyd, of the Western District of North Carolina, in a ruling handed down at Greensboro, N. C., on May 2. Judge Boyd made permanent a temporary injunction prohibiting the enforcement of the law in the case of a Charlotte (N. C.) factory. As may be recalled, on Aug. 31 1917 Judge Boyd declared unconstitutional the Child Labor Law of 1916, intended to prevent inter-State commerce in the products of child labor and at that time issued injunctions restraining the enforcement of the Act. On June 3 1918 the Act was declared unconstitutional and invalid by the United States Supreme Court. The child labor provision carried in the War Revenue Act signed by President Wilson on Feb. 24 last, places a prohibitive tax on products of child labor entering inter-State commerce; it levies a tax of 10% on inter-State products of factories employing children under fourteen years of age, or of those between fourteen and sixteen years working more than eight hours daily. Judge Boyd holds that the child labor "rider" to the revenue bill seeks to accomplish regulation of employment by indirection, by use of taxation powers and is an invasion of States' regulatory authority.

#### NEW LUXURY TAXES—REPEAL SOUGHT.

A digest of the regulations governing the payment of numerous taxes on so-called luxuries, semi-luxuries, automobiles, sporting goods and transportation, was issued on May 4 by the Internal Revenue Bureau. In his instructions with regard to the collection of the luxury taxes, Commissioner Roper stated that the tax must be paid to the vendor separately from the price of purchase, and cannot be absorbed by the vendor in the sale of the article. Returns must be made to the Bureau monthly, and detailed records must be kept by the merchant in the computation of the tax payments. Commissioner Roper said:

Section 904 of the Revenue Act of 1918 imposes a tax upon certain articles sold at retail in excess of a specified price. The tax is to be paid by the consumer to the vendor and cannot be absorbed by the vendor in the sale of the article. The tax has been referred to as the "luxury tax." It is effective on May 1 1919, and the rate of tax is 10% of the amount paid in excess of the price specifically mentioned in the Act when such article is sold by the vendor.

Merchants will be required to render returns covering the tax collected during a given month and although their records shall be kept in such

manner as to indicate the tax received on each sale, the form of monthly returns required of them shall show simply the aggregate amount of tax collected under each sub-division of the section of the law, that is, the total amount of tax collected on sales of men's and boy's hats, under one head, men's and misses' hats, bonnets, hoods, &c., under another head, and so on, following the classification by sub-division of the section. This monthly return must be sworn to by the vendor and filed by him with the collector for the district in which the vendor has his principal place of business. The return must be filed on or before the last day of the month following the one in which the sales were made. In other words, the return covering sales made in May must be filed with the collector and the taxes paid on or before the last day of June.

The tax under this section is measured by the price for which the article is sold. It is on the actual sales prices and not on the list price, where that differs from the sale price. The tax cannot be included in the price but must be billed as a separate item.

If articles are purchased which are subject to tax and are consequently returned to the vendor, the sale being rescinded, no tax is payable. If the tax has not been paid it should be refunded to the purchaser and the vendor may take credit therefor against the tax in the subsequent monthly return. If a taxable article is sold by the vendor and later exchanged for another article at a higher price the purchaser paying the difference, the purchaser must pay the tax on the second sale and the vendor shall give credit or refund to the purchaser of the tax paid on each of the taxable articles returned and take a credit therefor and include it in his subsequent monthly return.

The tax attaches when the article is sold, that is to say, when the title to it passes from the vendor to the purchaser.

Ordinary repairs or alterations are not taxable. The unit of measurement in determining the price for the purpose of the tax on carpets and rugs is the square yard. All lineal yardage therefore must be converted into square measure, and fringe will not be considered in computing the yardage.

The method of keeping accounts by merchants shall disclose the total number and amount of sales of each of the taxable articles, including any credits or refunds, and the books of every person liable to tax shall be open at all times for the inspection of examining revenue officers.

In computing the tax a fractional part of a cent shall be disregarded unless it amounts to one-half of a cent or more, in which case it shall be increased to a full cent.

If articles are purchased which are subject to tax and are subsequently returned to the vendor, the sale being rescinded, no tax is payable. If the tax has been paid it should be refunded to the purchaser and the vendor may take credit therefor against the tax in the subsequent monthly return. If a taxable article is sold by the vendor and later exchanged for another article at a higher price the purchaser paying the difference, the purchaser must pay the tax on the second sale and the vendor shall give credit or refund to the purchaser of the tax paid on each of the taxable articles returned and take a credit therefor and include it in his subsequent monthly return.

The provision in the War Revenue Act levying a tax on special articles of wearing apparel provides:

Sec. 904 (a) That on and after May 1 1919, there shall be levied, assessed, collected, and paid a tax equivalent to 10% of so much of the amount paid for any of the following articles as is in excess of the price hereinafter specified as to each such article, when such article is sold by or for a dealer or his estate on or after such date for consumption or use—

- (1) Carpets and rugs, including fiber, except imported and American rugs made principally of wool on the amount in excess of \$5 per square yard;
  - (2) Picture frames, on the amount in excess of \$10 each;
  - (3) Trunks, on the amount in excess of \$50 each;
  - (4) Valises, traveling bags, suit cases, hat boxes used by travelers, and fitted toilet cases, on the amount in excess of \$25 each;
  - (5) Purses, pocketbooks, shopping and hand bags, on the amount in excess of \$7.50 each;
  - (6) Portable lighting fixtures, including lamps of all kinds and lamp shades, on the amount in excess of \$25 each;
  - (7) Umbrellas, parasols, and sun shades, on the amount in excess of \$4 each;
  - (8) Fans, on the amount in excess of \$1 each;
  - (9) House or smoking coats or jackets, and bath or lounging robes, on the amount in excess of \$7.50 each;
  - (10) Men's waistcoats, sold separately from suits, on the amount in excess of \$5 each;
  - (11) Women's and misses' hats, bonnets, and hoods, on the amount in excess of \$15 each;
  - (12) Men's and boys' hats, on the amount in excess of \$5 each;
  - (13) Men's and boys' caps, on the amount in excess of \$2 each;
  - (14) Men's women's, misses' and boys' boots, shoes, pumps, and slippers, not including shoes or appliances made to order for any person having a crippled or deformed foot or ankle, on the amount in excess of \$10 per pair;
  - (15) Men's and boys' neckties and neckwear, on the amount in excess of \$2 each;
  - (16) Men's and boys' silk stockings or hose, on the amount in excess of \$1 per pair;
  - (17) Women's and misses' silk stockings or hose, on the amount in excess of \$1 per pair;
  - (18) Men's shirts, on the amount in excess of \$3 each;
  - (19) Men's, women's misses' and boy's pajamas, night gowns, and underwear, on the amount in excess of \$5 each; and
  - (20) Kimonos, petticoats, and waists on the amount in excess of \$15 each.
- (b) The tax imposed by this section shall not apply (1) to any article enumerated in paragraphs (2) to (8), both inclusive, of subdivision (a) if such article is made of or ornamented, mounted, or fitted with precious metals or imitations thereof or ivory, or (2) to any article made of fur on the hide or pelt, or of which any such fur is the component material of chief value, or to (3) any article enumerated in subdivision (17) or (18) of Section 900.
- (c) The taxes imposed by this section shall be paid by the purchaser to the vendor at the time of the sale and shall be collected, returned, and paid to the United States by such vendor in the same manner as provided in Section 502.

A meeting of department store interests of New England was held at the Waldorf-Astoria in this city on April 25 for the purpose of considering the application of the tax. In its reference to the meeting the "New York Commercial" said:

In only a few instances were there two merchants present who fully agreed in interpretations. Some present stated that whenever a question of doubt arose they would not impose the tax, while others inferred that

they would do the contrary and add the tax unless the law stated specifically that no tax is to be imposed.

That the tax law is accepted under protest is evidenced by the following resolutions:

"That it is the sense of this meeting of retail merchants held April 25 1919 at the Waldorf-Astoria, New York City, under the auspices of the National Garment Retailers' Association, that these merchants are putting this form of taxation into effect under protest."

No ages or sizes being mentioned in the luxury tax, the merchants fixed these limits:

Infants, from birth to six years; juvenile, seven to fourteen years; misses and youths, fifteen to eighteen years, and adults, from nineteen years up.

It was decided that mufflers for men should not be considered neckwear and are therefore not taxable; any hosiery selling at \$2 up, excepting infants' wear, shall be considered taxable; pajamas for all ages selling at \$5 up, taxable; underwear does not include corsets, brassieres, princess slips and bandeaus, and these items are not taxable.

An appeal to members of the House of Representatives and the Senate for the repeal of the so-called luxury tax has been made by the National Retail Dry Goods Association. The Soda Fountain Association, newly organized, is also seeking to secure the repeal of the luxury tax on their products. These taxes apply to soda water, ice cream, sundaes, root beer and all other soda fountain drinks. Five and ten-cent drinks or dishes are taxed 1 cent, while 15 or 20-cent drinks are taxed 2 cents, and the tax is collected from the purchaser. The question of when drinks are taxable and when they may not be taxable and the precise methods of collecting the tax were discussed at length in a statement issued on April 29 by the Internal Revenue Bureau.

These examples were given of taxable drinks and sold at the fountain for consumption on the premises:

Orangeade, lemonade, pineapple juice, coca cola, root beer, moxie, phosphates, fruit and flavoring syrups mixed with carbonated water or plain water, milk shakes, malted milk shakes, cream and egg shakes, ice cream, ice cream sodas, sundaes, ice cream sandwiches, flavored ices.

These drinks are not taxable: Hot beef tea, coffee, tea, buttermilk, milk, hot chocolate, hot clam broth, tomato bouillon and bottled drinks sold direct from the container. Separate manufacturers' taxes are imposed on drinks of the latter class.

Ice cream is not taxable when sold in containers to be carried away from the selling place to be eaten. Ice cream cones are taxable. Bromo seltzer, Rochelle salts, seldilix powders, castor oil, Epsom salts and similar medicines, often served at soda fountains, are not subject to the tax.

Soft drink stands or pushcart enterprises are subject to the tax, but restaurants or other places serving ice cream or soft drinks as an incidental feature of the business are not required to collect or to pay the tax. Church "sociables" and clubs are exempt, but booths at county fairs, circuses or ball games must collect the tax.

In the campaign undertaken by the Soda Fountain Association to bring about the repeal of the tax, the customers are being asked to sign the following petition to Congress:

We, the undersigned, being patrons of soda fountains and ice cream parlors, believe that the tax on sodas, soft drinks and ice cream, when served at soda fountains and ice cream parlors, is unfair and discriminates against a large and ever-increasing number of people. A large proportion of these are wage-earners, who at times use soda fountains and ice cream parlors to procure a light luncheon or refreshment. Very often a soda, soft drink, or ice cream is taken as part of such luncheon, or at other times is taken as food.

We protest against the tax on sodas, soft drinks, and ice cream, because they are taxed when served at soda fountains and ice cream parlors and not taxed when served elsewhere.

We also believe the tax on sodas, soft drinks, and ice cream is unfair because it is a tax on only a small part of taxable opportunity and is therefore discriminatory.

We find the tax on sodas, soft drinks, and ice cream when served at soda fountains or in ice cream parlors obnoxious and a nuisance, particularly at the busiest times of the day, and therefore urge the immediate repeal of this tax.

#### REGULATIONS GOVERNING CAPITAL STOCK TAX PROVIDED IN WAR REVENUE ACT.

Regulations governing the capital stock tax provided for in Section 1000 of the War Revenue Act, signed by President Wilson on Feb. 24, were issued by the Bureau of Internal Revenue on May 2. The provisions in full of this section were printed on page 628 of our issue of Feb. 15. The regulations just issued stipulate that "as practically all corporations filed returns for the taxable period July 1 1918 to June 30 1919, under the provisions of the Act of 1916, such returns will be used so far as practicable in assessing the tax under the Revenue Act of 1918." A summary of the regulations was given out as follows on May 2 by the Internal Revenue Bureau:

This tax applies to all corporations, joint stock companies and associations, foreign and domestic, engaged in business in the United States unless specifically exempted under the Act.

For Domestic Corporations the tax is at the rate of \$1 for each \$1,000 of average fair value in excess of an exemption of \$5,000, and is based on the fair average value for the year preceding the taxable year.

Foreign corporations engaged in business in the United States are taxed similarly to domestic corporations, except that the basis for the tax is the average amount of capital employed in the transaction of business in the United States during the year preceding the taxable year.

The tax applies to domestic and foreign mutual insurance companies, in which case the basis for the tax differs from domestic and foreign corporations.

This law is retroactive and effective as of July 1 1918, and is in lieu of Section 497, Title IV., of the Act of Sept. 8 1916, which taxed corporations at the rate of 50 cents per thousand per year of the average fair value of the capital stock in excess of \$99,000.

As practically all corporations filed returns for the taxable period July 1 1918 to June 30 1919, under the provisions assessing the tax under the Revenue Act of 1918, corporations will be notified of the additional tax due and should be in a position to make prompt payment upon receipt of bills from the collectors of internal revenue.

Special taxes, of which this is one, become due on the first day of July in each year, or on commencing any trade or business, on which such tax imposed. This tax is payable in advance, but corporations may await bills from the collectors before making payment.

Returns for the taxable period July 1 1919 to June 30 1920, are due during July 1919.

The tax does not apply to any corporation which was not engaged in business during any part of the fiscal year preceding the year for which the tax is due, but if it was in business even one day it is subject to the tax. There is no relation between the amount of the tax payable and the length of time the corporation was in business.

A corporation owning a railroad, controlled and operated by the Government, is exempt for a given taxable year only in case it does no business during such year.

As corporations are organized for the purpose of doing business, all corporations will be held to be engaged in business and liable for capital stock tax unless positive proof is submitted to the Commissioner of Internal Revenue showing exemption of non-liability to such tax.

A corporation which does business without having paid the tax is liable to a fine of \$1,000 for wilful refusal to make return and pay the tax as provided in the bill.

Any officer or employee of a corporation who in the course of his duty fails to make a return on time is liable for a fine of \$1,000. For wilful refusal, the penalty is a fine of not more than \$10,000 or imprisonment for not more than one year, or both. Corporations showing wilful intent to evade the tax are liable to penalty in an amount equal to 50% of the tax in addition to the penalties mentioned above.

Corporations delinquent in filing returns are liable to a penalty in an amount equal to 25% of the amount of tax.

#### ITEMS ABOUT BANKS, TRUST COMPANIES, ETC.

No bank or trust company stocks were sold at the Stock Exchange or at auction this week.

E. Fleischmann has been elected Vice-President of the American Foreign Banking Corporation of this city. Mr. Fleischmann was until recently Assistant Manager of the Foreign Department of the Guaranty Trust Company of this city and has had many years European experience as Deputy Manager of the London and Liverpool Bank of Commerce, London, England. The American Foreign Banking Corporation announces the opening on May 1 of a branch in Brussels, Belgium, under the management of Edgar Molitor.

To meet the growing demands of its foreign banking the Anglo-South American Bank, Ltd., has found it necessary to take larger quarters at 49 Broadway. The New York Agency of the institution had heretofore been located at 60 Wall Street; its removal to its new office occurred on May 3. John Cone is the New York Agent of the bank; F. C. Harding and W. M. Dawkin are sub-agents.

The Guaranty Trust Company of this city has prepared a comparative yield indicator for use in the Victory Liberty Loan campaign. This device enables one to tell at a glance the income value of tax-exempt securities as compared with those subject to the Normal Federal Income Tax and Surtaxes of 1919. By use of it the investor can determine, without calculation, the yield which would be required from fully taxable investments to give the same net return as tax-exempt investments. This device is not for sale but will be sent upon request to those who may be interested.

The following appointments were made on May 7 by the board of directors of the Guaranty Trust Co. of New York: Assistant Treasurer, John M. Ross; Assistant Secretary, James D. Hurd; Assistant Managers of Bond Department, Hamilton Candee, James Rattray and R. E. Whittlesey.

At a meeting on April 29 the board of directors of the Industrial Trust Company of Boston elected Walter F. Angell a director of the institution.

The Asia Banking Corporation, formerly at 66 Liberty St., New York, opened for business last Monday, May 5, in its new, and larger, quarters on the ground floor of 35 Broadway, which, as noted in our issue of April 5, it has leased for a period of ten years. The new premises comprise 7,000 square feet of floor space. The furniture, as well as the general decorative scheme, is in black and gold, of Oriental design. A feature of the new banking quarters is a special room for the use of representatives of firms in China, who are traveling in this country; correspondence facilities are provided. In addition to the branches at Shanghai, Hankow and Peking, which are already established and doing business, branches of the Asia Banking Corporation will be

opened shortly in Tientsin, Changsha, Canton and Hong Kong.

The Irving National Bank of this city has reprinted the address "Industrial Issues of the Times," delivered by Lewis E. Pierson, Chairman of the bank's board, before the St. Louis Association of Credit Men on April 28. The institution will mail a copy of the booklet to any one interested in national prosperity.

At a meeting of the directors of the Savings Investment & Trust Co. of East Orange, N. J., on May 6 1919 Harry H. Thomas, formerly Vice-President of the company, was elected to the office of President, to succeed David Bingham, who resigned to become Chairman of the board.

The directors of the Merchants' National Bank of Boston have elected two new Vice-Presidents, Frederick C. Waite and Keith McLeod. Mr. Waite is Cashier and will retain that post in addition to the Vice-Presidency. Mr. McLeod is an attorney at law, practicing in Boston. He is a director of the William A. Slater Mills, Inc., and the Hope Webbing Co.

The Fourth Street National Bank of Philadelphia in its latest dividend declaration increased its semi-annual payment from 7% to 8%; at the same time \$50,000 was added to the bank's surplus fund.

At a meeting of the directors of the Industrial Trust, Title & Savings Co. of Philadelphia on May 8 Harry W. Hand was elected a Vice-President of the institution.

Charles Class, President of the Tenth National Bank of Philadelphia, died on the 1st inst. Mr. Class, who was 73 years of age, was President of the Class & Nachod Brewing Company.

Howell Fisher has been elected a director of the Fidelity Trust Company of Baltimore, Md., succeeding the late Thomas O'Neill. Mr. Fisher is Vice-President of the Bartlett-Hayward Company of Baltimore.

Childs Frick has been elected a director of the Union Savings Bank and the Mellon National Bank of Pittsburgh, Pa. Mr. Frick will also become a director of the Union Trust Co. of Pittsburgh, succeeding the late J. B. Finley.

The Adams State Bank, 3945 West 26th St., Chicago, Ill., increased its capital on April 3 1919 from \$50,000 to \$100,000 and surplus from \$2,000 to \$10,000. It also increased the number of directors from seven to eleven.

An amalgamation of two of the largest and most important financial institutions in Chicago has now been arranged. We refer to the proposed consolidation of the Illinois Trust & Savings Bank, with capital of \$5,000,000 and surplus and undivided profits of \$11,502,874, and the Merchants Loan & Trust Co. with capital of \$3,000,000 and surplus and undivided profits of \$10,053,527. The enlarged institution will have a capital of \$10,000,000 with surplus and undivided profits of \$20,000,000 and deposits approximating \$200,000,000, making it the third largest financial institution in Chicago from the standpoint of deposits, and the second largest with regard to capital and surplus. The stock basis on which the two institutions will unite, as printed in the Chicago "Herald and Examiner" of April 30, is as follows:

The stock of the two banks will go into the deal on a share-for-share basis. In order to make the exchange the Merchants Loan & Trust Co. will increase its capitalization from \$3,000,000 to \$5,000,000, and will issue the \$2,000,000 of new stock to its stockholders probably around \$200 a share. This compares with current market quotations of \$590 bid, \$605 asked, for the stock.

Of the \$20,000,000 surplus the banks will each contribute \$10,000,000. In establishing a surplus at this figure the Illinois Trust must take \$2,000,000 or more out of its surplus fund. This amount is expected to be distributed to Illinois Trust stockholders. Such a liquidating dividend would be 40% on its \$5,000,000 of stock.

It is believed all details will be cleared up within the next thirty days. John J. Mitchell, President of the Illinois Trust & Savings Bank, will be Chairman of the Board of Directors, and Edmund D. Hulbert, President of the Merchants Loan & Trust Co., the President of the new organization. The officers and employees of both institutions, we understand, will be retained at the start, and eliminations and changes made only where duplications are found to exist. It is also planned to erect a new bank building; and to this end the Grand Pacific

Hotel, which adjoins the Illinois Trust Building, will be razed and an office building as high as the city ordinance permits, erected on the site, which is to be connected with the present Illinois Trust Building and form one structure, thus giving the new institutions a banking floor a block long extending from La Salle Street to Clark Street, on Jackson Boulevard. The name of the enlarged institution has not yet been determined upon.

Further evidence of the continued growth of the First Trust & Savings Bank of Chicago is witnessed in the increase in the official organization of that institution. At the monthly meeting of the directors of the First National Bank and the First Trust & Savings Bank on April 29 the following changes and additions were made: Roy C. Osgood, Vice-President and Trust Officer, relinquishes the latter title but retains his position as Vice-President and his connection with the trust department. Oliver A. Bestel, formerly Assistant Trust Officer, succeeds Mr. Osgood as Trust Officer. A. W. Converse, Assistant Secretary, was made Manager of the Savings Department, and is succeeded as Assistant Secretary by George R. Roehm. Other additions to the official staff were made as follows: E. A. Stake and D. W. Westervelt, Assistant Cashiers; I. L. Porter, Manager Bond Department; J. H. Templeton and F. C. Nason, Assistant Managers Bond Department; Joseph R. Julin, H. Herbert Alborn, W. W. O'Brien and Walter J. Carlstedt, Assistant Trust Officers.

The First Trust & Savings Bank was organized in December 1903 with a capital of \$1,000,000, the stock being owned by the stockholders of the First National Bank of Chicago and paid for by the directors declaring a special dividend of \$12.50 per share on the stock of the First National Bank of Chicago. The initial official organization included James B. Forgan, President; Emile K. Boisot, Vice-President; D. V. Webster, Assistant Secretary, and R. D. Forgan, Assistant Treasurer. The undertaking was a success from the start. Of the officers elected in 1903, three are still actively connected with the institution. In October 1918 Emile K. Boisot, who succeeded to the presidency at the time James B. Forgan was elected Chairman of the Board, tendered his resignation to become effective on Dec. 31 of that year, at which time Melvin A. Traylor became President of the institution. The First Trust & Savings Bank confines its operations to the handling of savings, investment and trust business. In addition to the officials already referred to, four Vice-Presidents, Frank O. Wetmore, Louis Boisot, B. C. Hardenbrook and Frank M. Gordon, are included in the official organization, the last three, each with a staff of assistants, specialising in the trust, savings and bond departments, respectively. The statement of condition published in response to the call of the State Auditor March 4 1918, showed a capital of \$5,000,000; surplus and undivided profits of \$6,048,000, while deposits had reached the sum of \$73,197,000, which included savings deposits of \$47,386,246, owned by 102,053 depositors. This continued growth necessitated the increase mentioned above, which now gives the First Trust & Savings Bank an executive organization of 25 officers, one of the largest official staffs among the Chicago banking institutions.

On April 26 a consolidation was effected between three important financial institutions of Little Rock, Ark.—namely the American National Bank, the Bank of Commerce and the American Trust Co. The resulting institution is to be known as the American Bank of Commerce & Trust Co. with capital of \$750,000, surplus and undivided profits of \$250,000 and deposits aggregating more than \$10,000,000. The officials of the new organization are: Herman Kahn, Chairman of the Board; J. D. Goldman of St. Louis, President; Ed. Cornish, George W. Rogers, W. A. Hicks, J. D. Covey, George A. Knox, L. B. Leigh (inactive) and Ad Hamburg (inactive), Vice-Presidents; W. A. Hicks, Vice-President and Cashier; J. F. Walker, Vice-President and Treasurer; R. W. Rightsell, Vice-President and Secretary; T. W. Kickywood, Frank Goodman, R. E. Cornish and R. L. Bradley, Assistant Cashiers and F. J. Schmutz, Trust Officer. J. N. Dillard, Auditor. It is announced that the new bank will occupy the present Bank of Commerce building at Third and Main streets after extensive alterations are made. While the work of remodeling is being done, the old Bank of Commerce and the American National will occupy the present quarters of the American National at Markham and Main streets. For the sake of convenience,

although a part of the merger, the American Trust Company will continue in its present location, 414 Main, until the completion of the new building.

The Wheeling Bank & Trust Company of Wheeling, W. Va. (capital \$160,000) has made a proposition to purchase the assets of the Commercial Bank of that city (capital \$100,000) with a view to the latter's merger with the first named institution. The stockholders of the Commercial Bank are to act on the proposal at a meeting to be held to-day (May 10.)

Eugene E. Hoge was on April 28 elected President of the State National Bank of Frankfort, Ky., succeeding the late Col. Charles E. Hoge, whose death was noted in these columns April 19. Eugene E. Hoge is at present Cashier of the bank. He was county chairman of the first four Liberty Loan campaigns. Sam Mason has been elected an additional Vice-President of the State National Bank.

The proposed consolidation of the Bank of Ottawa with the Bank of Nova Scotia, referred to in these columns Feb. 8 and March 15, became an accomplished fact on May 1, at which date the Bank of Ottawa ceased to exist by name. The enlarged institution has a capital of \$9,700,000. While the exact figures of the Reserve Fund are not yet available we are advised that the Reserve Fund and undivided profits combined will exceed \$18,000,000. As to the disposition made of the branches at the eleven points at which the two banks overtopped, we learn that the branches at Arnprior, Ont.; Fort William, Ont.; Edmonton, Alta; Prince Albert, Sask; Regina, Sask; Vancouver, B. C.; Peterboro, Ont.; were united in one office and all offices were maintained in Montreal, Ottawa, Toronto, Winnipeg. H. A. Richardson is General Manager at Toronto of the consolidated bank and J. A. McLeod is Assistant General Manager at Toronto; H. V. Cann is Assistant General Manager at Ottawa.

**Clearings by Telegraph—Sales of Stocks, Bonds, &c.**  
—The subjoined table, covering clearings for the current week, usually appears on the first page of each issue, but on account of the length of the other tables is crowded out once a month. The figures are received by telegraph from other leading cities.

Clearings—Returns by Telegraph. Week ending May 10.	1919.	1918.	Per Cent.
New York.....	\$3,131,969,668	\$2,793,276,244	+15.9
Chicago.....	452,078,359	421,273,317	+7.3
Philadelphia.....	*332,926,280	338,051,861	-1.6
Boston.....	259,841,686	256,027,906	+1.5
Kansas City.....	171,577,033	164,185,528	+4.5
St. Louis.....	121,601,116	135,796,879	-10.5
San Francisco.....	98,519,816	96,028,889	+2.6
Pittsburgh.....	96,402,405	101,766,507	-5.3
Detroit.....	70,185,247	45,522,639	+54.2
Baltimore.....	57,122,915	54,236,240	+5.2
New Orleans.....	52,985,470	52,992,842	-1.7
Eleven cities, 5 days.....	\$4,844,010,495	\$4,369,208,902	+10.9
Other cities, 5 days.....	885,497,618	820,149,577	+8.0
Total all cities, 5 days.....	\$5,729,508,113	\$5,189,358,479	+10.4
All cities, 1 day.....	1,275,497,614	1,281,491,936	-0.5
Total all cities for week.....	\$7,005,005,727	\$6,470,850,465	+8.3

\*Partly estimated.

Our usual monthly detailed statement of transactions on the New York Stock Exchange is appended. The results for the four months of 1919 and 1918 are given below:

Description.	Four Months 1919.			Four Months 1918.		
	Par Value or Quantity.	Actual Value.	Aver. Price.	Par Value or Quantity.	Actual Value.	Aver. Price.
Stock (Shs.)	74,060,168			40,858,087		
Val.	\$7,008,363,655	\$6,062,126,451	86.5	\$3,823,805,350	\$3,514,055,229	91.9
RR. bonds	154,925,000	137,570,311	89.3	93,362,000	80,890,775	86.6
U. S. bonds	777,332,200	736,694,992	94.8	274,469,500	269,257,084	97.0
State, city & for bonds	141,349,000	140,137,451	99.1	71,438,000	66,749,846	93.4
Bank stks.	46,200	98,797,213.8		12,400	21,392,172.5	
Total.....	\$8,981,119,055	\$7,070,628,605	87.6	\$4,262,037,250	\$3,927,974,326	92.2

The volume of transactions in share properties on the New York Stock Exchange each month since Jan. 1 in 1919 and 1918 is indicated in the following:

**SALES OF STOCKS AT THE NEW YORK STOCK EXCHANGE.**

Mth.	1919.				1918.			
	Number of Shares.	Values.		Number of Shares.	Values.			
		Par.	Actual.		Par.	Actual.		
Jan.	11,858,465	\$1,126,755,703	\$1,087,426,808	13,616,357	\$1,279,740,700	\$1,175,427,688		
Feb.	12,210,741	1,153,181,000	1,038,276,018	11,418,679	1,083,216,909	996,648,212		
Mar.	21,403,531	2,019,239,100	1,846,369,427	8,419,477	772,475,350	710,581,497		
1st qtr.	45,472,737	4,298,166,803	3,921,073,153	33,453,913	3,135,433,550	2,882,667,398		
April 28.	587,421	2,710,100,850	2,141,053,298	7,404,174	687,371,800	631,497,841		



The following compilation covers the clearings by months since Jan. 1 1919 and 1918:

Table with columns: Month, Clearings, Total All, Clearings Outside New York, 1919, 1918, % change.

The course of bank clearings at leading cities of the country for the month of April and since Jan. 1 in each of the last four years is shown in the subjoined statement:

BANK CLEARINGS AT LEADING CITIES.

Table with columns: City, April (1919, 1918, %), Jan. 1 to April 30 (1919, 1918, %).

Canadian Bank Clearings.—The clearings of the Canadian banks for the month of April 1919 show an increase over the same month of 1918 of 7.5%, and for the four months the gain reaches 14.6%.

Table with columns: City, April (1919, 1918, %), Four Months (1919, 1918, %).

The clearings for the week ending May 1 at Canadian cities, in comparison with the same week of 1918, show an increase in the aggregate of 22.5%.

Table with columns: City, Week ending May 1 (1919, 1918, %).

Other Western and Southern Clearings brought forward from first page.

Clearings at— April, Four Months.

Large table with columns: City, 1919, 1918, Inc. or Dec., 1919, 1918, Inc. or Dec.

ENGLISH FINANCIAL MARKETS—PER CABLE.

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

Table with columns for London, May 3, May 5, May 6, May 7, May 8, May 9. Rows include Silver, Consols, British, French Renten, French War Loan.

The price of silver in New York on the same day has been: Silver in N. Y., per oz., cts. 101 1/4, 101 1/4, 101 1/4, 101 1/4, 103, 105 1/4

Commercial and Miscellaneous News

National Banks.—The following information regarding national banks is from the office of the Comptroller of the Currency, Treasury Department:

APPLICATIONS FOR CHARTER.

Table with columns: For organization of national banks, Capital. Lists various banks and their capital amounts.

CHARTERS ISSUED.

Table with columns: Original organizations, Conversions of State banks, Capital. Lists banks and their capital amounts.

CHARTERS EXTENDED.

The First National Bank of Wayland, New York. Charter extended until close of business May 5 1939. The First National Bank of Rockland, Mich. Charter extended until close of business April 26 1939.

INCREASES OF CAPITAL APPROVED.

Table with columns: Amount, Capital. Lists banks and their capital increases.

VOLUNTARY LIQUIDATIONS.

Table with columns: Capital. Lists banks and their liquidation amounts.

Auction Sales.—Among other securities, the following not usually dealt in at the Stock Exchange were recently sold at auction in New York, Boston and Philadelphia:

By Messrs. Adrian H. Muller & Sons, New York:

Table with columns: Shares, Stocks, Per cent. Lists various securities and their prices.

By Messrs. R. L. Day & Co., Boston:

Table with columns: Shares, Stocks, \$ per sh. Lists various securities and their prices.

By Messrs. Millet, Roe & Hagen, Boston:

Table with columns: Shares, Stocks, \$ per sh. Lists various securities and their prices.

By Messrs. Barnes & Lofland, Philadelphia:

Table with columns: Shares, Stocks, \$ per sh. Lists various securities and their prices.

DIVIDENDS.

The following shows all the dividends announced for the future by large or important corporations:

Dividends announced this week are printed in italics.

Large table with columns: Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive. Lists numerous companies and their dividend details.

Table with columns: Name of Company, Per Cent, When Payable, Books Closed, Days Included. Lists various companies like Dominion Bridge, Ltd., Dow Chemical, etc., with their respective financial details.

Table with columns: Name of Company, Per Cent, When Payable, Books Closed, Days Included. Lists companies like White (G.G.) Engineering Corp., White (G.G.) Management, etc.

Statement of New York City Clearing House Banks and Trust Companies.—The following detailed statement shows the condition of the New York City Clearing House members for the week ending May 3. The figures for the separate banks are the averages of the daily results. In the case of totals, actual figures at end of the week are also given.

NEW YORK WEEKLY CLEARING HOUSE RETURN. (Stated in thousands of dollars—that is, three ciphers [0,000] omitted.)

Table with columns: CLEARING HOUSE MEMBERS, Capital, Net Profits, Loans, Discounts, Cash in Vault, Reserves with Legal Depositaries, Net Demand Deposits, Time Deposits, Nat'l Bank Circulation. Includes sub-tables for State Banks and Trust Companies.

Table with columns: Name of Company, Per Cent, When Payable, Books Closed, Days Included. Lists companies like Bloch-Sheffield Steel & Iron, South (A. O.) Corp., etc.

\* Includes deposits in foreign branches not included in total footings as follows: National City Bank, \$95,135,000; Guaranty Tr. Co., \$60,330,000; Farmers' Loan & Tr. Co., \$34,009,000. Balances carried in banks in foreign countries...

STATEMENTS OF RESERVE POSITION OF CLEARING HOUSE BANKS AND TRUST COMPANIES.

Table with 5 columns: Cash Reserve in Vault, Reserves in Depositories, Total Reserve, Reserve Required, Surplus Reserve. Rows include Members Federal Reserve Bank, State banks, Trust companies, and totals for various weeks.

Actual Figures table with 5 columns: Cash Reserve in Vault, Reserves in Depositories, Total Reserve, Reserve Required, Surplus Reserve. Rows include Members Federal Reserve Bank, State banks, Trust companies, and totals.

\* Not members of Federal Reserve Bank. a This is the reserve required on net demand deposits in the case of State banks and trust companies...

State Banks and Trust Companies Not in Clearing House.—The State Banking Department reports weekly figures showing the condition of State banks and trust companies in New York City not in the Clearing House...

SUMMARY OF STATE BANKS AND TRUST COMPANIES IN GREATER NEW YORK, NOT INCLUDED IN CLEARING HOUSE STATEMENT

Table with 5 columns: Loans and investments, Currency and bank notes, Deposits with Federal Reserve Bank of New York, Total deposits, Reserve on deposits. Includes a Reserves section with State Banks and Trust Companies.

Banks and Trust Companies in New York City.—The averages of the New York City Clearing House banks and trust companies combined with those for the State banks and trust companies in Greater New York City outside of the Clearing House, are as follows:

COMBINED RESULTS OF BANKS AND TRUST COMPANIES IN GREATER NEW YORK.

Table with 5 columns: Loans and Investments, Demand Deposits, Total Cash in Vault, Reserve in Depositories. Rows list weekly data from Nov. 9 to May 2.

\* This item includes gold, silver, legal tenders, national bank notes and Federal Reserve notes.

New York City State Banks and Trust Companies.—In addition to the returns of "State banks and trust companies in New York City not in the Clearing House," furnished by the State Banking Department, the Department also presents a statement covering all the institutions of this class in the City of New York.

For definitions and rules under which the various items are made up, see "Chronicle," V. 98, p. 1661.

The provisions of the law governing the reserve requirements of State banking institutions as amended May 22 1917 were published in the "Chronicle" May 19 1917 (V. 104, p. 1975). The regulations relating to calculating the amount of deposits and what deductions are permitted in the computation of the reserves were given in the "Chronicle" April 4 1914 (V. 94, p. 1045).

STATE BANKS AND TRUST COMPANIES IN NEW YORK CITY.

Table with columns: State Banks, Trust Companies, May 3 1919, Differences from previous week. Rows include Capital as of Feb. 21, Surplus as of Feb. 21, Loans & investments, Currency & bk. notes, Deposits with the F. R. Bank of N. Y., Reserve on deposits, P. C. reserve to dep.

Non-Member Banks and Trust Companies.—Following is the report made to the Clearing House by clearing non-member institutions which are not included in the "Clearing House return" on the following page:

RETURN OF NON-MEMBER INSTITUTIONS OF NEW YORK CLEARING HOUSE.

(Stated in thousands of dollars—that is, three ciphers (000) omitted.)

Table with 11 columns: Capital, Net Profits, Loans, Cash in Vault, Reserve with Legal Depositories, Net Demand Deposits, Net Time Deposits, Nat'l Bank Circulation. Rows include Members of Fed'l Res. Bank, State Banks, Trust Companies, Grand aggregate, and Gr'd aggr. for various weeks.

a U. S. deposits deducted, \$3,874,000. Bills payable, rediscunts, acceptances and other liabilities, \$4,753,000. Excess reserve, \$5,400 increase.

Boston Clearing House Bank.—We give below a summary showing the totals for all the items in the Boston Clearing House weekly statement for a series of weeks:

BOSTON CLEARING HOUSE MEMBERS.

Table with 5 columns: May 3 1919, Changes from previous week, April 26 1919, April 19 1919. Rows include Capital, Loans, investments, Individual deposits, Due to banks, Time deposits, Exchanges for Clear. House, Due from other banks, Cash in bank & in F. R. Bank, Reserve excess in bank and Federal Reserve Bank.

Philadelphia Banks.—The Philadelphia Clearing House statement for the week ending May 3 with comparative figures for the two weeks preceding, is as follows. Reserve requirements for members of the Federal Reserve system are 10% on demand deposits and 3% on time deposits...

Table with 5 columns: Members of F. R. System, Trust Cos., Total, April 26 1919, April 19 1919. Rows include Capital, Surplus and profits, Loans, investments, Exchanges for Clear. House, Bank deposits, Individual deposits, Time deposits, U.S. deposits (not included), Res'v with Fed. Res. Bank, Total reserve with legal deposit's, Cash in vault, Total reserve & cash held, Reserve required, Excess res. & cash in vault.

\* Cash in vault is not counted as reserve for Federal Reserve Bank members.

Member Banks of the Federal Reserve System.—Following is the weekly statement issued by the Federal Reserve Board giving the principal items of the resources and liabilities of the Member Banks. Definitions of the different items contained in the statement were given in the weekly statement issued under date of Dec. 14 1917 and which was published in the "Chronicle" of Dec. 29 1917, page 2523.

STATEMENT SHOWING PRINCIPAL RESOURCE AND LIABILITY ITEMS OF MEMBER BANKS LOCATED IN CENTRAL RESERVE AND OTHER SELECTED CITIES AS AT CLOSE OF BUSINESS APRIL 25 1919.

Resumption of investments in U. S. War bonds by the banks of the country and further redemption of Treasury certificates are indicated in the Board's weekly statement showing condition on April 25 of 772 member banks in leading cities. Holdings of United States bonds, other than circulation bonds, show an increase for the week of 20.4 millions, this amount apparently representing largely sales of Victory Notes to the reporting banks. Treasury Certificates on hand show a decrease of \$3.1 millions as the result of deliveries in exchange for Victory notes and other deliveries for redemption before maturity of certificates due on May 6. Loans secured by United States war obligations increased 5.9 millions, notwithstanding some net liquidation under this head reported by the New York City banks. Other loans and investments show only a slight decline.

United States war securities and war paper decreased from 3,810.7 millions to 3,594 millions and constitute 26.5% of the aggregate loans and investments of all reporting banks, as against 26.6% the week before.

Government deposits show a further reduction of 127 millions, of which 92.7 millions represent net withdrawals from member banks in the twelve Federal Reserve bank cities. Other demand deposits (net) increased 23.7 millions, the larger gain at the banks in Federal Reserve centres being offset in part by aggregate reductions of 22.1 millions shown for the banks outside these cities. Time deposits increased 3.2 millions. Cash in vault shows a similar gain, while reserve balances with the Federal Reserve banks increased 12 millions, notwithstanding a decline of about 5 millions under this head reported by the member banks in New York City.

1. Data for all reporting banks in each district. Two eiphers (00) omitted.

Table with 13 columns: Member Banks, Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco, Total. Rows include: Number of reporting banks, U.S. bonds to secure circulation, Other U.S. bonds, Liberty bonds, U.S. certifs. of indebtedness, Total U.S. securities, Loans sec. by U.S. bonds, etc., All other loans & investments, Reserve bal. with F. R. bank, Cash in vault, Net demand deposits, Time deposits, Government deposits.

2. Data for Banks in Federal Reserve Bank Cities, Federal Reserve Branch Cities and Other Reporting Banks.

Table with 13 columns: New York, Chicago, All F. R. Bank Cities, F. R. Branch Cities, All Other Report'g Banks, Total. Rows include: No. reporting banks, U. S. bonds to secure circulation, Other U. S. bonds, Liberty bonds, U. S. certifs. of indebtedness, Total U. S. securities, Loans sec. by U.S. bonds, etc., Res. balances with F. R. bank, Cash in vault, Net demand deposits, Time deposits, Government deposits, Ratio of U.S. war securities and war paper to total loans and investments.

The Federal Reserve Banks.—Following is the weekly statement issued by the Federal Reserve Board on May 2:

Discounts in some volume of war paper, also larger purchases of acceptances are indicated in the Federal Reserve Board's weekly statement showing condition of the Federal Reserve banks as at close of business on May 2 1919.

The week saw an increase of 27.4 millions in the holdings of war paper as against a curtailment of 11 millions of other discounts. Paper held under rediscount for other Reserve banks totaled 98.7 millions, compared with 91 millions the week before. In addition three Reserve banks report among their assets 4.8 millions of bank acceptances bought from other Reserve banks with their endorsement, compared with 7.2 millions the week before. Total acceptances on-hand show an increase for the week of 9.5 millions, while Treasury certificates, largely of the 2% type to secure

Federal Reserve bank note circulation, increased 2.8 millions. Total earning assets, as the result of the several loan and investment operations just described, increased by 28.6 millions.

Government deposits increased 51.6 millions, reserve deposits fell off 19.9 millions, while net deposits show a gain of 22.9 millions. This gain goes hand in hand with a slight reduction in the volume of Federal Reserve notes in circulation, and a decrease of 2.9 millions in cash reserves. The result is seen in a decline of the banks' reserve ratio from 52.1 to 51.7%.

Payment for Federal Reserve bank stock by newly admitted members, chiefly in the Boston and New York districts, accounts largely for the increase of \$153,000 in the total of paid-in capital shown.

The figures of the consolidated statement for the system as a whole are given in the following table, and in addition we present the results for each of the seven preceding weeks, together with those of the corresponding week of last year, thus furnishing a useful comparison. In the second table we show the resources and liabilities separately for each of the twelve Federal Reserve banks. The statement of Federal Reserve Agents' Accounts (the third table following) gives details regarding the transactions in Federal Reserve notes between the Comptroller and the Reserve Agents and between the latter and the Federal Reserve banks.

FEDERAL RESERVE BANK OF NEW YORK.—The weekly statement issued by the bank subdivides some certain items that are included under a more general classification in the statement prepared at Washington. Thus, "Other deposits, &c.," as of May 2 consisted of "Foreign Government deposits," \$95,079,214; "Non-member bank deposits," \$9,347,467, and "Due to War Finance Corporation," \$6,309,280.

COMBINED RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT THE CLOSE OF BUSINESS MAY 2 1919.

Table with 10 columns: May 2 1919, April 25 1919, Apr. 18 1919, April 11 1919, April 4 1919, Mar. 28 1919, Mar. 21 1919, Mar. 14 1919, May 3 1918. Rows include: RESOURCES (Gold coin and certificates, Gold settlement fund, Gold with foreign agencies, Total gold held by banks, Gold with Federal Reserve agents, Gold redemption fund, Total gold reserves, Legal tender notes, silver, &c., Total reserves, Bills discounted, Secured by Govt. war obligations, All other, Bills bought in open market, Total bills on hand, U. S. Govt. long-term securities, U. S. Govt. short-term securities, All other earning assets, Total earning assets, Bank premises, Uncollected items and other deductions from gross deposits, 5% redemp. fund asst. F. R. bank notes, All other resources, Total resources, LIABILITIES (Capital paid in, Surplus, Government deposits, Due to members, reserve accounts, Deferred availability items, Other deposits, incl. for Govt. credits, Total gross deposits, F. R. notes in actual circulation, F. R. bank notes in circulation—net liab, All other liabilities, Total liabilities).

\*Amended figures



Bankers' Gazette.

Wall Street, Friday Night, May 9 1919.

The Money Market and Financial Situation.—There undoubtedly are more substantial reasons for a strong, active stock market this week than for some time past. A Peace Treaty which is reasonably satisfactory to the Allied nations has been agreed upon by them and formally submitted to Germany. Bolshevism in Central and Eastern Europe is less aggressive than it has been for some time past. The Victory Loan campaign, now nearing its end, bids fair to be a complete success; and last, but perhaps not least the crop prospect is reported to be most encouraging. As to the latter the May estimate may, of course, fall far short of fulfillment, but with the acreage the largest ever reported, the percentage of winter-killed the smallest in recent years and the April condition standing at 100.5 it would seem that nothing short of a nation-wide scourge of some very unusual sort can reduce the harvest to anything like a normal one.

Foreign Exchange.—Sterling exchange has ruled strong and higher. The Continental exchanges were weak, but rallied and closed firm. Neutral exchange has ruled weak, though without noteworthy change.

—To-day's (Friday's) actual rates for sterling exchange were 4 65 1/2 @ 4 65 1/2 for sixty days, 4 67 3/4 @ 4 68 1/4 for cheques and 4 68 1/4 @ 4 69 1/4 for cables. Commercial on banks sight 4 67 3/4 @ 4 67 3/4, sixty days 4 64 1/2 @ 4 64 1/2, ninety days 4 63 @ 4 63 1/2 and documents for payment (sixty days) 4 64 @ 4 64 1/2. Cotton for payment 4 67 3/4 @ 4 67 3/4 and grain for payment 4 67 3/4 @ 4 67 3/4.

—To-day's (Friday's) actual rates for Paris bankers' francs were 6 19 1/2 @ 6 22 for long and 6 14 1/2 @ 6 17 for short. Germany bankers' marks were not quoted. Amsterdam bankers' guilders were 39 1/2 for long and 39 13-16 for short.

Exchange at Paris on London, 28.94 francs; week's range, 28.75 francs high and 28.95 francs low.

The range for foreign exchange for the week follows: Sterling, Actual—Sixty Days. Cheques. Cables. High for the week—4 65 1/2 4 68 1/4 4 69 1/4 Low for the week—4 64 1/2 4 67 3/4 4 68

Paris Bankers' Francs—High for the week—6 12 6 06 Low for the week—6 24 6 15

Amsterdam Bankers' Guilders—High for the week—39 13-16 40 1/2 40 3/4 Low for the week—39 1/2 39 3/4 40

Domestic Exchange.—Chicago, par. St. Louis, 15 @ 25c. per \$1,000 discount. Boston, par. San Francisco, par. Montreal, \$29.375 per \$1,000 premium. Cincinnati, par.

State and Railroad Bonds.—No sales of State bonds have been reported at the Board this week.

The market for railway and industrial bonds has been somewhat more active than of late, notwithstanding a prodigious volume of business in the various Liberty Loan issues. Moreover, prices have been fairly well maintained and in a few cases are notably higher.

United States Bonds.—For to-day's prices of all the different issues see third page following.

Railroad and Miscellaneous Stocks.—As noted and commented upon above the stock market has shown increasing activity and strength throughout the week. The transactions included over 1,800,000 shares to-day and averaged more than 1,500,000 daily. Railway shares have been more prominent than of late and every active issue has moved to a higher level. In the course of this process Canadian Pacific advanced 6 points and still holds nearly half the gain. New York Central is almost 2 points higher and a considerable list of this group is an average of a point above last week's closing prices.

Of the industrial list oils have been the conspicuous feature. The Texas Co. sold to-day at 292 which contrasts with 228 at the close last week, an advance, as will be readily seen, of 64 points. Royal Dutch has covered a range of 17 points, Inter-Mer. Marine pfd. 11 points, Gen. Motors 10 and other shares in the same group from 3 to 5. U. S. Steel has been very active to-day up to more than a point above par.

Outside Market.—Pronounced strength again characterized the "curb" market this week, with advances to new high records general throughout the list. Profit-taking caused some reactions, but a good part of the improvement was generally maintained. Rubber and oil stocks were the features. Savold Tire Corp., the parent company, advanced from 45 to 60 and closed to-day at 56. Trading was started in N. Y. Savold Tire Co., the company which has secured the N. Y. State rights, and a quick advance of some 10 points to 60 was made, though it reacted to 54 1/2 finally. Intercontinental Rubber was active and moved up from 25 1/2 to 35, reacted and ends the week at 32. Remington Typewriter com. was conspicuous for an advance of nearly 20 points to 82, with the final figure to-day 80. General Asphalt com. sold up from 66 to 74 1/4 and down finally to 72 1/4. The pref. gained about 12 points to 112 and sold finally at 111. Among Standard Oil shares, Prairie Oil & Gas advanced some 15 points to 800 and Standard Oil of N. J. 42 points to 760, the latter closing to-day at 750. Union Tank Line was up at one time 16 points to 141, and Vacuum Oil 18 points to 490, the final figure in each case being 132 for the former and 480 for the latter. Among the other oil shares Houston Oil com., after a decline from 132 to 121, ran up to 142 and closed to-day at 133 1/2. Midwest Refining gained 13 points to 196 and ends the week at 195 1/2. Caddo Oil & Ref. after an early advance from 48 1/4 to 49 1/2 fell to 44 1/2, but recovered

finally to 47 3/4. Internat. Petroleum improved from 29 1/2 to 35, with the close to-day at 33 3/4. Merritt Oil gained over 3 points to 35 but reacted subsequently to 33 3/4. Salt Creek Producers' Assoc. from 44 3/4 reached 60 and sold finally at 58. Sinclair Gulf Corp. advanced from 57 1/2 to 64 1/2 and ends the week at 63 3/4. Silver issues were the most prominent in the mining group. Nipissing Mines rose from 9 to 15 and closed to-day at 13 1/4. Bonds quiet and steady. For daily volume of business see page 1924.

The following sales have occurred this week of shares not represented in our detailed list on the pages which follow:

Table with columns: STOCKS, Week ending May 9, Sales for Week, Range for Week (Lowest, Highest), Range since Jan. 1 (Lowest, Highest). Lists various stocks like Adams Express, Albany & Susqueh., Amer Bank Note, etc.

For record of sales during the week of stocks usually inactive, see preceding page.

Main table with columns for 'HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT', 'STOCKS NEW YORK STOCK EXCHANGE', 'PER SHARE Range Since Jan. 1, On basis of 100-shares lot', and 'PER SHARE Range for Previous Year 1915'. Includes sub-section 'STOCK EXCHANGE CLOSED—PARADE OF 77th DIVISION, U. S. A.'.

\* Bid and asked prices; no sales on this day. † Ex-rights. ‡ Less than 100 shares. α Ex-div. and rights. z Ex-dividend.



For record of sales during the week of stocks usually inactive, see second page preceding.

Table with columns: HIGH AND LOW SALE PRICES—PER SHARE, NET PER CENT, Sales for the Week, STOCKS NEW YORK STOCK EXCHANGE, PER SHARE Range Since Jan. 1., and PER SHARE Range for Previous Year 1918. Rows list various stocks like Industrial & Misc. (Con.), California Packing, California Petroleum, etc.

STOCK EXCHANGE CLOSED—PARADE OF 77TH DIVISION, U. S. A.

\* Bid and asked prices; no sales on this day. † Less than 100 shares. ‡ Ex-rights, § Ex-div. and rights. ¶ Ex-dividend.





Main table containing bond listings with columns for Bond Description, Price (Friday, Range of Last Sale), Week's Range of Last Sale, Range Since Jan. 1., and Interest Period. Includes sections for N.Y. Stock Exchange and N.Y. Bond Exchange.

\* No price Friday; latest bid and asked. a) Due Jan. b) Due Feb. c) Due June. d) Due July. e) Due Aug. f) Due Oct. g) Due Nov. h) Due Dec. i) Option sale.

Main table containing two sections: 'BONDS N. Y. STOCK EXCHANGE Week ending May 9' and 'BONDS N. Y. STOCK EXCHANGE Week ending May 9'. Each section lists various bond types (e.g., Virginia 1st 5s, Adams Ex coll tr 4s, etc.) with columns for bid/ask/low/high prices, interest periods, and range since Jan. 1.

\*No price Friday; latest bid and asked. a Due Jan. d Due Apr. g Due June. h Due July. k Due Aug. l Due Oct. m Due Nov. n Due Dec. o Option sale.

SHARE PRICES—NOT PER CENTUM PRICES.

Table with columns for dates from Saturday May 3 to Friday May 9, and various stock price listings.

Sales for the Week Shares

STOCKS BOSTON STOCK EXCHANGE. Table listing various stocks and their prices.

Range Since Jan. 1. Table showing price ranges for various stocks from January 1st.

Range for Previous Year 1915. Table showing price ranges for various stocks from the previous year (1915).

\* Bid and asked prices. d Ex-dividend and rights. e Assessment paid. b Ex-stock dividend. h Ex-rights. z Ex-dividend. s Half-paid.

Outside Stock Exchanges

Boston Bond Record.—Transactions in bonds at Boston Stock Exchange May 3 to May 9, both inclusive:

Table with columns: Bonds, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like U S Lib Loan 3 1/2's 1932-47, 1st Lib Loan 4's 1932-47, etc.

Chicago Stock Exchange.—Record of transactions at Chicago May 3 to May 9, compiled from official sales lists:

Table with columns: Stocks—Par., Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like American Radiator, Amer Shipbuilding, Armour & Co preferred, etc.

Pittsburgh Stock Exchange.—Record of transactions at Pittsburgh May 3 to May 9, compiled from official sales lists.

Table with columns: Stocks—Par., Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Amer Roll Mill com, Amer Sewer Pipe, Amer Wind Glass Mach 100, etc.

Table with columns: Stocks (Concluded)—Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like U S Glass, U S Steel Corp com, West House Air Brake, etc.

Baltimore Stock Exchange.—Record of transactions at Baltimore May 3 to May 9, compiled from official sales lists:

Table with columns: Stocks—Par., Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Alabama Co., Atlanta Coast L (Conn) 100, Atlantic Petroleum, etc.

Philadelphia Stock Exchange.—Record of transactions at Philadelphia May 3 to May 9, compiled from official sales lists:

Table with columns: Stocks—Par., Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Alliance Insurance, American Gas, American Railways, etc.

Table with columns: Bonds (Concluded), Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High). Lists various bond issues like Lake Super Corp 5s, Lehigh Valley 6s, etc.

Table with columns: Stocks (Concluded), Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High). Lists various stock issues like Freeport Tex Co r (no par), General Asphalt com r 100, etc.

Volume of Business at Stock Exchanges

TRANSACTIONS AT THE NEW YORK STOCK EXCHANGE DAILY, WEEKLY AND YEARLY.

Table showing weekly transactions at the New York Stock Exchange for May 9, 1919. Columns: Week Ending, Stocks (Shares, Par Value), Railroad & Bonds, State, Mun. & Foreign Bonds, United States Bonds.

Table showing sales at the New York Stock Exchange for week ending May 9, 1919, and January 1 to May 9, 1919. Columns: Stocks—No. shares, Par value, Bank shares, par, Bonds (Government, State, RR. and misc.), Total bonds.

DAILY TRANSACTIONS AT THE BOSTON, PHILADELPHIA AND BALTIMORE EXCHANGES.

Table showing daily transactions at the Boston, Philadelphia, and Baltimore exchanges for week ending May 9, 1919. Columns: Exchange, Week ending, Shares, Bond Sales.

New York "Curb" Market.—Below we give a record of the transactions in the outside security market from May 3 to May 9, both inclusive. It covers the week ending Friday afternoon.

It should be understood that no such reliability attaches to transactions on the "Curb" as to those on the regularly organized stock exchanges.

On the New York Stock Exchange, for instance, only members of the Exchange can engage in business, and they are permitted to deal only in securities regularly listed—that is, securities where the companies responsible for them have complied with certain stringent requirements before being admitted to dealings. Every precaution, too, is taken to insure that quotations coming over the "tape," or reported in the official list at the end of the day, are authentic.

On the "Curb," on the other hand, there are no restrictions whatever. Any security may be dealt in and any one can meet there and make prices and have them included in the lists of those who make it a business to furnish daily records of the transactions. The possibility that fictitious transactions may creep in, or even that dealings in spurious securities may be included, should, hence, always be kept in mind, particularly as regards mining shares. In the circumstances, it is out of the question for any one to vouch for the absolute trustworthiness of this record of "Curb" transactions, and we give it for what it may be worth.

Table with columns: Week ending May 9, Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High). Lists various stock issues like Acton Explosives r (no par), Preferred r 100, etc.

Table with columns: Stocks (Concluded), Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High). Lists various stock issues like Anglo-Amer Oil r, Galena-Sig Oil com r 100, etc.



Mining (Concluded)—	Friday Last Sale Price.	Week's Range of Prices.		Sales for Week Shares.	Range since Jan. 1.					
		Low.	High.		Low.	High.	Apr	Apr		
Boston & Montana Dev.	72c	72c	75c	3,300	42c	75c	Feb	75c	Apr	
Buffalo Mines.	60c	60c	60c	2,400	60c	60c	May	60c	Apr	
Butte & N Y Copper.	1 1/8	1 1/8	1 1/8	200	1 1/8	1 1/8	May	1 1/8	Apr	
Caledonia Mining.	37c	32c	37c	9,500	27c	39c	Jan	39c	Apr	
Calumet & Jerome Cop. r.		3 1/2	7-10	400	2 1/2	5 1/2	Feb	5 1/2	Jan	
Canada Copper Co Ltd.	111-16	15 1/2	13 1/2	6,300	15-18 Jan	15-18 Jan	15-18 Jan	15-18 Jan	15-18 Jan	
Candelaria Silver r.	71c	65c	72c	53,000	52c	72c	Jan	72c	Feb	
Cascade Silver M & M. r.	113-18	1 1/4	1 15-16	15,500	1 1/4	1 15-16 May	1 1/4	1 15-16 May	1 1/4	
Cash Boy		10c	12c	5,000	5c	15c	Feb	15c	Mar	
Cerbat Silver (new) r.		10c	12c	5,000	10c	12c	Apr	12c	Apr	
Consol Copper Mines.	5 1/4	5 1/4	5 3/4	9,000	4 3/4	5 3/4	Feb	5 3/4	Jan	
Cresson Cons Gold M & M 1	4 1/4	4 1/4	5	7,400	4 1/4	5 1/4	Jan	5 1/4	Jan	
Crown Croesus L Gold. r.		40c	42c	10,000	35c	42c	May	42c	May	
Deville Syndicate of Nevrl	19	19	20	19,000	15	20	Apr	20	Apr	
El Salvador Silver M.	5 1/4	4 1/2	5 1/4	39,000	1 1/2	5 1/4	Mar	5 1/4	Mar	
Eureka Croesus Min Co r.	2 1/4	1 1/2	2 1/4	4,000	1 1/2	2 1/4	Feb	2 1/4	Apr	
Flag Tunnel M. r.	8 1/4	6	6 1/2	7,500	5	6 1/2	May	6 1/2	Apr	
Florence Silver r.	79c	74c	80c	4,150	60c	80c	Jan	80c	Apr	
Fortuna Consolidated. r.	60c	50c	60c	40,000	24c	60c	Apr	60c	Apr	
Golden Gate Explor. r.	19c	17c	20c	68,500	15c	20c	Jan	20c	Mar	
Goldfield Conso.	10	5c	5c	5,500	5c	5c	Feb	5c	Mar	
Goldfield Mercur.	1	1 1/2	1 1/2	5,000	1 1/2	1 1/2	Apr	1 1/2	Apr	
Gold Zone Divide. r.	1	1 1/2	1 1/2	5,000	1 1/2	1 1/2	Apr	1 1/2	Apr	
Harroll Divide. r.	37c	30c	38c	43,100	25c	44c	Apr	44c	Apr	
Haubrock Divide. r.	30c	20c	31c	23,000	14c	31c	Apr	31c	Apr	
Hecla Mining.	25c	5	5 1/4	950	4 1/4	5 1/4	Apr	5 1/4	Apr	
Jim Butler. r.	40c	33c	41c	0,300	30c	41c	Apr	41c	Apr	
Jumbo Extension.	14c	13c	14c	4,500	10c	14c	Apr	14c	Apr	
Kerr Lake.	5	5 1/4	6	2,500	5 1/4	6	May	6	May	
La Rose Mines Ltd.	18c	15c	30c	62,500	15c	30c	Apr	30c	Apr	
Liberty Bell Divide. r.	15c	11c	14c	85,000	5c	14c	Apr	14c	Apr	
Loan Star Cons. d. r.	13c	11c	14c	85,000	5c	14c	Apr	14c	Apr	
Louisiana Cons.	1	3/4	3/4	2,000	1 1/4	3/4	Apr	3/4	Apr	
MacNamara Mining. r.	99c	95c	1 1/4	585,000	3 1/4	1 1/4	May	1 1/4	May	
Mammoth Divide. r.	72c	62c	73c	33,300	62c	73c	May	73c	May	
Mangan M of Am. r.	1 1/4	3/4	1 1/4	36,550	60c	1 1/4	Apr	1 1/4	Apr	
Marsh Mining. r.	7 1/4	7c	8c	8,000	3c	8c	Apr	8c	Apr	
McKinley-Darragh-Sav.	64c	55c	65c	60,000	45c	65c	Apr	65c	Apr	
Mecia Divide. r.	41c	40c	43c	399,000	25c	43c	Apr	43c	Apr	
Mother Lode. r.	43c	42c	45c	15,000	28c	45c	Apr	45c	Apr	
Nat Tin Corp. r.	3 1/4	3 1/4	3 1/4	50,800	1 1/4	3 1/4	Mar	3 1/4	Mar	
Nevada Divide. r.	21c	20c	21c	38,000	17c	21c	Apr	21c	Apr	
Nevada Ophir Mining. r.	25c	20c	25c	39,000	15c	25c	Apr	25c	Apr	
N Y & Honduras Romarold		10 1/4	12 1/2	1,300	10 1/4	12 1/2	Jan	12 1/2	Jan	
Nipissing Mines.	13 1/4	9	15	47,000	8 1/4	15	May	15	May	
Nixon Nevada.	25c	18c	25c	68,000	17c	25c	Apr	25c	Apr	
Onondago Mines Corp. r.	1 1/4	3/4	1 1/4	1,500	3	1 1/4	Jan	1 1/4	Jan	
Rex Hercules Min. r.	5	1 1/2	2 1/4	2,500	1 1/2	2 1/4	Jan	2 1/4	Jan	
Rex Consolidated Min.	15c	13 1/2	19c	41,200	11c	19c	Apr	19c	Apr	
Rochester Mines.	21c	18c	22c	8,300	17c	22c	Feb	22c	Feb	
Seneca Copp Corp. (no par)	15 1/2	13 1/4	15 1/2	1,400	13 1/4	15 1/2	Apr	15 1/2	Apr	
Silver Dollar M. r.	1 1/4	1 1/4	1 1/4	3,100	1 1/4	1 1/4	Apr	1 1/4	Apr	
Silver King of Arizona.		11-18	1-32	222,000	13-32	1-32	Feb	1-32	Feb	
Silver King Divide. r.	29c	28c	32c	80,950	21c	32c	Apr	32c	Apr	
Standard Silver-Lead.	7-16	5-16	7-16	8,500	4	7-16	Jan	7-16	Jan	
Star of the West. r.	1	1 1/4	1 1/4	47,500	1 1/4	1 1/4	May	1 1/4	May	
Stewart.	26c	24c	26c	22,000	14c	26c	Apr	26c	Apr	
Sutherland Divide. r.	28c	22c	32c	122,000	23c	32c	Apr	32c	Apr	
Teonoph Belmont Dev. r.	1 3/4	3 1/4	3 1/4	1,900	2 1/2	3 1/4	Mar	3 1/4	Mar	
Teonoph Divide. r.	10 1/4	9 1/4	11	10,900	5 1/4	11	Apr	11	Apr	
Teonoph Extension.	2 11-16	2 1/2	2 15-16	7,550	1 1/2	2 15-16	Jan	2 15-16	Jan	
Teonoph Midway.	1	3 1/4	3 1/4	1,700	2 1/4	3 1/4	May	3 1/4	May	
Teonoph Mining.	1	3 1/4	3 1/4	1,700	2 1/4	3 1/4	May	3 1/4	May	
United Eastern.	1 13-16	1 13-16	1 13-16	4,350	1 13-16	1 13-16	Jan	1 13-16	Jan	
U S Continental Mines. r.	18 1/2c	15c	19c	28,900	6c	19c	May	19c	May	
Unity Gold Mines.	5	7 1/4	6 1/4	7 3/4	9,410	4 1/4	7 3/4	Mar	7 3/4	Mar
Victor Power Mining.	1	5	4 1/2	5 1/2	900	4 1/2	5 1/2	May	5 1/2	May
Ward Min & Milling. r.	25c	24c	25c	5,700	20c	25c	Apr	25c	Apr	
Washington Gold Quarts.	72c	72c	75c	6,300	71c	75c	Apr	75c	Apr	
West End Consolidated.	2 1-16	1 15-16	3	26,400	1 15-16	3	Mar	3	Mar	
West End Extension.	3	2	4	35,000	1	4	May	4	May	
White Caps Mining.	100	20c	22c	32,200	10c	22c	Jan	22c	Jan	
White Knob Prof. r.	10	1 1/2	1 1/2	1,100	1 1/2	1 1/2	Jan	1 1/2	Jan	

**New York City Realty and Surety Companies**  
All prices now dollars per share.

	Bid.	Ask.	Lawyers Mtg.	Bid.	Ask.	Realty Assoc	Bid.	Ask.
Alliance R'ty	60	70	125	130	130			
Amer Surety	65	68	92	97				
Bond & M G.	258	285	260	258				
City Investing	27	35	N Y Title & Mortgage.	108				
Preferred.								

**Quotations for Sundry Securities**

	Share	Bid.	Ask.		Share	Bid.	Ask.
Anglo-American Oil new.	21	25 1/4	26 1/4	Baltimore & Ohio 4 1/2c.		5 9/8	5 5/8
Atlantic Refining.	100	1345	1385	Buff Roch & Pittsburgh 4 1/4c.		5 9/8	5 5/8
Borne-Serjmaer Co.	100	500	520	Equipment 4c.		5 9/8	5 5/8
Buckeye Pipe Line Co.	50	103	105	Canadian Pacific 4 1/2c.		5 9/8	5 5/8
Cheesebrough Mfg new.	100	335	350	Caro Clinchfield & Ohio 6c.		6 3/8	5 7/8
Continental Oil.	100	685	695	Central of Georgia 4 1/2c.		6 2 1/2	5 7/8
Crescent Pipe Line Co.	60	37	39	Chicago & Alton 4 1/4c.		7 00	6 00
Cumberland Pipe Line.	100	230	240	Equipment 5c.		7 00	6 00
Eureka Pipe Line Co.	100	180	165	Chicago & Eastern Ill 5 1/4c.		7 00	6 00
Standard Oil com.	100	132	124	Chic Ind & Louisv 4 1/4c.		6 2 1/2	5 7/8
Preferred new.	100	120	130	Chic St Louis & N O 6c.		6 1 1/2	5 7/8
Illinois Pipe Line.	100	186	190	Chicago & N W 4 1/4c.		5 90	5 25
Indiana Pipe Line Co.	50	102	104	Chicago R I & Pac 4 1/4c.		6 4 1/2	5 80
International Petroleum.	21	34 1/2	34 1/2	Equipment 5c.		6 4 1/2	5 80
National Transit Co.	12.50	24	25	Colorado & Southern 5c.		6 50	5 75
New York Transit Co.	100	180	185	Erle 5c.		6 40	5 75
Northern Pipe Line Co.	100	112	117	Equipment 4 1/2c.		6 40	5 75
Ohio Oil Co.	25	302	325	Hooking Valley 4 1/2c.		5 90	5 40
Penn-Mex Fuel Co.	25	490	475	Equipment 5c.		6 00	5 40
Prairie Oil & Gas.	100	790	755	Illinois Central 5c.		5 75	5 30
Prairie Pipe Line.	100	298	302	Equipment 4 1/4c.		5 75	5 30
Solar Refining.	100	395	405	Kanawha & Michigan 4 1/2c.		6 25	5 75
Southern Pipe Line Co.	100	170	175	Louisville & Nashville 5c.		5 85	5 40
South Penn Oil.	100	318	323	Michigan Central 5c.		6 10	5 70
Southwest Pa Pipe Lines.	100	100	104	Equipment 6c.		5 95	5 50
Standard Oil (California).	100	286	290	Min S P & S M 4 1/4c.		7 00	6 00
Standard Oil (Indiana).	100	840	850	Missouri Kansas & Texas 5c.		7 00	6 00
Standard Oil (Kansas).	100	635	650	Missouri Pacific 5c.		7 00	6 00
Standard Oil (Kentucky).	100	435	445	Mobil & Ohio 5c.		6 30	5 75
Standard Oil (Nebraska).	100	555	575	Equipment 4 1/2c.		6 30	5 75
Standard Oil of New York.	100	745	750	New York Central Lines 5c.		5 95	5 50
Standard Oil (Ohio).	100	388	392	Equipment 4 1/2c.		5 95	5 50
Swan & Finch.	100	110	115	N Y Central R.R. 4 1/2c.		6 15	5 70
Union Tank Line Co.	100	134	136	N Y Ontario & West 4 1/4c.		6 25	5 75
Vacuum Oil.	100	475	480	Norfolk & Western 4 1/4c.		5 85	5 25
Washington Oil.	10	38	42	Pennsylvania RR 4 1/4c.		5 60	5 25

\* Odd lots. † No par value. ‡ Listed as a prospect. † Listed on the Stock Exchange this week, where additional transactions will be found. • New stock. † Unlisted. • When issued. ‡ Ex-dividend. § Ex-rights. ¶ Ex-stock dividend. † Dollars per 1,000 lib. flat.

**New York City Banks and Trust Companies**  
All prices now dollars per share.

	Ask.	Bid.	Trust Co's.	Ask.	Bid.
America.	24 1/2	25 1/2	American Bank.	175	185
Amer. Wash.	203	210	Battery Park.	425	435
Atlantic.	175	185	Bowery.	125	135
Battery Park.	203	210	Broadway Cen.	150	160
Berkshire.	145	155	Bronx Bank.	145	155
Broadway Cen.	150	160	Bryant Park.	100	110
Bronx Bank.	145	155	Chat & Phen.	460	470
Bryant Park.	100	110	Chemical Exch.	500	520
Chat & Phen.	460	470	Chemical.	235	245
Chemical Exch.	500	520	City.	448	455
Chemical.	235	245	Coal & Iron.	210	220
City.	448	455	Colonial.	400	410
Coal & Iron.	210	220	Columbia.	175	185
Colonial.	400	410	Commerce.	235	238
Columbia.	175	185	Comm'l S'g.	390	410
Commerce.	235	238	Commonwealth.	215	230
Comm'l S'g.	390	410	Continental.	110	120
Commonwealth.	215	230	Gen Exch.	375	385
Continental.	110	120	Cosmogon.	105	115
Gen Exch.	375	385	Cuba (Bk of).	178	183
Cosmogon.	105	115	East River.	150	155
Cuba (Bk of).	178	183	Europe.	120	130
East River.	150	155	Fifth Avenue.	2000	2400
Europe.	120	130	Fifth.	225	235
Fifth Avenue.	2000	2400	First.	185	195
Fifth.	225	235	Ganfield.	190	200
First.	185	195	Greenwich.	340	350
Ganfield.	190	200	Harover.	775	785
Greenwich.	340	350	Harrison.	305	330
Harover.	775	785	Imp & Trd.	580	585
Harrison.	305	330			
Imp & Trd.	580	585			

\* Banks marked with a (\*) are State banks. † Sale at auction or at Stock Exchange this week. ‡ Includes one-half share. † New stock. § Ex-rights.

	Bid.	Ask.		Bid.	Ask.
Amer Gas & Elec com.	50	150	American Cigar com.	100	130
Preferred.			Preferred.		

Investment and Railroad Intelligence.

RAILROAD GROSS EARNINGS

The following table shows the gross earnings of various STEAM roads from which regular weekly or monthly returns can be obtained. The first two columns of figures give the gross earnings for the latest week or month, and the last two columns the earnings for the period from Jan. 1 to and including the latest week or month. The returns of the electric railways are brought together separately on a subsequent page.

Main table with columns: ROADS, Latest Gross Earnings (Week or Month, Current Year, Previous Year), Jan. 1 to Latest Date (Current Year, Previous Year). Rows list various railroads like Alabama & Vicksb., Ann Arbor, etc.

AGGREGATE OF GROSS EARNINGS—Weekly and Monthly.

Summary table with columns: \*Weekly Summaries, Current Year, Previous Year, Increase or Decrease, %; \*Monthly Summaries, Curr. Yr., Prev. Yr., Current Year, Previous Year, Increase or Decrease, %.

† Road ceased to operate all steam lines Dec. 31 1918. \* We no longer include Mexican roads in any of our totals.

Latest Gross Earnings by Weeks.—In the table which follows we sum up separately the earnings for the fourth week of April. The table covers 12 roads and shows 1.88% decrease in the aggregate over the same week last year.

Table with 5 columns: Road Name, 1919, 1918, Increase, Decrease. Rows include Ann Arbor, Buffalo Rochester & Pittsburgh, Canadian National Railways, etc.

Net Earnings Monthly to Latest Dates.—In our "Railway Earnings" Section or Supplement, which accompanies to-day's issue of the "Chronicle," we give the March figures of earnings of all steam railroads which make it a practice to issue monthly returns or are required to do so by the Inter-State Commerce Commission.

In the following we give all statements that have come in the present week. We also add the returns of the industrial companies received this week:

Table with 5 columns: Roads, Current Year, Previous Year, Current Year, Previous Year. Rows include Atch Topelka & Santa Fe System, Bingham & Garfield, Birmingham Southern, etc.

Table with 5 columns: Gross Earnings, Net after Taxes, Other Income, Gross Income, Fixed Charges, Balance, Surplus. Rows include New York Chicago & St. Louis, 3 mos '19, etc.

ELECTRIC RAILWAY AND PUBLIC UTILITY COS. Table with 5 columns: Name of Road or Company, Month, Current Year, Previous Year, Current Year, Previous Year. Rows include Adirondack El Pow Co, Alabama Power Co, etc.

Table with 6 columns: Name of Road or Company, Month, Current Year, Previous Year, Current Year, Previous Year. Rows include bBrazilian Trac L & P, Brook & Lynn St Ry, gBldyn Rap Tran Syst, etc.

a Includes Milwaukee Light, Heat & Traction Co. b Includes all sources. f Earnings given in milrols. g Includes constituent or subsidiary companies. h Subsidiary companies only. j Lewiston Augusta & Waterville Street Ry. earnings, expenses, &c., not included in 1919. k Includes Tennessee Ry. Light & Power Co., the Nashville Ry. & Light Co., the Tennessee Power Co. and the Chattanooga Ry. & Light Co. l Includes both elevated and subway lines.

Electric Railway and Other Public Utility Net Earnings.—The following table gives the returns of ELECTRIC railway and other public utility gross and net earnings with charges and surplus reported this week:

Table with 5 columns: Companies, Current Year, Previous Year, Current Year, Previous Year. Rows include American Tel & Tel. a, Bell Telop Co of Pa. b, Central Union Telop. b, etc.

a Net earnings here given are after the deduction of taxes. b Net earnings here given are before the deduction of taxes.

		Gross Earnings.	Net after Taxes.	Fixed Charges.	Balance, Surplus.
Nevada-Calif Elec Corp	Feb '19	150,332	77,375	59,061	±18,323
	'18	162,814	86,899	52,563	±31,748
	2 mos '19	323,042	184,376	116,892	±67,709
	'18	318,012	177,132	102,647	±75,214
North Pacific Pub-lic Service Co	Mar '19	19,913	4,230	2,278	1,952
	'18	14,494	2,263	2,021	242
Republic Railway & Light Co	Mar '19	525,271	144,666	114,397	±36,815
	'18	461,600	120,737	102,487	±39,065
	3 mos '19	1,552,768	422,525	341,270	±102,500
	'18	1,426,032	372,553	289,572	±104,833

z After allowing for other income received.

		Gross Earnings.	Net Earnings.	Fixed Chgs. & Taxes.	Balance, Surplus.
Detroit United Lines	Mar '19	1,877,323	437,168	227,793	±240,587
	'18	1,568,712	433,502	215,168	±219,148
	3 mos '19	5,296,231	1,172,051	688,887	±587,010
	'18	4,345,906	1,096,620	633,318	±569,081

z After allowing for other income received.

**FINANCIAL REPORTS.**

**Financial Reports.**—An index to annual reports of steam railroads, street railways and miscellaneous companies which have been published during the preceding month will be given on the last Saturday of each month. This index will not include reports in the issue of the "Chronicle" in which it is published. The latest index will be found in the issue of April 26. The next will appear in that of May 31.

**Chicago & North Western Ry. Co.**

(59th Annual Report—Year ending Dec. 31 1918.)

The remarks of President W. H. Finley, together with a comparative income account and balance sheet as of Dec. 31 will be found on a subsequent page of this issue.

**BALANCE SHEET DEC. 31.**

	1918.	1917.	Liabilities—	1918.	1917.
<b>Assets—</b>			<b>\$</b>		
Road & equip. ....	397,916,749	370,424,315	Com. stk. & scrip. 145,157,519	145,157,519	
Sundry constr., &c. ....	8,358,402	18,492,434	Pref. stk. & scrip. 23,395,120	23,395,120	
Invest. in affil. cos. 14,837,226		14,807,879	Stk. & scrip own'd by company. 2,345,957	2,344,757	
Other invest. in U.S. 19,397,232		17,460,590	Special stock. 65,000	65,000	
Cash & securities in sink. fund 2,520,982		3,348,843	Prem. realized on capital stock. 29,653	29,653	
Misc. phys. prop. 610,036		671,613	Funded debt. Held by public. 211,454,000	201,951,000	
Loans & bills receivable 1,001,712		501,712	Acct. of af. fld. 2,442,000	2,672,000	
Traffic, &c., bal. 439,396		639,396	Held by co. & div. 16,241,200	22,872,200	
Accts. & cond's. 4,035,550		4,135,168	Loans/bills pay. 5,000,000	2,295,000	
Mat'l & suppl's. 9,833,182		9,777,606	Traffic, &c., bal. 2,937,478	2,937,478	
Misc. accts. rec. 1,037,941		3,570,987	Accts. & wages. 113,549	5,509,718	
Other assets. 722,503		762,788	Matured Int., &c. 3,746,650	3,874,575	
Prepaid insur. -----		22,619	Accrued interest. 1,898,611	1,818,403	
U.S. RR. Adm'n. accrued comp. 14,201,616		-----	Miscellaneous. 151,346	1,510,590	
Cash tax, over 5,722,051		-----	Tax liability. 932,454	989,829	
Assets collect'd 3,427,816		-----	Acct. deprec'n. 13,724,722	13,879,557	
Rev. prior to Jan. 1 '18. 1,453,133		-----	Bal. premium on bonds of 1987. 702,806	997,837	
Securities & stk. C. & N. W. Ry. held in treas. b. 19,325,590		25,217,056	U.S. RR. Adm'n.—Additions, &c. 7,109,999	-----	
Adv. acct. equip. purchased 1,843,275		3,908,398	Liabilities paid. 12,735,087	-----	
Unadjust. debts 1,719,965		-----	Corpor. trans. 1,879,416	-----	
			Esps. prior to Jan. 1. 5,573,149	-----	
			Unadj. credits. 946,721	1,400,083	
			Corporate surp. & 2,984,278	3,883,333	
			Profit & loss. 452,762,914	44,839,461	
Total 510,496,364	489,823,420	Total 510,496,364	489,823,420		

Includes in 1918 \$5,000,000 U.S. Gov't. 10-26-yr. 4½% bonds; 149,200 shares of capital stock of Chicago St. Paul Minn. & Omaha Ry., \$10,337,152; 41,716 shares of pref. stock of Union Pacific RR., \$3,910,576, &c. b Includes in 1918 capital stock and scrip C. & N. W. Ry. held in treasury, \$2,345,957; \$1,043,300 C. & N. W. Ry. Gen. Mtge. bonds of 1987 due from trustees; C. & N. W. Ry. equipment trust est. of 1913, series "D," "E," and "P," held in treasury, \$7,400,000; C. & N. W. Ry. equipment trust est. of 1917, series "G," and "H," held in treasury, \$7,798,000; and miscellaneous, \$738,333. c Includes in 1918, \$461,546 additions to property through surplus; \$1,071,343 sinking fund on North Western Union Ry. bonds and \$1,431,390 sinking fund on W. & S. P. RR. extension bonds. d After adding \$947,873 transferred from "appropriated surplus" on account of retirement of W. & S. P. RR. extension (Western division), and North Western Union Ry. 1st Mtge. bonds, and deducting \$4,933,377 miscellaneous items (net).—V. 108, p. 1511.

**Chicago St. Paul Minneapolis & Omaha Ry. Co.**

(37th Annual Report—Year ending Dec. 31 1918.)

The remarks of President James T. Clark, together with a comparative income account for the last two calendar years, and a balance sheet as of Dec. 31, will be found on a subsequent page.—V. 108, p. 1511.

**Delaware & Hudson Company.**

(89th Annual Report—Year ended Dec. 31 1918.)

Much condensed extracts from the report of President L. F. Loree, dated April 1, are given below. Further citations may be given in a later issue:

**Advances on Compensation Account, &c.**—During the year there was received from the United States, in partial payment of compensation for the taking over of the company's property in Dec. 1917, and its subsequent occupation and use by the United States, the sum of \$4,190,000, and the company borrowed from the Railroad Administration, without security, \$2,100,000; making a total of \$6,290,000. The I.-S. C. Commission has certified that the average income of this company for the three years ended with June 30 1917 was \$7,409,800. If the latter sum is all to which your company is entitled, which is by no means admitted, it has received \$1,119,600, or 15.11%, less than it should have received to Dec. 31 1918. [The Federal contract has not been signed as yet.—Ed.]

**Balance Sheet.**—The changes in current assets and current liabilities are largely due to the Government taking possession and control of the company's railway property as a going concern; the Government collecting the major portion of the current assets and paying the major portion of the current liabilities.

**Coal Mining Department.**—Under pressure from the U. S. Fuel Administration, the Hudson Coal Co. during 1918 produced, including washeries, a total of 9,059,228 long tons of coal, an increase of 415,605 tons, or 4.81%, over 1917. The year's output was 11.82% of the total output of Pennsylvania mines and washeries, which was 76,649,918 long tons. Underground development was carried on and the properties fully maintained.

The wages agreements of 1917 provided for the whole period to March 31 1920. Nevertheless, during 1918, after conferences in which the Federal Fuel Administration participated, a supplementary agreement was effected providing for very heavy increases in the wages rates, effective from Nov. 1

1918 to the end of the war or until March 31 1920, if peace is not declared prior to that date. In consideration of the effect of these increases in wages upon the cost of production, the Fuel Administration authorized an increase of \$1.05 per ton in the price of pea coal and all larger sizes.

A statement in regard to prices, issued by the Fuel Administration during February 1919, when about to relinquish most of its functions, states plainly its conclusion that the prices of anthracite are still too low. The increase in maximum prices of "possibly as much as 50 cents per ton," suggested by the Fuel Administration, relates solely to domestic sizes. The reduction in prices of other fuels which compete with anthracite steam sizes have necessitated some reduction in the latter. Therefore, an increase of 50 cents per ton in the price of domestic sizes will secure to the Delaware & Hudson Co. and the Hudson Coal Co. an increase of only 23.55 cents per ton of all sizes produced and marketed.

**Operations.**—Data supplied by the Railroad Administration indicate that the railway operating revenues for 1918 amounted to \$34,789,864, an increase of \$4,800,465, or 16.01%, over 1917. Freight receipts increased \$4,767,563, or 18.77%, and passenger receipts decreased \$232,007, or 7.64%. **Freight Traffic.**—Freight movement increased from 3,954,096,760 ton miles, in 1917, to 4,062,078,074 ton miles, in 1918; a gain of 107,981,314 ton miles, or 2.73%, while the average receipts per ton mile increased from 6.41 mills to 7.41 mills, a gain of 15.60%. The increased freight movement was principally anthracite, food products and war munitions.

The Railroad Administration generally refused to permit shippers to select routes and not only diverted to your railway, in order to relieve actual or threatened congestion at New York harbor and elsewhere, considerable traffic that would otherwise have moved differently, but, also, diverted from your lines numerous shipments which they would normally have carried.

**Passenger Business.**—Passenger receipts decreased \$232,007, or 7.64%. The movement of passengers decreased 13.45%, while the average receipts per passenger mile increased 6.75% from 2.342 cents in 1917 to 2.500 cents in 1918, and passenger train mileage was reduced 22.57%. The decrease in passenger travel is probably attributable to efforts to discourage passenger movement, as well as to increased charges and withdrawal of facilities. The increase in the average rate per passenger mile resulted from the increase of the basic rate from 3 cents, effective January 1 1918, modified, however, by the allowance of a special rate of one cent per mile to soldiers and sailors on furlough.

**Miscellaneous Income.**—There was a considerable increase in miscellaneous transportation revenue, due to augmented switching charges, and incidental revenues were increased by a gain of 109.98% in the demurrage charges collected, which amounted to \$345,925 as compared with \$164,744 in 1917.

**Freight Rates, &c.**—Several important changes contributed to the increase in the average receipts per ton per mile, notably the following: (1) Advances in freight rates applicable to anthracite moving to Canadian destinations, cement, stone, sand and similar commodities, asked for in 1917, went into effect on April 1 1918. (2) On June 25 1918 the Railroad Administration began to enforce an increase of 25%, applicable to all classified freight with increases roughly corresponding to that percentage on all other articles. Before these increases were made, an estimate, based on 1917 traffic, indicated that they would add about \$5,900,000 to annual gross receipts. (3) The Railroad Administration adopted and has applied since May 1 1918 a new basis for the apportionment of interline revenues, which is understood to have increased the revenue attributed to your railway under Federal operation.

**Operating Expenses.**—These amounted to \$31,353,784, as compared with \$23,419,953 in 1917, an increase of \$7,933,831, or 33.71%. Subtracting the increase in revenues of \$4,800,465 leaves a decrease in operating income, before the deduction for taxes, of \$3,133,366. Expenditures for maintenance of way and structures increased \$1,215,554; for maintenance of equipment, \$2,873,831; for transportation, \$3,809,857.

The following figures, which should be understood as approximate only, indicate, as closely as computations now practicable permit, the changes causing the total increase of \$7,933,831 in expenses, viz.: Higher wages rates increase \$4,345,025, or 54.97%; increased number of employees, \$1,700,000, or 21.51%; higher prices of materials, \$1,043,183, or 13.20%; increased quantities of materials and miscellaneous, \$815,825, or 10.32%. Considerably more than one-half the increase in expenses, and almost one-seventh of the total operating cost of the year, is attributable, therefore, to higher rates of wages than were in force in 1917, and the order establishing eight hours as the basic day for all classes of labor.

**Outlook.**—Apparently the operating expenses thus stated are still subject to increases on account of further wage increases which are under discussion, and that are likely to be made retroactive at least to Sept. 1 1918. These projects include an increase of approximately 15% in favor of engine and train crews with, in addition, provision for payment at 1½ times the standard rates, instead of proportionately, for all time in excess of eight hours, and an increase in favor of telegraphers.

**INCOME ACCOUNT FOR CALENDAR YEARS ON BASIS OF "STANDARD RETURN." [Contract not yet signed.]**

[Contrasted with corresponding items in 1917 under company control.] Inc. or Dec.

Compensation accrued under Federal control (on basis of standard return) .....	\$7,415,149	+ \$1,805,762
Miscellaneous rent income .....	137,198	- 650
Income from lease of road .....	192,823	- 7,652
Miscell. non-operating physical property .....	22,501	+ 6,529
Dividend income .....	958,523	- 24,243
Income from funded securities and accounts .....	235,233	+ 59,273
Income from unfunded securities and accounts .....	447,100	+ 207,218
Income from sinking and other reserve funds .....	162,163	+ 53,006
Miscellaneous income .....	1,152,446	- 1,560,079
Gross income .....	\$10,602,781	+ \$509,133
<b>Deduct</b> —Railway operating expenses .....	895,770	+ 895,770
War taxes .....	127,028	+ 112,899
Miscellaneous tax accruals .....	17,626	+ 1,518
Rent for leased roads .....	1,946,956	- 9,070
Miscellaneous rents .....	2,938,318	+ 12,900
Interest on funded debt .....	142,728	- 26,371
Miscellaneous income charges .....	619,522	+ 602,077
Total deductions .....	\$5,887,988	+ \$787,120
Net income, carried to Profit and Loss .....	\$4,714,792	- \$277,987
Percentage to capital stock .....	11.09%	0.66%

**OPERATING STATISTICS—FOR 1918 FROM FEDERAL AUTHORITIES: 1916 AND 1917 COMPANY'S RESULTS.**

	1918.	1917.	1916.	1915.
No. pass. carr. 1 mile. ....	112,180,679	129,620,723	136,896,895	123,908,812
Av. rec. per pass. p. m. ....	2.5 cts.	2.34 cts.	2.24 cts.	2.20 cts.
Pass. earns. per train m. ....	\$1.36	\$1.1412	\$1.0579	\$0.9545
Tons freight carr. 1 mile. ....	406,207,807.4	395,409,670	348,643,898	287,919,243.6
Av. rec. per ton per m. ....	0.741 cts.	0.641 cts.	0.641 cts.	0.684 cts.
Anthracite coal produc'd .....	9,059,228	8,643,824	7,186,380	8,100,767

**RESULTS AS REPORTED BY THE RAILROAD ADMINISTRATION FOR 1918 (COMPANY'S FIGURES IN 1916 AND 1917).**

	1918.	1917.	1916.
<b>Transportation of—</b>			
Merchandise .....	\$30,104,026	\$10,540,757	\$10,254,553
Coal .....	1,894,004	11,760,005	11,760,005
Passenger .....	2,804,056	3,038,063	4,610,768
Miscellaneous .....	1,880,882	1,605,973	-----
<b>Total operating revenue .....</b>	<b>\$34,789,864</b>	<b>\$29,980,309</b>	<b>\$26,634,426</b>
Maintenance of way, &c. ....	\$3,737,523	\$2,521,060	\$3,127,853
Maintenance of equipment .....	9,536,063	6,662,232	4,970,920
Traffic .....	254,672	325,898	341,580
Transportation .....	16,536,076	12,746,189	9,513,924
General .....	1,269,450	1,074,073	957,518
Miscellaneous operations, &c. ....	-----	119,589	199,299
<b>Total operating expenses .....</b>	<b>\$31,353,784</b>	<b>\$23,419,953</b>	<b>\$18,111,095</b>
Net earnings .....	\$3,436,079	\$6,539,446	\$8,523,331
Taxes accrued .....	848,986	920,381	738,659
Uncollectibles .....	3,668	3,478	2,744
<b>Operating Income .....</b>	<b>\$2,584,425</b>	<b>\$5,615,587</b>	<b>\$7,781,928</b>

x Does not include war taxes.

GENERAL BALANCE SHEET DECEMBER 31.

Table with columns for 1918 and 1917, divided into Assets and Liabilities. Assets include Coal, Inv. in f'd & equip, Impr'ts on leased, etc. Liabilities include Capital stock, Govt. grants, Loans, etc.

Total assets... 101,027,686 154,934,975
Balances transferred to U. S. R.R. Administration.—V. 108, p. 1274.

Wabash Railway Company.

(Third Annual Report—Year ended Dec. 31 1918.)

President William H. Williams on April 16 wrote in subst.:

Mileage.—The average miles of road operated during the year was 2,512.91, as compared with 2,519.05 in 1917, the change being due to our discontinuing the use of the Erie RR. and commencing the use of the Delaware Lackawanna & Western RR. at Buffalo, effective Aug. 1 1918.

Capital Stock.—Under the articles of incorporation the holders of the 5% convertible Pref. Stock B may, at any time after Aug. 1 1918, and up to 30 days prior to any date fixed for the redemption of the entire issue of 5% profit-sharing pref. stock A, convert same into an exchange same for 5% profit-sharing pref. stock A and common stock of this corporation; said conversion to be at the rate of \$50 of 5% profit-sharing pref. stock A and \$50 of common stock, for each \$100 of 5% convertible pref. stock B, with a proper adjustment of declared and unpaid dividends.

In this manner \$26,529,000 of 5% convertible pref. stock B was surrendered and exchanged for \$13,264,500 of common stock and \$13,264,500 of 5% profit-sharing preferred stock A.

Funded Debt.—The funded debt was reduced during the year by the purchase and retirement of gold equipment sinking fund bonds of 1901, \$202,000, and Detroit & Chicago Extension bonds, \$55,000; total, \$257,000.

Dividends.—The company had declared and paid regular quarterly dividends during a portion of the year, on its profit-sharing pref. stock A, but had not paid a dividend in each of the said three years.

Application was made on March 29 1918 to the Director-General of Railroads, for authority to declare and pay the regular quarterly dividend of 1% on the 5% profit-sharing preferred stock A, and, authority for same having been granted, the board of directors at their meeting on April 3 1918 formally declared the same, payable on and after April 30 1918 to stockholders of record April 10 1918. Under date of July 3 1918, a similar application was forwarded to the Director-General to pay the regular quarterly dividend of 1% upon said stock, which, if declared, would have been made payable on July 31 1918. The Director-General, however, declined to authorize the payment of said dividend.

Additions and betterments.—During the year as reported to us by the Federal Auditor of the U. S. R.R. Administration, aggregated \$1,429,076, including chiefly \$729,115 used to rebuild, reinforce and apply steel stakes to 600 coal cars; rebuild, reinforce and apply metal draft arms, friction draft gears, metal roofs and metal ends to 600 box cars.

Compensation, etc.—Under the Federal Control Act the compensation allowed the several carriers (i. e., the standard return) is based on the average net railway operating income for the three years ended June 30 1915, 1916 and 1917. The net railway operating income of the Wabash Ry. Co. for the said three years was as follows: 1915, \$2,595,019; 1916, \$7,252,201; 1917, \$7,984,553; total, \$17,831,773; average, \$5,944,258.

This amount, together with the non-operating or corporate income of the company, is sufficient to enable the company to meet its annual interest charges, rentals, taxes, other fixed charges and corporate expenditures; to meet all sinking fund obligations and leave a balance of approximately \$2,000,000 available for additions, betterments, etc.

The railroads of the company were in the possession of and were operated by receivers during the first 16 months of the last period and came into the possession of Wabash Ry. Co. Nov. 1 1916.

During the receivership the reorganization committee had the benefit of reports made by experts, which indicated that an expenditure for additions and betterments from 1912 to 1917, both inclusive, of \$15,839,500, would cause the gross earnings to increase by June 30 1917 to approximately \$37,659,000, and would cause the net operating revenues to increase to \$11,297,700.

Authority was given from time to time to make improvements, and approximately 80% of the money was expended during the receivership and the balance since the Wabash Ry. Co. took over the property. From Nov. 1 1915, the date the Wabash took possession of the property, to Dec. 31 1917, when the Government assumed responsibility for the operation, the surplus over operating expenses and fixed charges aggregated \$10,427,540. During this period there was paid in dividends on the outstanding pref. Stock A \$2,310,000, leaving a balance of \$8,117,540, of which approximately \$6,860,000 was used in improvements and the remainder was used to retire \$2,258,000 interest-bearing securities. Since the receivership the company has bought 25 large Santa Fe type locomotives and 2,300 new steel under-frame freight cars, and has placed steel under-frames and steel draft gears on approximately 7,000 additional freight cars; also installed superheaters on about 150 locomotives, thereby increasing the operating efficiency over 15%; and otherwise improved the property, paying for same out of the moneys received from the operation of the property.

The results obtained from money expended for additions and betterments during the receivership and subsequent to the reorganization have more than justified the forecast made by the reorganization committee and the railroad experts. For the cal. year 1917, the gross earnings were \$40,471,899, or approximately \$2,800,000 above the estimate; and the net operating revenues were \$12,003,103, or approximately \$700,000 in excess.

The value of the improvements to the property is especially reflected in the percentage which the transportation expenses of each year bear to the total operating revenue, namely: 1917, 37.9; 1916, 30.3; 1915, 41.3; 1914, 43.8; 1913, 41.6; 1912, 43.8; 1911, 40.3. These improvements were made in the face of a substantial increase in labor and material costs, so that were proper adjustments made to place these costs on comparative basis the full benefit resulting from the improvements would be much greater than shown above.

The reorganization was severe. The fixed debt, including equipment obligations, decreased \$56,600,000, or 46%. The absolute fixed charges of about \$5,800,000 per annum prior to reorganization were scaled down to approximately \$3,200,000 per annum; a decrease of about \$2,600,000, or 45%. This was accomplished, first, by some of the holders of interest-bearing securities being required to accept in exchange therefor capital stock, and second, by the security holders, principally bondholders, being required to pay an assessment aggregating \$27,720,000. Very little of this amount was raised through payments by stockholders of the Wabash RR. Co. said payments being approximately only \$1,000,000, the balance was raised through an assessment of \$654.82 for each \$1,000, par value, of First & Ref. Mgt. bonds of the Wabash RR. Co., the holder of said bond surrendering his bond and receiving capital stock of the Wabash Ry. Co. in exchange for said bond and the said assessment of \$654.82. The total par value of the stock and bonds of the company was brought down from \$222,300,000 to approximately \$205,105,000, a decrease of \$17,200,000.

In view of the receivership and of the undeveloped and abnormal conditions incidental thereto, as well as the improved character of the property resulting from reorganization and the capital expenditures above mentioned, it was the opinion of your directors that the company was entitled to just compensation for the use of its property in excess of the amount of

the standard return, and, therefore, claim was filed with the Director-General for annual compensation aggregating \$8,681,301. No final determination of the claim has yet been made.

CORPORATE INCOME ACCOUNT FOR CALENDAR YEARS.

Table comparing 1918 and 1917 income. Items include Compensation accrued under Federal control, Railway operating income, Income from lease of roads, Miscellaneous rent income, etc.

\* Subject to change when contract is executed definitely fixing the amount of annual compensation.

Table showing Credit balance Jan. 1 1918, Less—Dividend approp., Credit bal. trans. from inc., etc.

CONDENSED GENERAL BALANCE SHEET DECEMBER 31.

Table with columns for 1918 and 1917, divided into Assets and Liabilities. Assets include Invest. in road, Sinking funds, Dep. in lieu of mortg'd prop., etc. Liabilities include Capital stock, Funded debt, Loans & bills pay., etc.

Total assets... 231,815,365 224,074,034
Note.—This general balance sheet is submitted in tentative form and is subject to adjustment when final settlement is made with the U. S. Railroad Administration. V. 108, p. 1391, 1001.

The United Railways and Electric Co. of Baltimore.

(20th Annual Report—Year ended Dec. 31 1918.)

Pres. Thomas A. Cross, Baltimore, April 9, wrote in subst.:

Results.—Compared with 1917, the operating revenues increased \$1,368,865, or 12.96%, but operating expenses increased \$1,572,427, or 20.35%; depreciation increased \$98,143, or 12.96%, and taxes, licenses, etc., increased \$80,729, or 7.48%, so that the operating income for the year was \$3,332,941 (against \$4,765,399 in 1917), and the ratio of operating expenses to operating revenues, after allowing for depreciation, taxes, etc., was 72.0% against 65.10%.

Six-cent Fare in Effect Oct. 1 1918.—Our greatest difficulty from a revenue point of view was that wages and cost of materials were increasing rapidly during the whole year, while the increased revenue from the 6-cent fare was effective during the last three months only. The serious turn in the ratio of operating expenses to operating revenues began in April 1918. Wages of the platform men were rapidly increased and costs of material and supplies took a new spurt upward. As soon as these factors became actually threatening, the company began posting bulletins showing that the cost of new cars was nearly three times what it was in 1914, that 1915 wage raises would mean an additional burden of more than \$1,700,000 per year over and above 1917 and more than \$2,200,000 per annum over 1916, and current supplies were costing from 55% to 191% above normal.

The 6-cent rate went into effect on Oct. 1 1918 and the question of the reasonableness and fairness of this increase was confirmed by the P. S. Commission on Jan. 7 1919, after full and exhaustive hearing, their opinion concluding: "That the company is reasonably entitled under conditions at present existing to an increase of 1 cent in each of the fares specified in its schedule P, S. C. Md. No. 8, there would seem to be little or no question."

Dividend Partly From Accumulated Surplus.—In the belief that the company would obtain relief, the dividend policy was continued, the company using when necessary for dividends the accumulated surplus of former years available for this purpose. As a result, \$489,716 of the company's surplus was used for this purpose.

In addition thereto, special demands, such as contributions incident to war, amounting to \$35,574, and income and excess profits taxes for 1917, amounting to \$105,035, were charged against surplus for the year, resulting in a reduction of this item to \$362,370.

Operations.—The gross receipts were \$11,929,701, an increase of \$1,368,865, or 12.96% for the year. This increase was due to three factors: (1) Increased war activities; (2) increased fare effective during the last three months of the year; (3) normal increase due to increase of population, riding habit, etc.

While there is no satisfactory method of segregating these items, it is believed that the third and most important factor evidenced a satisfactory condition during 1918.

On the other hand, the company suffered during the first few months of the year from the worst weather conditions that it has ever experienced, and in October, when considerable relief was expected from the increased fare, the people of this community were attacked by a severe influenza epidemic, which resulted in the closing down of all theatres and schools and the avoidance, so far as possible, of contact on street cars by the public.

Although the largest increase of wages did not take place until September, the increased cost of transportation for 1918 over 1917 was \$884,471. The cost of maintenance of way and structures and equipment aggregated \$1,300,879, as against \$923,041 in 1917. Depreciation charges were increased from \$338,042 in 1917 to \$596,485.

The cost of power increased from \$850,989 to \$1,040,158. Your company, while it suffered from the increased cost of coal, was fortunate in this respect, owing to its favorable contract with the Pennsylvania Water & Power Co. for hydraulic power.

Financial.—On Dec. 31 the company had no direct floating debt, and had cash on hand from current revenues amounting to \$186,058. There were, however, \$888,000 of notes of Baltimore Sparrows Point & Chesapeake Ry. Co. and other subsidiaries of the company outstanding endorsed by your company. These notes represent capital expenditures and are in large part notes on which the company is in a sense directly liable apart from its endorsement, as your company absorbs all the revenues from certain of its subsidiary companies. The equities of these properties to your company are very substantially in excess of all debts, including funded debts and the above notes.

The company has in its treasury \$3,000,000 of its own First Consol. Mtge. 4% bonds. There are also \$3,054,000 First Mtge. 5% bonds of Maryland Electric Railway Co. in the hands of the mortgage trustee.

Taxes.—The total taxes and public charges in 1918, including park tax, cost of paving streets, &c., were \$1,344,408, or over 26% of the net receipts after operating expenses. This represents an increase of \$186,455 over 1917 and an increase of \$271,029 over 1916. Park tax for the year was \$755,408, against \$671,711 in 1917, an increase of \$83,756. The total amount paid to the City of Baltimore for park taxes alone since the consolidation of the street railway lines in 1899 aggregates \$9,398,217.

Cars.—We received between Feb. and June 1918 80 new double-truck semi-convertible air-brake cars, ordered in May 1917. By contract entered into with the Emergency Fleet Corporation, 50 additional double-truck cars of the latest type were ordered, but none were received during that year. These 130 cars will carry about 150,000 passengers per day.

Extensions.—Lines have been extended to the Curtis Bay district and additional franchises obtained and an extension is now under construction to reach Fairfield.

Power.—To increase the capacity of the Pratt St. power station as a standby plant, supplementing the power received from the Susquehanna River through the Pennsylvania Water & Power Co., an order was placed for a 20,000 k. w. turbo-generator and accessories, for delivery and installation by June 1 1918. Due to war delays, it was not until September that the first shipments of material were received and installation will not be completed until this spring.

Wages.—Wages were raised three times during the course of the year. The men are now receiving more than double the wages received in 1912.

Public Authorities Recognize Necessity for Maintaining Investment Value of Stock.—In connection with the decision of the P. S. Commission raising the rate of fare to 6 cents, two things should be noted:

First, the counsel for the people stated that, while the company should not be permitted in any way to increase its margin of profit during the war by an increase of rates, he had estimated that the company should be permitted to earn \$3,725,569 "over and above maintenance and operating expenses, taxes and the expenses of depreciation." He added:

"If the company is permitted to earn this sum it will mean that the stockholders are breaking even with their accustomed 4% dividend. More than this, it seems to me, they should not have. With less than this, it would probably be most difficult for the company to do the financing necessary to enable it to render our rapidly growing community the adequate service which it requires and to which it is by law entitled."

Second, the Public Service Commission in the case stated: "The former proposition requires that the company shall, at all times, be kept in such a condition, financially, that it can command investments in its property by the investing public, in order that necessary extensions to meet the demands of a rapidly growing community may be made promptly when and as required, and that its roadbed, power houses and equipment may always be of a type and capacity to render adequate service economically and efficiently."

Further Relief Needed.—While the few months in 1918 in which the increased fare was in effect did not do perhaps a sufficiently long enough period to show, finally whether or not the 6-cent fare would produce the needed return, the results of those months indicated that it would not, and that further relief would be needed. This indication has been substantiated by the results of the succeeding months of 1919.

OPERATIONS AND FISCAL RESULTS.

Table with columns for Revenue, Expenses, Deductions, and Balances for 1918, 1917, 1916, and 1915. Revenue includes revenue from transportation and other transportation. Expenses include maintenance of way and structures, power service, and taxes. Deductions include interest on funded debt and other interest.

BALANCE SHEET DEC. 31.

Table showing Assets (Road & equipment, Investments, Cash, etc.) and Liabilities (Common stock, Preferred stock, Bonds, etc.) for 1918 and 1917.

a Includes in 1918 stocks and bonds, \$287,665; property rights, \$98,944; and notes, \$41,908. b "Deferred assets" in 1918 embrace Maryland Elec. Ry. Co., lessor account, proceeds of \$1,946,000 bonds; \$4,477,300; payments under 1 1/2% sinking fund, \$724,198; under 7 1/2% sinking fund, \$1,086,976; payments to property, \$9,182; less equipment released (90% of cost), \$530,084, and adding other deferred items, \$51,456. c This item includes Maryland Trust Co., trustee, income bond coupons under funding agreement dated July 25 1906, \$3,920,000. d "Deferred liabilities" in 1918 include: Liability for Maryland Elec. Ry. Co. bonds (auth., \$8,000,000), \$4,946,000; Li-

plus dependent upon acquisition of leased property (Maryland Elec. Ry.), \$1,342,473, and miscellaneous, \$35,100. Note.—The company has a contingent liability as guarantor and endorser for the Balt. Spar. Point & Ches. Ry. and other subsidiaries.—V. 108, p. 1513.

Ingersoll-Rand Company.

(Report for Fiscal Year ending Dec. 31 1918.)

Income Account for Years Ending December 31. Table with columns for 1918, 1917, 1916, and 1915. Total income is \$10,800,765 for 1918.

Balance, surplus, sr. \$3,147,002sr. \$1,709,607sr. \$3,835,398fd. \$183,631 \* Includes in 1918 depreciation set up as reserve against capital assets, \$439,705, and depreciation applied directly to reduction of capital assets, \$543,402. y There was also paid a common stock dividend of 20% (\$1,603,880) April 1918. z Includes in 1917 special reserves in respect of inventories, \$50,000, and of patents and licenses, \$73,000.

CONSOLIDATED BALANCE SHEET DECEMBER 31.

Table with columns for 1918 and 1917. Assets include Real estate, Water supply, Buildings, Machinery, Tools and fixtures, Patents and dies, Drawings, Furn. & fixtures, Patents, licenses, &c., Inves. in mfg. coor., Incl. treas. secur., Materials, &c., Accounts receiv., Bills receivable, Marketable secur., Agents' cash bal., Cash at bank, Def. chgs. to Inc. Liabilities include Preferred stock, Common stock, First mtge. bonds, Accounts payable, Bond lvt. accrued, Pref. stock divi- dend Jan. 1., Taxes accrued, Deprec'n reserve, Patent, &c., res'v'e, Deprec. in foreign exchange, Special inventory reserve, Premium on capl- tal stock, Surplus.

a Includes treasury bonds at market values.—V. 106, p. 1682.

Kennecott Copper Corporation.

(11th Annual Report—Year ended Dec. 31 1918.)

President Stephen Birch, N. Y., April 25, wrote in subst.:

Property.—Patents were secured on five Lode mining claims at Kennecott and on two at Latouche. Official surveys of 20 mining claims, made during 1917, were recently approved by the Department at Juneau, Alaska. A total of 39 new claims were located during the year.

Mines.—During the year a total of 660,228 tons of ore was mined and treated at the Kennecott and Latouche plants, as follows [1917 inserted Ed.]

Table showing production at Kennecott and Latouche for 1918, 1917, 1916, and 1915. Kennecott production is 262,377 tons for 1918.

This tonnage for 1918 resulted in the production of 124,315 tons for shipment to the smelter, containing 32,457 net tons of copper, divided as follows:

Table showing copper content for Kennecott and Latouche for 1918, 1917, 1916, and 1915. Kennecott copper content is 71,888 tons for 1918.

The metallurgical efficiency of the combined plants was 90.54%, based on the copper content of the ore mined and of the shipments made [against 93.1% in 1917], the average for the Kennecott plant being 93.33% [against 94.65% in 1917] and for the Latouche plant 80.91% [against 81.63%].

Milling and Leaching.—The concentrating mill at Kennecott operated throughout the year, but not to full capacity, owing to a shortage of labor at the mines and further to decreased tonnage in May and June due to the wrecking of the aerial tramways by snow slides late in April. A total of 218,819 dry tons of ore, averaging 7.82% Cu., were treated with a resultant production of 27,174 dry tons of concentrates, assaying 53.0% Cu. The recovery was 84.10%.

Owing to a shortage of labor, which delayed construction work, it was June before any increased tonnage could be put through the leaching plant. However, for the year 132,304 dry tons of mill tailings, assaying 0.94% carbonate copper, were leached, with a resultant recovery of 1,704,080 lbs. of copper, or 12.9 pounds per ton. Inability to get ammonia during the summer months temporarily affected extraction, but now that sufficient supplies are again available, the extraction is averaging 73.5%, as against 70.8% in 1917.

For the year the total average milling recovery, including leaching plant operations, was 89.17%.

At Latouche the ore milled totaled 395,524 dry tons, this being an increase of 141,719 tons over 1917. The average assay was 2.00% Cu., and the recovery for the year was 80.70%. Concentrate production totaled 49,915 tons, assaying 12.80% Cu.

Development.—During the year 16,795 feet of drifts, cross-cuts, raises and shafts were driven, 11,790 feet at Kennecott and 5,008 feet at Latouche. The most important developments for the year were the discovery of an ore body on the 600-foot level of the Bonanza mine, about 400 feet to the northwest of the original Bonanza vein; and the discovery of an ore body on the 900-foot level of the Jumbo Mine, likewise located about 400 feet to the northwest of the main fissure. On these new ore bodies, and particularly the one at Jumbo, but very little work has as yet been done.

Improvements, &c.—Rebuilding of the Bonanza aerial tramway at Kennecott so as to increase its capacity to 600 tons per day was started and largely completed. The construction of an aerial tramway some 5,000 feet in length, to connect the Glacier Mine with the Jumbo tramway, was started, and when completed the ores of the Glacier Mine will be available for treatment at the concentrator.

The double-compartment incline at the Bonanza Mine at Kennecott was extended to the 800 level and a new double-drum hoist, equipped with two 85-h. p. motors, was installed, better to provide for the constantly increasing tonnage from the lower levels. At the Jumbo Mine the sinking of a double-compartment incline was started and completed down to 500 level. The average supply for the year was about 75% of what was required, but in the summer months was down to 60% of that needed. The book cost of labor per shift averaged somewhat above the cost of 1917, but the efficiency was so much lower that the actual increased cost was far in excess of 1917. The turnover in labor was slightly over 200% at the combined properties.

Manufacturing Costs.—After allowing for smelter deductions there was received at the smelter during the year 60,994,757 lbs. of deliverable refined copper and 684,779.36 ozs. of silver. There was settled for during the year and taken into profit and loss \$5,684,129 lbs. of copper and 693,316 ozs. of silver. There were 23,617,410 lbs. of copper and 241,395 ozs. of silver unsettled for at the end of the year, inventoried at cost of production.

In July 1918 the smelting and refining companies throughout the country were obliged to increase their rates for handling the products of the mining companies. This increase, together with the high wage scale obtaining, lack of labor efficiency, increased transportation rates and, generally speaking, the higher costs of all commodities more than offset the increase in price to 26 cents fixed by the Government on Aug. 1 1918.

Dividends Paid.—On Mar. 31 1918, June 30 1918, Sept. 30 1918 and Dec. 31 1918 disbursements to stockholders, each \$1 per share, were made.

Note Issue.—During the year \$4,850,000 short-term notes were retired, leaving \$4,000,000 outstanding at Dec. 31 1918.

Acquisition.—The corporation in 1918 secured a controlling interest, through its subsidiary, the Alaska Development & Mineral Co., in the Bering River Coal Co., a corporation formed to exploit, develop and operate coal fields in Alaska.

Alaska Steamship Co.—Net earnings for the year, after deducting operating expenses, depreciation and taxes, amounted to \$234,077. Included in operating expenses is an item of \$200,000 set aside as an insurance reserve fund. Quarterly dividends of 2% were paid, and in addition a special dividend of 2% was declared and paid in September, making a total dividend distribution for 1918 of 10%, or \$450,000.

All steamers requisitioned by the Government in 1917 were returned to the company's control in April 1918 except S. S. Henry T. Scott.

Railway Co.—The Copper River & Northwestern Ry. Co. operated continuously throughout the year. Operating income \$581,320.

Braden Companies.—The usual reports of the Braden Companies are included below. (See separate statement.—E. J.)

Utah Copper Co.—Summary of Operations.—[See report in V. 108, p. 1818.]

The reduction of 35.7% in the net profit for the year is the result of the higher costs and reduced output. Net earnings amounted to \$18,445,780, as compared with \$28,695,496 carried to surplus account in 1917. Distributions of earnings and of proceeds of depletion were made to shareholders during the year in the total sum of \$16,244,900, or \$10 per share. Of the total sum distributed in 1918 your company received on stock of the Utah Copper Co. held by it the sum of \$6,165,040.

Outlook.—Due to the sudden cessation of demand for copper for war requirements after the armistice was signed, and the large stocks of the metal accumulated both in this country and abroad for war purposes, shortly before the close of the year a considerable curtailment in production was deemed advisable. The output from Alaska, therefore, has been greatly decreased and is at the date of this report approximately one-third of normal. Resumption to full operation will of course be made as soon as conditions warrant it.

KENNECOTT COPPER CORPORATION—INCOME ACCOUNT.

Table with 3 columns: Years ending Dec. 31, 1918, 1917, 1916. Rows include Copper produced and sold (lbs.), Average selling price per lb., Silver produced and sold (oz.), Average selling price, per oz.

Income Account—Copper revenues, Silver revenues, Insurance for ore lost in transit.

Expenses—Mining and milling, Freight to smelter, Smelting and refining, Selling commission, Marine insurance, General expense, Delivery expense.

Total revenues, Total expenses, Net earnings, Dividends from Utah Copper Co., Dividends from Alaska SS. Co., Interest, discount, &c., Income from mines.

Gross income, Deductions—Bond interest, Int. and commission on notes payable, Accrued taxes, Administration expenses, Depreciation.

Depletion account—Por divs. as capital distrib. (\$2), Other depletion, Red Cross and United War Wks fds., Dividends, Per share dividends paid.

Total deductions, Balance, surplus.

x This does not include \$5,574,089 for capital distribution.

INCOME ACCOUNT OF SUBSIDIARY COMPANIES FOR CAL. YEARS.

Table with 4 columns: Alaska SS. Co., 1918, 1917, aCopper Riv. & N. W. Ry., 1918, 1917. Rows include Gross earnings, Oper. expenses & taxes, Net earnings, Depreciation, Dividends.

a This company on Dec. 31 1918 has outstanding \$23,020,000 1st M. bds. For Braden Copper Mines Co. see separate statement herewith.

KENNECOTT COPPER CORPORATION—BALANCE SHEET DEC. 31.

Table with 4 columns: 1918, 1917, Liabilities—, 1918, 1917. Rows include Assets—Mining property, Construction and equipment, Investments, Metals on hand, Ore and concentrates, Material on hand, Acc'ts collectible, Deferred accounts, Marketable securities, Cash.

a Represents 2,787,059 5-13 outstanding shares of no par value; total authorized issue, 3,000,000 shares.

\* In 1918 net book value after depletion deduction. b After deducting in 1918 \$1,136,927 depreciation. x Includes in 1918 616,504 shs. Utah Copper Co. stock valued at \$50,000,047; 2,585,891 shs. Braden Copper Mines Co. par \$10, \$39,475,890; \$23,020,000 par Co. R. & N. W. Ry. Co. bonds, \$8,078,108; 48,174 shs. Co. R. & N. W. Ry. Co. stock, 23,854 1/2 shs. Alaska SS. Co. stock, \$2,385,412; 500 shs. Alaska Devel. & Mineral Co. stock, \$62,480. y Property surplus from mining property acquired less capital distribution. y From conversion of bonds and exchange of stock.—V. 108, p. 1514.

Extracts from Report of Chartered Accountants, April 7 1919.

The property surplus account has been reduced by \$5,574,089, being the amount of the capital distribution made to the stockholders during the year. The depletion deductions taken on the income tax return are deducted from the book value of the property and shown as a charge against the undivided profits of the corporation. Contributions to the Red Cross and United War Work Fund are also charged against undivided profits.

The book value of the Copper River & Northwestern Ry. bonds has been reduced by \$775,000, being the interest received during the year which had accrued prior to the date the bonds were purchased.

The book value of the investment in the Utah Copper Co. stock has been decreased by \$1,387,134, being the amount of the capital distribution received during the year on the shares of stock owned.

The income account includes only the sales and the cost of copper which was actually sold and delivered during the year. All copper on hand and in transit Jan. 1 1918 and Dec. 31 1918 is stated at cost. The amount stated as operating revenue from metals sold and delivered represents the gross price received, and the delivery expenses on such copper are included as an item of the costs.—V. 108, p. 1514, 1393.

Braden Copper Mines Company.

(Fourth Annual Report—Year ended Dec. 31 1918.)

This company controlling the Braden Copper Co. with properties in Chile, is itself controlled by the Kennecott Copper Corporation, which see above.

President William C. Potter, N. Y., April 25 1919, wrote in substance:

Reserves.—Fred Hellman, Consulting Mining Engineer, makes the following calculations of ore reserves as at Dec. 31 1918 [1917 figures inserted by Editor]:

Table with 4 columns: 1918, 1917, 1918, 1917. Rows include Positive ore, Probable ore, After allowing for 1,965,145 tons of ore mined during the year.

Below is shown the production, &c., for the year 1918 [1917 added—Ed.]:

Table with 4 columns: 1918, 1917, 1918, 1917. Rows include Tons blister cop., Dry c's ore treat., Daily average.

Bonds.—As anticipated (V. 106, p. 2121) it was necessary for the company to secure additional funds during the year to continue the construction program in Chile. There were sold in Dec. 1918 \$5,000,000 additional 15-year 6% Sinking Fund gold bonds which completes the \$20,000,000 authorized under the collateral trust agreement of Feb. 1 1916.

Additions.—Delay in construction work continued through the year due principally to the same causes as obtained during 1917, i. e., delayed deliveries of construction material and shortage in ocean tonnage.

Status Outlook.—Shortly before the close of the year, due to the cessation of hostilities and large accumulations of copper stock with practically no demand for the metal, the necessity for curtailing output became apparent.

Additional funds are needed to carry the large amount of copper on hand and to further the construction program of the company and arrangements have been effected with the Kennecott Copper Corporation for necessary financing.

Condensed Report of S. S. Sorenson, Gen. Mgr. of Braden Copper Co. Rancagua, Chile, Sewell, Feb. 24 1919.

Mine.—During the year development work on the Teniente ore body consisted mostly in opening up D, E, F and G levels, where large tonnages of a good grade of ore were disclosed. The new main 3-compartment shaft "A" between C level and Fortuna 5 was sunk and timbered for a depth of 670 feet.

The new electric railroad from the mine to the crushing plant started operating on April 27 1918. The uniform grade of 0.5% allows us to operate trains of 14 cars containing 22 tons each as compared with trains of three cars of the same capacity on the old electric railroad that has a ruling grade of 4.5%.

In September the first of the two units of the new underground compressor station was put in operation. Each unit can deliver 5,000 cu. feet of free air per minute.

The total tonnage shipped from the mine in 1918 was 1,965,148, an increase of 9.3% over that of 1917, 28.6% of the 1918 tonnage came from the Teniente side, and 71.4% from the Fortuna side. The grade of the ore from the former was 3.09% copper, while from the latter it was 2.22%.

The maximum daily average dry tons milled for any one month during the past year was 5,995.

The average grade of the ore was 2.477% copper, while in 1917, it was only 2.310%.

Smelter.—In 1918, 190,868 tons of concentrates were smelted in all forms, and of this amount 75.6% were smelted as nodules, and 24.4% were smelted raw, in various forms. The tonnage smelted represents an increase of over 20% above the 1917 quantity.

The converters did satisfactory work in 1918, the tons of blister produced per calendar day for the period being 105.7, as compared with 87.6 tons in 1917, in both cases all three converters are taken collectively.

Costs.—In 1918 the United States dollar would purchase only 3.33 pesos, whereas in 1917 it was worth 4.02 pesos. This means that in 1918, on the basis of the exchange alone, the increased cost of the moneda, cartons, payroll, the State Railroad freight, Customs duties and locally purchased supplies, amounted to more than 20% over the 1917 figure.

The increasing scarcity of shipping, and consequently higher freight rates, have greatly raised the cost of imported materials and delivery of copper. Moreover the company has been obliged to build up a large stock of supplies to prevent stoppage of operations at the plant situated several thousand miles from the point where these supplies could be obtained.

Extracts from Statement by Chartered Accountants April 29 1919.

The income account includes only the sales and the cost of copper which was actually sold and delivered during the year. All copper on hand and in transit is stated at cost. The amount stated as operating revenue from metals sold and delivered represents the gross price received, and the delivery expenses on such copper are included as an item of the costs.

A charge is made against the surplus of prior years for additional depreciation of \$2,213,422 for the years 1907 to 1917 inclusive, being the result of a general revision of plant and equipment accounts to comply with the income tax regulations.

COMBINED INCOME ACCOUNT FOR YEARS ENDING DEC. 31.

Table with 4 columns: 1918, 1917, 1916. Rows include Copper sold (lbs.), Average selling price (per lb.), Copper revenues, Gold and silver revenues, Operating costs, Delivery, &c., expenses, Administration expenses, Net profit, Miscellaneous income, Total income, Int. on Braden Cop. Min. Co. bonds, Taxes, &c., Depreciation, Plant abandoned, &c., Amortization of ore reserves, Amortization of discount on bonds, Miscellaneous, Reserve fund for Chilean Government, Total deductions, Balance, surplus.

a After deducting \$79,503 discount on bonds purchased for retirement y Depletion to Dec. 31 1916, \$4,393,060.

**BRADEN COP. MINES CO.—BRADEN COP. CO.—BAL. SHEET DEC. 31**

Assets—		Liabilities—	
1918.	1917.	1918.	1917.
Property.....	6,311,940	6,304,518	
Construction, &c. x20,722,043	15,025,333		
Inv. in steamships	426,665	426,665	
Deferred charges	4,203,108	3,795,584	
Undistrib. items in transit	1,379,396	1,706,505	
Supplies & mdse.	8,921,180	6,135,896	
Cop., &c., on hand	4,291,296	3,469,700	
Treasury bonds	20,475	20,475	
Notes & accounts collectible	1,706,379	337,501	
Cash in banks, &c.	2,527,606	4,822,696	
Other cash	2,714	2,211	
Deferred accounts	191,731		
<b>Total</b> .....	<b>50,794,533</b>	<b>42,047,084</b>	
Cap. stock (\$10. M. Co.) par \$10.	12,953,530	12,953,530	
Bonds do	17,804,000	13,973,000	
Accounts payable	963,317	2,058,614	
Debits payable	4,100,407	2,696,701	
Accrued freight, &c., on copper	188,850		
Accrued bond int.	446,825	349,225	
Deferred credits	125,433	178,202	
Reserve fund	449,956		
Welfare reserve	58,153	38,768	
Reserve for income tax	500,453	101,378	
Depletion reserve	7,987,004	5,720,267	
Earned surplus	25,036,540	3,886,739	
<b>Total</b> .....	<b>50,794,533</b>	<b>42,047,084</b>	

x After deducting in 1918 depreciation reserve, \$4,472,393. x After deducting \$1,541,538 unamortized discount on bonds.  
 The company is controlled by Kennecott Copper Corporation—which see above.—V. 108, p. 582.

**International Harvester Co.**

(Report for Fiscal Year ending Dec. 31 1918.)

The report for the year ended Dec. 31 1918 embraces operations of International Harvester Co. of N. J. and International Harvester Corp. for period Jan. 1 1918 to Sept. 19 1918, on which date these two companies were merged into International Harvester Co. (compare V. 107, p. 608; 699, 1104, 1195, 1290, 1575, 1672). The report will be published more fully in a subsequent issue of the "Chronicle."

**CONSOL. INCOME ACCOUNT OF THE MERGED COS. FOR CAL. YEAR.**

	1918.	1917.
Operating income after taxes	\$31,648,856	\$30,417,211
Interest	882,454	973,821
Ore and timber extinguishment	447,632	581,486
Reserve for depreciation	2,385,942	2,172,146
Special maintenance reserve	219,637	530,996
Reserve for losses on receivables	999,866	1,183,066
Pension funds	1,000,000	750,000
Appropriation, employees' savings plan	250,000	250,000
Other reserves		900,000
War losses	10,478,000	9,086,103
<b>Surplus</b> .....	<b>\$14,985,325</b>	<b>\$14,009,593</b>
Preferred dividends	5,600,000	
Common dividends (3%)	2,400,000	
<b>Surplus</b> .....	<b>\$8,985,325</b>	<b>\$14,009,593</b>
Profit and loss, surplus	\$68,036,662	

\* Subject to foreign war losses, not yet determined, and not covered by reserves.—V. 108, p. 385.

**Wm. Cramp & Sons Ship & Engine Bldg. Co., Phila.**

(Report for Eight Months ended Dec. 31 1918.)

J. H. Mull, Pres. & Gen. Mgr., April 24, wrote in subst.:  
 Change in Year.—The closing date of the fiscal year having been changed from April 30 to Dec. 31, the directors submit herewith a statement of the operations for the eight months ended Dec. 31 1918.

Federal Taxes.—The passage of the present Income and Excess Profits Tax Law established a substantially higher rate of taxation than in 1917, and it therefore became necessary to write off from the surplus account as of April 30 1918 the sum of \$558,140, which is the difference between the Federal income tax applicable to the first four months of 1918 and the sum which has been reserved for that purpose.

Vessel War Record.—From the entrance of the United States into the war, April 6 1917, to the signing of the armistice, Nov. 11 1918, your company contributed to the Government's war program in the following manner:

	Keels Laid,	Launched,	Delivered.
United States torpedo boat destroyers	27	20	8
Transports, passenger and cargo vessels, and oil tankers	3	8	9
<b>Totals</b> .....	<b>30</b>	<b>28</b>	<b>17</b>

The number of vessels launched and delivered in the above list include a number the construction of which had been previously begun.

All vessels under contract prior to April 6 1917 have been delivered with but one exception—delayed by reason of conversion into a transport.

Vessels built by us have played a prominent part in transporting and conveying troops and supplies. The Great Northern holds the record for the shortest round trip passage to France. The pre-war built destroyers Conyngham and Porter were mentioned in the report of the Secretary of the Navy as holding the record for mileage, the Porter having steamed 64,473 miles, and the Conyngham 63,953 miles during the first year of service in the war zone.

Other Output.—Your company also furnished large quantities of iron and brass castings and miscellaneous machinery for Navy Department and Emergency Fleet Corporation vessels building at other yards, and hydraulic machinery, notably two turbines of 37,500 h. p. each for the Niagara Falls Power Co., the most powerful hydraulic turbines so far built, which were ordered to relieve the power shortage in the Niagara Falls district which seriously affected the production of munitions.

Navy Department Orders.—We have received contracts since the United States entered the war, as follows:

Total number of U. S. torpedo boat destroyers, including both U. S. scout cruisers	46
vessels completed and those to be completed	5
Oil tankers for U. S. Navy Department	4

Your company still has on schedule two cargo vessels which were originally ordered for company account but which have been commandeered by the U. S. Shipping Board Emergency Fleet Corporation.

Improvements.—The following additional improvements have been undertaken: A new bay to the machine shops; the replacement of two slips by two new concrete slips, and the installation of four 15-ton bridge cranes and runways, replacing one of the old cantilever cranes; extension to pier 77; and the construction of new and improved blacksmith shop and coppermith shop to replace buildings destroyed by fire on July 24.

Employees.—The shipyard force has been further increased since the date of the last report and now numbers over 10,200 men. Our force has at times reached 10,500 men.

**EARNINGS FOR PERIODS INDICATED, ETC.**

	—8 Mos. end. Dec. 31—		—Years end. Apr. 30—	
	1918.	1917.	1918.	1917.
x Net earnings, all depts.	\$1,539,096	\$1,507,402	\$2,981,846	\$1,759,487
Depreciation	\$281,726	\$196,551	\$294,826	\$213,063
Int. on 20-yr. 5% serial notes & consol. M. 5s	70,842	76,550	113,033	115,850
Int. on 1st M. gold 5s	33,727	34,583	51,667	52,916
Ground rents & int. on real estate mortgages & 5% renewable notes	67,475	81,525	123,907	88,730
Dividends, 6% p. a. (see below)	243,920	243,920	365,880	
<b>Net surplus</b> .....	<b>\$941,406</b>	<b>\$974,273</b>	<b>\$2,032,533</b>	<b>\$1,288,927</b>

x This item as shown includes miscellaneous income and is given "after deduction of insurance and taxes, but before deduction of bond interest, miscellaneous interest or depreciation."

In May 1917 resumed dividends, 3% being paid semi-annually (6% p. a.) from Aug. 1 1917 to Feb. 1 1919, both inclusive, calling for \$365,880 p. a. or \$243,920 for the eight months, as here inserted by Editor.

**Other Payments—** 8 Mos. end. —Years end. April 30—

	Dec. 31 '18.	1918.	1917.
(a) In reduction of Capital Debt	\$181,000	\$172,000	\$159,000
20-Year 5% serial notes redeemed	25,000	25,000	25,000
In reduction mortgages	20,000	30,000	
5% renewable notes	500,000		
<b>Total</b> .....	<b>\$726,000</b>	<b>\$227,000</b>	<b>\$184,000</b>

(b) Expended for Additions and Improvements—

In the purchase of real estate, new tools, machinery, &c..... \$537,691 \$575,985 \$1,143,032

**COMPARATIVE BALANCE SHEET FOR PERIODS INDICATED.**

Assets—	Dec. 31—1918—Apr. 30		Dec. 31—1918—Apr. 30	
	\$	\$	\$	\$
Real estate, machinery, &c.	15,788,735	15,532,770	6,098,000	6,098,000
Bills and accounts receivable	1,893,755	2,181,360	4,473,444	5,199,444
Materials and supplies	2,726,280	1,802,840	Liberty Loan bds. payable	1,600,000
Cash	2,511,065	2,920,669	Misc. accounts	1,873,490
Miscellaneous	3,392,659	634,701	Wages due Jan.	186,103
			Accrued interest	2,749,925
			Profit and loss	9,331,5238
<b>Total</b> .....	<b>26,312,494</b>	<b>23,072,140</b>	<b>Total</b> .....	<b>26,312,494</b>

\* Includes as of Dec. 31 1918 \$558,000 20-year 5% serial notes; \$1,330,000 Consol. Mtge. bonds (exchanged for 20-year 5% serial notes); \$1,000,000 1st M. 5s; \$1,000,000 5% renewable notes, and \$535,444 real estate mortgages and ground rents.—V. 108, p. 1824.

**Burns Bros. of N. J. and Burns Bros. of N. Y.**

(Report for Fiscal Year ending March 31 1919.)

**CONSOLIDATED INCOME ACCOUNT (INCL. N. Y. AND N. J. COS.)**

	1918-19.	1917-18.	1916-17.	1915-16.
March 31 Years—	1918-19.	1917-18.	1916-17.	1915-16.
Tonnage sold	See "x"	Not stated	3,099,632	Not stated
Net sales	\$21,286,870	\$20,984,483	\$15,235,910	\$12,339,262
Cost of sales (incl. oper. exp. and deprecia'n.)	19,006,789	18,373,810	14,314,536	
Gn. exp., incl. allow for doubtful acc'ts & tax.	1,386,013	*1,431,545		Not stated
<b>Net profits</b> .....	<b>\$894,068</b>	<b>\$1,179,128</b>	<b>\$921,374</b>	
Other income	242,374	270,795	368,410	
<b>Total income</b> .....	<b>\$1,136,442</b>	<b>\$1,449,833</b>	<b>\$1,289,784</b>	<b>\$678,810</b>
Add—				
Bal., beginning of year	1,951,335	1,470,734	713,536	(?)
*Appreciation of prop.	768,935			
<b>Total</b> .....	<b>\$3,856,712</b>	<b>\$2,920,567</b>	<b>\$2,003,320</b>	<b>(?)</b>
<b>Deduct Dividends—</b>				
Prof. (cash) 7%	\$106,435	\$114,319	\$118,993	\$127,156
Common (cash) (10%)	719,407	(6%) 418,391	(5%) 275,000	(5%) 275,000
do (stock)	5(%) 382,100	(4%) 271,300		
do (Liberty b'ds)	(5%) 344,357			
Retire. prof. stk. & divs.	85,000	93,000	63,188	(?)
Chgs. not applic. to year	45,593	72,221	75,404	(?)
<b>Bal., sur., end of year</b>	<b>\$2,193,819</b>	<b>\$1,951,334</b>	<b>\$1,470,735</b>	<b>\$713,536</b>

\* Includes war excess profits and income taxes, \$406,043; corresponding figure in 1918-19, not stated.

x Tonnage for 10 months ending Jan. 31 1918 was 2,474,365.  
 y Application of property owned March 15 1917 based upon valuation of American Appraisal Co. at Oct. 1 1918, \$768,935."

**CONSOL. BALANCE SHEET MAR. 31 (Incl. N. Y. and N. J. Cos.)**

Assets—		Liabilities—		
1919.	1918.	1919.	1918.	
Real est., bldgs., equipment, &c.	\$3,992,631	3,284,763	1,489,200	
Leases, contracts and good-will	4,887,470	4,887,470	Common stock	7,508,200
Miscellaneous	107,612	50,962	Purch. mon. obllg.	432,600
Liberty bonds	\$250,508	\$8,331	Acc'ts payable	893,275
Cash	1,110,338	1,189,992	Accrued accounts	53,568
Notes & acc'ts rec.	3,435,327	3,578,809	Reserves	49,303
Inventory (at cost)	349,790	791,445	Profits and Fed. income taxes	404,000
Deferred assets	188,144	179,909	Surp. for retire. of pref. stk. & divs.	739,450
			Profit and loss	1,951,334
<b>Total</b> .....	<b>13,762,820</b>	<b>14,022,081</b>	<b>Total</b> .....	<b>13,762,820</b>

a After deducting in 1919 \$319,371 allowance for depreciation.  
 b After deducting \$190,000 notes payable.  
 Accumulated undeclared dividends on the pref. stock amounted to \$17,374 on Mar. 31 1919.—V. 108, p. 1823.

**General Asphalt Company.**

(16th Annual Report—Year ending Dec. 31 1918.)

President Arthur W. Sewall, Camden, N. J., on May 1 wrote in substance:

Results.—The gross profits were \$2,323,483. The charges (including income tax \$67,078, and special reserve \$100,000 for contingent war taxes) were \$962,467, leaving net earnings of \$1,361,016. Deducting the cost of maintaining payments under guaranty (in excess of reserve), \$116,319, and \$81,490 for debenture redemptions of New Trinidad Co., the net gain to surplus was \$1,163,207, comparing with \$830,659 for 1917.

The amount of business during 1918 was \$13,287,492; in 1917 \$12,559,313. Dividends at the rate of 5% per annum on the preferred stock were paid quarterly from Mar. 1 1918 to Mar. 1 1919 inclusive.

Stock.—On Dec. 31 there was \$13,054,100 5% cumulative pref. stock (requiring \$652,705 for dividends), and \$9,862,000 common stock, in the hands of the public. On Dec. 31 1917 the public held \$13,140,000 pref. stock. Since then the conversion of pref. shares into common, on basis of \$150 common for \$100 pref., has been in progress, and to April 20 1919 some \$1,056,300 common had been exchanged for \$904,200 pref. V. 108, p. 882, 1168.—Ed.

Additions, &c.—Capital expenditures were \$252,242, against which there was credited for sundry sales \$290,926, and written off out of earnings for depreciation of plant \$174,505, making a total credit of \$465,431, thus leaving a net decrease in property account, as the result of the year's operations, of \$213,188.

The charge against earnings as a reserve for depreciation of accounts was \$120,000, which compares with \$110,000 in 1917, leaving this reserve Dec. 31 \$207,602 compared with \$207,336 in 1917.

Number of Stockholders.—Prof. stock Apr. 1 1919, 1,463; common, 559.

Street and Road Department.—As in 1917, this branch of the business was seriously interfered with by the war, but notwithstanding many restrictions, awards were secured on sufficient work in which the company's materials were specified (the construction of which was not commenced) to make, Jan. 1 1919, when added to the undelivered tonnage of the year 1917, the largest unfulfilled tonnage on order at the commencement of any operating year.

The extensive use of the motor truck has done its part to cause many States and the Federal Government to appropriate extraordinary amounts for highway improvement. Officials of the Bureau of Public Roads, U. S. Dept. of Agriculture, state that the money appropriated by the Federal Government and the several States for expenditure within the next three years totals \$574,000,000, a record sum, and estimate that expenditures in 1919 for roads and bridges will total approximately \$343,800,000.

In addition to the usual competition with Portland cement, brick, creosoted wood block, several types of patented pavements and tar, there will be more than ordinary from producers of artificial asphalt, due to the increased number of oil refineries in operation. This will produce lower prices all round. The company has encountered this competition in the past and



is not disturbed. The superiority of Lako asphalts, your officers believe, is an enduring fact in the paving industry.

Miscellaneous Sales.—Despite restrictive building measures, imposed by war, domestic sales of miscellaneous asphaltic products show an increase, due in a large measure to advanced selling prices following increases in costs, and in part to sales to the military and naval branches of the Govt.

1913. 1914. 1915. 1916. 17 (11 mos.) 1918.
\$1,471,247 \$1,091,580 \$1,554,523 \$2,236,593 \$2,888,322 \$4,037,113

Particular efforts were directed toward developing asphaltic compounds useful in prosecution of the war, notably: (a) asphaltic saturation for canvas tarpaulins, making them both waterproof and mildew-proof; (b) asphaltic adhesives for use in the manufacture of fiber containers, replacing steel containers in which to ship propelling charges for various-sized ordnance; (c) papers water-proofed with asphalt for lining ammunition cases, for baling clothing, blankets, &c.; (d) substitution of asphalt for shellac in making waterproof the joint between the shell and cartridge in small arms ammunition.

Our "Built-Up" roofing materials, which employ a proportionately large quantity of asphalt, are increasing in popularity. The sale of "Mineral Rubber," a special asphaltic compound, reflects the growing favor with which it is regarded in the rubber industry. The consumption of black asphalt paints is broadening.

Foreign Sales Department.—Notwithstanding extreme scarcity of transportation facilities and almost prohibitive freight rates, this department has exceeded last year's results in actual business done. The year's sales amounted to \$647,083, with actual shipments of \$579,447.

Manufacturing.—The output of the plant at Maurer, N. J., consisted principally of refined asphalt, asphaltic compounds, roofings, roofing asphalts, mineral rubber, caulking pitch, marine enamel and asphalt paints. These products were shipped generally to cantonments, shipyards and manufacturers engaged in producing war materials, and to foreign nations, principally our allies.

The plant at Madison, Ill., operated on roofings, roofing felts, roofing asphalts, mineral rubber, asphaltic compounds and paints, in volume equal to that of the previous year, the products going mainly to farming communities or manufacturing plants engaged in the manufacture of war materials. An army contract for the manufacture of case linings necessitated the erection of a building 100 by 160 feet with a full complement of machinery, heating equipment, &c. This was the only important improvement made here during the year.

As there was no demand for road-building machinery, the entire capacity of the Iroquois Works, at Buffalo, N. Y., was devoted to the manufacture of water-tube boilers for the Emergency Fleet Corporation. In addition to the two contracts taken in 1917, which were of sufficient volume to occupy the plant through 1918, contracts for 84 boilers were received, necessitating a shop extension of 19,000 square feet. This addition was equipped with 20-ton traveling crane, motor-driven air compressor and new machine tools. The boiler contracts will take the capacity of the plant up to Sept.

Wages, &c.—Labor conditions in all plants were more acute than during the preceding year. Wages increased 30%, with lower efficiency. A strike at Madison closed the plant for about ten days.

Trinidad Operations.—Through the restrictions of the War Trade Board, the importation of Trinidad Asphalt was limited to 32,000 tons from April 1 to Dec. 31 1918. The imports, in consequence, amounted to but 55% of the tonnage brought in during the 11-months' period of 1917. Shipments of asphalt to Europe were again resumed in Dec. last, 3,360 tons going forward in that month.

The operations for oil were also, for war reasons, quite completely confined to the production from old wells. But one new well was drilled during the year, being No. 1 in Lot 4, on Crown lands under lease, this well chocking with sand after a destructive blow-out. It had produced 9,600 barrels in a few hours.

Production for the year amounted to 229,296 barrels, as compared with 219,991 barrels in the previous (11 months) year. There were in stock in Trinidad and Maurer as of Dec. 31, 230,759 barrels. One cargo of 38,535 barrels was taken by the British Admiralty early in September.

Guano Operations.—On shipments of Bermudez Lake asphalt from the Venezuelan deposit at Guanoco, a limitation of 30,000 tons was placed by the War Trade Board. Moreover, restrictions placed upon exports to Venezuela had created a trade balance favorable to that country, and as the United States refused to permit shipments of gold to Venezuela to liquidate the debit balances and stabilize exchange, the American dollar was worth in Venezuela from 80 to 85 cents during most of the year.

Caribbean Petroleum Co.—The three 1,000-ton barges that were built for the company at Gulfport, Miss., referred to in the last report, were completed but detention awaiting for Government permits. Powerful tow-boats are needed, and will soon be procured. The influenza also swept through Venezuela late in the year.

During the past four years intensive study has led to the relinquishing of 649 acres of land concessions and the retention of 379 (as of Dec. 31) of which 329 are in the Maracaibo district. These cover 473,750 acres. Test-well drilling continues in the territory assumed to be oil-bearing. An additional well for production was put down in the proven Mene Grande field, and is now, at a satisfactory rate, flowing oil of lighter gravity than the previous average in this field.

Early in the year a distributing station at Maracaibo, La Guayra and Puerto Cabello were in commission. Many of the large industries in Western Venezuela, railroads, sugar refineries, electric-lighting plants, lake and coastwise steamers, are being supplied from our fuel oil stations. The sales department has actively developed the marketing of gasoline and kerosene products of the San Lorenzo refinery.

Active interest in this Venezuelan oil undertaking expresses the attitude of the company's associate, the Royal Dutch-Shell Group. The several elements necessary to successful development, namely, extensive holdings of productive lands, storage, refining capacity, ships and market, are all present, and the business relationships altogether cordial. The existing hindrances to full and free expansion of operations occasioned by the war are not likely long to continue.

COMBINED RESULTS, INCLUDING SUBSIDIARY COMPANIES.

Table with columns: Cal. Year 1918, 11 Months to Dec. 31 '17, Jan. 31, Yr. 1917. Rows include Sales of crude asphalt, asphaltic products, income from operations, total income, expenses, total net income, and balance/surplus.

COMBINED BALANCE SHEET GENERAL ASPHALT CO. AND SUBSIDIARY COMPANIES.

Assets and Liabilities table for Dec. 31 '18, Dec. 31 '17, Jan. 31 '17. Assets include Properties owned, Stock, Bonds, etc. Liabilities include Preferred stock, Common stock, Debentures, etc.

Chino Copper Company.

(9th Annual Report—Year Ended Dec. 31 1918.)

Pres. Charles M. MacNeil, N. Y., April 9, wrote in subst.: Production.—The gross copper production in concentrates and direct shipments was 79,340,372 lbs. (against 83,339,782 lbs. in 1917). Smelter deductions reduced the net production to 75,655,641 lbs. We also produced gold and silver valued at \$39,732. The net cost of producing copper was 17.178 cents per pound, as compared with 11.39 cents in 1917.

Fiscal Results.—The net income was \$4,010,272: miscellaneous income, rentals, &c., \$43,052; total from all sources, \$4,053,324. There was directly charged to income the amount contributed to the Red Cross and the United War Work funds in Liberty Loan bonds owned \$145,192, being the cost price of \$150,000 of these bonds. The total net income, therefore, amounted to \$3,908,232, or at the rate of \$4.49 per share, as compared with \$10.93 in 1917.

Dividends.—Disbursements were made to stockholders during the year as follows: 1st quarter, \$1.50 per share; 2d quarter, \$1.00; 3d quarter, \$1.00; (being 75 cents dividend and 25 cents capital distribution); 4th quarter, capital distribution, \$1.00 per share; or a total of \$4.50 per [\$5] share, or \$3,914,910, of which \$2,827,435 (\$3.25—65%) were dividends and \$1,087,475 [\$1.25—25%] were capital distributions. The total disbursements to stockholders up to and including Dec. 31 1918 amounted to \$26,403,042.

Statement by Managing Director D. C. Jacklin, N. Y., Apr. 8 1919. Operations.—While the quantity of ore mined and treated exceeded that for 1917 by some 230,000 tons, production of copper decreased approximately 4,000,000 pounds, equivalent to about 5%, notwithstanding the fact that the grade of ore for the two years was substantially the same. It is obvious that the cause of this shrinkage in production was a decrease in mill recoveries.

This was due to many factors, the most important of which was the necessity of mining considerable periods during the year from areas where the ores contain large percentages of carbonates and other oxidized copper minerals not recoverable in high percentage by the concentrating methods regularly employed, although other factors entered into this result in considerable degree, notably the shortage of efficient workmen and, for a limited period, the failure of water supply due to an accident.

Production costs increased rapidly and stood practically at their maximum Dec. 31. Since that time there has been some decrease, but costs are still nearly 100% above the average prior to the beginning of the war, and will undoubtedly continue high for some time in the future. In April 1919 operations are being conducted on a basis of about 50% of normal average production, this being the maximum rate of output for which there seems to be much prospect of early demand.

The property and plants as they now stand have a normal capacity of about 12,000 tons daily.

Ore Reserves.—The remaining reserves are in excess of those reported at any time in the past, notwithstanding the fact that nearly 18,000,000 tons of ore have been removed. In other words, current developments have resulted year by year in adding to developed ore reserves more tonnage than has been at the same time extracted.

Data from Gen. Mgr. John M. Sully, Hurler, N. M., March 7.

Properties.—Late in the year we purchased 46 patented mining claims of an area of 643 acres, 478 acres of which are in one body adjoining our main group. In the past some commercial ores have been extracted from various portions of this new property and a part of it offers good possibilities for ore bodies.

The company now has 206 mining claims, covering 3,493 acres, of which 177 claims, on 3,055 acres, are patented, while 29 claims are unpatented and comprise an area of 438 acres. Of the mining claims owned, 3,328 acres lie in one contiguous body. We also own 120 acres of agricultural land, making a total of 3,448 acres of ground owned and controlled at or near Santa Rita, lying in one body, the total area owned and controlled in the Central Mining District being 3,613 acres.

The area owned and controlled in connection with our mill at Hurler, and the various water rights and tailings disposal system, aggregate 18,530 acres, viz., 17,250 acres patented, 80 acres in process of patent, and 1,200 acres covered by applications for purchase from the State of New Mexico.

Ore Reserves.—During the first two months three drills and for the balance of the year two drills were engaged in the development of the south and southwest ore bodies, extensions of which were demonstrated. The total drilled in 1918 was 15,920 ft., making a total of 264,748 ft. drilled to date.

A recalculation of the ore reserves as of Dec. 31 1918 was completed, showing (a) 95,580,737 tons, averaging 1.63% copper, unmined; (b) ore stock pile, 882,824 tons of 1.86% copper; (c) special experimental pile, 88,465 tons averaging 1.37% copper; total, 96,552,026 tons, averaging 1.63% copper. Since the beginning of operations we have milled or shipped direct to the smelter 17,976,149 tons. The total ore developed by churn drilling to date is 114,528,176 tons of an average grade of 1.65% copper.

Wages.—During the year there were two increases in wages granted to employees at mine and mill, resulting in an increase of labor costs at the mine of 26.16%, while the additional cost of supplies resulted in an increase of 42.07%. The total average increase in costs for the year was 36.69%. The costs of 1918 were increased 97.13% over those of 1915, taxes, administrative and other general charges being included as usual.

Mill Improvements.—The program approved two years ago for additions and alterations in the original five sections and an addition of two sections to the mill was continued, although hampered by shortage of labor and materials. All of the alterations were completed in Sections Nos. 1 and 5 early in the year. Section No. 6 was put in full operation in February and part of Section No. 7 in July 1918. Section No. 7, while partially finished, was still uncompleted as of Dec. 31, and it was therefore impossible to begin the treating of oxidized ore, as had been planned.

Costs.—The average cost of net copper produced for the year, after making deductions for smelter allowances and crediting precious metal values and miscellaneous income, was 17.178 cents per pound, as compared with 11.39 cents per pound for 1917. The credit for precious metals amounted to 0.053 cents per pound, and that of miscellaneous income to 0.057 cents per pound, a total of 0.11 cents per pound. The per pound cost stated includes depreciation and reserves for taxes set up during the year.

On June 25 there was a general increase in freight rates put into effect; the increase applying to bullion rates amounted to an advance of 86 2-3%.

INCOME ACCOUNT FOR CALENDAR YEARS. Table with 4 columns (1918, 1917, 1916, 1915) and rows for Copper produced, Revenue from copper, Total revenues, Operating Expenses, Total expenses, Net profits, Total income, and Balance, surplus.

\* Includes in 1918 \$2,827,435 against \$7,525,327 dividends and \$1,087,475 capital distribution.

BALANCE SHEET DEC. 31.

BALANCE SHEET DEC. 31. Table with 4 columns (1918, 1917, 1918, 1917) and rows for Assets (Property, Investments, Deferred charges) and Liabilities (Capital stock, Acc'ts payable, Acc'r'd taxes).

x After deducting reserve for depreciation \$1,774,699, against \$1,399,632 in 1917.—V. 108, p. 1823.

Pittsburgh Rolls Corporation.

(Report for Fiscal Year ended Dec. 31 1918.)

A manifold statement affords the following data:

STATEMENT OF INCOME FOR TWELVE MONTHS ENDING DEC. 31 1918. Table with 2 columns (1918, 1917) and rows for Gross sales, Cost of sales, Gross profit, Other income, Deductions, Net income for period.

BALANCE SHEET DEC. 31.

BALANCE SHEET DEC. 31. Table with 4 columns (1918, 1917, 1918, 1917) and rows for Assets (Plant, Invest. in securities) and Liabilities (Preferred stock, Common stock).

-V. 107, p. 2331.

International Salt Co., Scranton, Pa.

(Report for the Fiscal Year ended Feb. 28 1919.)

President Mortimer B. Fuller, Scranton, Pa. on May 19 wrote in substance:

Results.—The combined gross earnings, after deducting all expenses incident to operation, maintenance, sales and administration, depreciation and depletion charges, insurance and taxes (including reserve of \$253,470 for estimated Federal income and profits taxes), amounted to \$1,140,927. After payment of interest on bonds of the International Salt Co., Retsof Mining Co. and Detroit Rock Salt Co., the total net profits were \$747,138. Regular quarterly dividends were continued during the year at the rate of 6% per annum.

INTERNATIONAL SALT CO. INCOME ACCOUNT FEB. 28 YEARS. Table with 4 columns (1918-19, 1917-18, 1916-17) and rows for Dividends from subsidiary companies, Interest on treasury bonds, Total, Expenses International Salt Co., Interest on 5% bonds, Dividends, Balance, surplus.

CONSOL. RESULTS OF SUB. COS. FOR YEAR ENDING FEB. 28 1918. Table with 2 columns (1918, 1917) and rows for Gross earnings of subsidiary companies, Bond interest—Retsof Mining Co., Total, Balance, surplus, available for dividends, Previous surplus carried forward, Reduction in capital stock—Retsof Mining Co., Total, Dividends to International Salt Co., Prof. dividends of Detroit Rock Salt Co., Total surplus Feb. 28 1918.

INTERNATIONAL SALT CO. BALANCE SHEET FEB. 28.

INTERNATIONAL SALT CO. BALANCE SHEET FEB. 28. Table with 4 columns (1919, 1918, 1919, 1918) and rows for Assets (Investment acct., 25,010 shs. Retsof stock, 7,500 shs. Int. S. Co. of N. Y. stk., \$1,702,000 Retsof bonds, \$163,900 Int. Salt Co. bonds, Furn. & fixtures, Bond disc't (to be amortized), Liberty bonds, Cash, Accts. receivable, Interest accrued) and Liabilities (Capital stock, First and Consolidated Mortgage collateral trust gold bonds, Bills payable, Accounts payable, Bond int. accrued, Dividends payable, April 1, Reserved for war taxes, Surplus).

COMBINED BALANCE SHEET OF SUB. COS. FEB. 28.

COMBINED BALANCE SHEET OF SUB. COS. FEB. 28. Table with 4 columns (1919, 1918, 1919, 1918) and rows for Assets (Plant & property, Cash, Liberty bonds, Accts. receivable, Inventories at cost, Deferred assets) and Liabilities (Capital stock, Bonds, Current accounts, Bills payable, Bond int. accrued, Res'd for war taxes, Avery Co. rental acer. (not due to be amort. during lease), Surplus).

Total each side: 13,235,896 13,726,702 -V. 106, p. 2225.

New York Dock Company.

(18th Annual Report—Year Ended Dec. 31 1918.)

President William E. Halm, N. Y., April 22, wrote in sub.: Results.—The income account when compared with 1917 shows increases as follows: Gross revenue, \$586,427; net revenue, \$211,374; net deductions, \$82,648; net income, N. Y. Dock Co., \$148,727; net loss, N. Y. Dock Ry., \$80,425; combined net income (available for dividends), \$68,302. Dividends of 2 1/2% each on the pref. stock were paid on July 15 1918 and Jan. 15 1919 (calling for \$500,000). A dividend of 2 1/2% (\$175,000) on the common stock was paid Feb. 15 1919. [After deducting these dividends there was carried to surplus \$409,988 against \$516,687 in 1917, when the preferred dividends only were paid.]

Although the year 1918 was one of constant advances in every item of expense, the aggregate gross earnings were sufficient to produce a small increase in the net income as compared with the previous year. Railway.—The U. S. RR. Administration, recognizing the need for greater terminal allowances, has recently granted the railway certain increases. These additions to the gross revenue were, however, more than offset by the heavier operating expenses, and the results show a large deficit therein. The unusual wage increases made by the railroads under Federal control so directly affect the railway that there is but little hope of better results for the current year.

Depreciation, &c.—The policy of making substantial and permanent improvements to your property, as extended repairs became necessary, was continued throughout the year in all departments, resulting in a marked improvement in operating conditions. The depreciation fund increased \$226,066. The total amount of the fund, \$608,909, is almost entirely invested in Liberty bonds and the bonds of the company. The city has further delayed the relinquishment of the Montague St. slip and the construction of the new pier over the subway cannot be commenced before the middle of the current year.

INCOME ACCOUNT FOR CAL. YEARS—DOCK CO. AND DOCK RY.

INCOME ACCOUNT FOR CAL. YEARS—DOCK CO. AND DOCK RY. Table with 4 columns (1918, 1917, 1916, 1915) and rows for Revenue (Warehouses, Piers, Mfg. & rented buildings, Other revenue), Total revenues, Maintenance expenses, Retirements, Depreciation, Operating expenses, General expenses, Total expenses, Net earnings, Taxes, Operating income, Other income, Gross income, Bond interest, Other deductions, Net inc. N. Y. Dock Co., Net inc. N. Y. Dock Ry., Combined net income, Preferred dividends (5%), Common dividends (2 1/2%), Balance, surplus.

INCOME ACCOUNT FOR CAL. YEARS—NEW YORK DOCK RAILWAY.

Table with 4 columns: 1918, 1917, 1916, 1915. Rows include Revenue, Expenses, Net revenue, Net deductions, Net income.

COMBINED BALANCE SHEET DEC. 31—DOCK CO. AND DOCK RY.

Table with 4 columns: 1918, 1917, 1918, 1917. Rows include Assets (Real est., Depreciation fund, Cash, etc.) and Liabilities (Preferred stock, Common stock, etc.).

a Includes as of Dec. 31 1918 real estate, wharves, warehouses, &c., \$28,975,933; terminal railway, \$739,575; floating equipment, \$321,924; machinery and tools, \$149,693; additions and betterments, \$1,200,494; total, \$31,887,579; less reserve for depreciation, \$716,307; balance, \$30,867,271; and adding cash on deposit with trustee under terms of mortgage, \$481,933; interest accrued, \$7,283; total as above, \$31,160,537.

1917 production, a reduction in number of styles to six for each manufacturer and other drastic changes.

By this time the Victor Co. was busily engaged in the production of aircraft parts and assemblies, rifle stocks, rifle parts, shell parts and assemblies, detonator cases and other war materials of the most vital character. Contracts far beyond the plant's capacity were offered, and the Board felt that the arrangements made were ample to insure the operation of the plant without loss of assets or organization for an indefinite period.

We have secured cancellations of our Government contracts and the output of our regular products is increasing steadily. Prices cannot be advanced in proportion to the increased cost of labor and materials, which will doubtless remain inflated for a long time. The new burdens of taxation must be offset by efficiency in manufacturing and our fundamental business policy must be to market a large volume of goods of the highest quality at a small margin of profit.

BALANCE SHEET DECEMBER 31.

Table with 4 columns: 1918, 1917, 1918, 1917. Rows include Assets (Plant & machinery, Patents, etc.) and Liabilities (Preferred stock, Common stock, etc.).

Total ..... \$4,293,673 \$3,230,378 Total ..... \$4,293,673 \$3,230,378

American Druggists Syndicate, New York. (Report for Fiscal Year ending Dec. 31 1918.)

Pres. C. H. Goddard, writing about Feb. 15, said in subst.: Results.—While the net balance is greater than in 1917, it is at least \$150,000 less than it would have been but for the fact that this year was deemed a good time to charge off every permissible item. Another important factor in holding down our net earnings this past year which we don't expect to encounter again, was that for the greater part of the year 1918 we were forced to enter into competition with the Government in securing our help. We were sandwiched in between the gas defense plant on one side and the aircraft company on the other, which jumped our minimum wage scale from \$7 a week to \$12 a week and the more experienced help proportionately. Since these two war industries closed down, in December last, the minimum wage scale with us and in this neighborhood has dropped back to \$9 a week.

GENERAL INVESTMENT NEWS

RAILROADS, INCLUDING ELECTRIC ROADS.

Government Control of Railroads.—Cerifs. of Indebted. The Railroad Administration up to May 1 had issued its certificates of indebtedness to railroads on account of compensation to meet the April and May requirements, to the amount of about \$76,000,000. It had issued certificates of indebtedness to the equipment companies for cars and locomotives to the amount of about \$17,000,000. The exact total of certificates issued for these two purposes was \$94,267,733.—V. 108, p. 1822, 1720.

Alabama Central RR.—Co-Operative Contract Signed.—See Pittsburg & Susquehanna RR. below.—V. 106, p. 1899.

Ann Arbor RR.—Asks Permission to Issue Notes.—The Ohio Utilities Commission on May 15 will hear this company's application requesting authority to issue \$750,000 two-year 6% collateral gold notes to be dated May 1 1919. Proceeds of this note issue will be used to reimburse its treasury for capital issued for improvements.—V. 108, p. 1721.

Artesian Belt RR.—To Be Sold.—This company's road, extending from Macedona to Christine, Tex., a distance of about 42½ miles, will be sold at auction on June 3. W. W. King, San Antonio, was appointed receiver on April 28 1917.—V. 104, p. 1898.

Baltimore & Ohio RR.—Federal Treasurer.—E. M. Devreux, Acting Federal Treasurer of the Baltimore & Ohio RR., has been appointed Federal Treasurer of the Eastern lines of that road, the Coal & Coke, the Morgantown & Kingwood, the Cumberland Valley, the Cumberland & Pennsylvania and the Western Maryland railroads, with headquarters at Baltimore, Md.—V. 108, p. 1390, 1273.

Barcelona Traction Light & Power Co., Ltd.—Notice to Bondholders.—

Notice is given that in accordance with the terms of Supplemental Trust Deed dated Dec. 31 1918, as approved by the Resolutions passed at the meeting of the First Mtg. 50-yr. bondholders of the company on Dec. 19 1918, the bondholders are requested to produce their bonds at the offices of the company, 603 Dominion Bank Building, Toronto, or 3 London Wall Buildings, London, Eng., for the purpose of having endorsed thereon a memorandum modifying the rights of the bondholders and of the Supplemental Trust Deed executed in pursuance of such resolutions.—V. 108, p. 266.

Bartlett & Western Ry.—Co-Operative Contract Signed.—See Pittsburg & Susquehanna RR. below.—V. 94, p. 1382.

Boston Elevated Ry.—Purchase of Cambridge Subway.—Corporation Counsel Alexander Whiteside, at a hearing on May 6 before the Senate Committee on Ways and Means, placed the city of Boston on record as favoring the bill for the purchase by the State of the Cambridge subway at a cost not to exceed \$8,000,000. Mr. Whiteside offered an amendment providing that of this amount the Boston Elevated should set aside for depreciation, \$500,000 each year for nine years.—V. 108, p. 1604, 1510.

Boston & Maine RR.—Stockholders Seek to Nullify Order of Public Service Commission.—

Judge Loring of the Massachusetts Supreme Court at Boston on May 3 issued an order of notice, returnable June 2, on a bill in equity filed by Edward W. Brown of Ipswich and other stockholders and members of the B. & M. minority stockholders, against this company, the P. S. Commission and others. The petition asked that the Court modify or amend a decree of the P. S. Commission of Mar. 25 last authorizing the company to issue \$15,300,000 5% bonds to extinguish \$13,300,000 of B. & M. RR. floating debt. The plaintiffs allege that the \$13,300,000 indebtedness was not lawfully contracted and that the money was used to acquire stock of other railroad corporations. The constitutionality of the Act of 1915 under which the P. S. Commission took action is attacked.—V. 108, p. 1510, 1274.

Brooklyn Eastern District Terminal.—Federal Contract.—The Director-General of Railroads on May 7 signed the operating contract with this company fixing the annual compensation at \$306,259.—V. 108, p. 377.

Canadian Pacific Ry.—President Beatty's Statement at Annual Meeting.—At the annual meeting held in Montreal on May 7, President E. W. Beatty, K.C., made an address to the shareholders, which will be found in full on a subsequent page.

President Beatty states that the results of the year's operations on the whole were satisfactory, notwithstanding the shrinkage in net earnings due to the extraordinary increase in wage scales and cost of materials. The financial

INCOME ACCOUNT FOR CALENDAR YEARS.

Table with 4 columns: 1918, 1917, 1917, 1918. Rows include Net income from all sources, Deduct—War tax on commodities paid, Interest paid on borrowed money, Profit for the year, Previous surplus, Total, Surplus paid in, Divs. & other surp. chgcs., Total surplus.

a After crediting the previous surplus, \$701,537, with \$4,832 surplus accounts of subsidiary companies and debiting \$22,505 Federal income and war excess profits taxes in excess of the amount previously paid.

BALANCE SHEET DECEMBER 31.

Table with 4 columns: 1918, 1917, 1918, 1917. Rows include Assets (Real est., Formulas, goodwill, etc.) and Liabilities (Common stock, Minority interests, etc.).

x "Minority interests" consists of 7% non-cumulative preferred stock, \$6,900; common stock, \$12,010.—V. 108, p. 482.

Victor Talking Machine Co.

(Annual Report for Year ending Dec. 31 1918.)

President Eldridge R. Johnson is quoted as saying:

Early in the year the Fuel Administration plainly told representatives of the company and its competitors that, in order to conserve fuel, raw materials, labor and capital for the benefit of strictly war industries, all manufacturers of talking machine products should arrange to curtail their output to 70% of 1917 production. Later the War Industries Board issued formal orders requiring curtailment of output of instruments to 40% of

position of the company at the end of the fiscal year, he remarks, was, on the whole, extremely gratifying. Compare annual report in V. 108, p. 1157, 1266.

Central Vermont Ry.—Federal Contract Signed.

The Director-General of Railroads on May 8 signed the operating contract with this company fixing the annual compensation at \$835,402.—V. 108, p. 267.

Chattanooga Ry. & Light Co.—Earnings, &c.—

See Tennessee Ry., Light & Power Co. under "Reports" in V. 108, p. 1820.

Receivership Limited to Railway Lines.—

Judge E. T. Sanford, who recently appointed John S. Graham and Percy Warner receivers for the company, has filed a decree at Knoxville limiting their scope as such, pending a hearing before Judge Sanford on May 17. For the time being the receivership extends only to the railway system, the electric light properties being expressly excepted pending litigation on that phase of the original petition. The question of whether the light department properties are subject to mortgages covering the railway system will have to be passed upon by the court.—V. 108, p. 1721.

Chicago Great Western RR.—Federal Contract Signed.

The Director-General of Railroads on May 7 signed the operating contract with this company fixing the annual compensation at \$2,953,449.—V. 108, p. 1714, 783.

Chicago Rock Island & Pacific Ry.—Application to List.

Application has been made to the N. Y. Stock Exchange to list \$200,000 additional 6% preferred stock of this company.—V. 108, p. 1603, 1104.

Chicago Surface Lines.—Rehearing Asked in Fare Case.

The company on May 1 filed a petition at Springfield, Ill., for a rehearing in the case in which the Illinois Public Utilities Commission denied its application for a seven-cent fare. The petition stated that the original was an emergency petition and asked the right to submit additional testimony. President Busby issued a statement in which he called attention to the fact that the commission had rejected a number of items in the capital account, amounting to several millions, pointing out that there was no evidence, or insufficient evidence, to sustain them regarding these items. The purpose of the petition for a rehearing is to enable the company to place before the commission full and complete evidence with regard to all of these items. The company believes the fair value of the properties is in excess of the purchase price.—V. 108, p. 1822, 683.

Cripple Creek Central Ry. Co.—Earnings.—

Table with 3 columns: Item, 1918, 1917. Rows include Income from dividends, interest, &c.; Other income; Total income; General expenses and taxes; Preferred dividends (4%); Common dividends; Sale of stock Col. T. & T. Co.; Balance, surplus.

—V. 108, p. 683.

Cumberland & Manchester RR.—Co-Operative Contract.

See Pittsburgh & Susquehanna RR. below.—V. 108, p. 479.

Fore River RR. Corp.—Stock Issue Approved.

The Massachusetts P. S. Commission has approved the issuance of \$147,000 of original capital stock (par \$100). The proceeds of \$140,000 are to be used to pay for the acquisition of the private railroad maintained and operated by the Fore River Shipbuilding Corp.—V. 108, p. 1390.

Fort Wayne & Northern Indiana Traction Co.—Petition for Six-Cent Fare Denied.

On May 1, the Indiana Public Service Commission denied the company's petition for an increase in fare from five to six cents in Fort Wayne, Logansport, Lafayette, Wabash, Peru and Huntington. The Commission's order holds good until Jan. 1, 1920. The company is required to make reports each three months, both to the cities and to the Commission, and on the showing of the reports and other considerations the Commission will issue its final order after Jan. 1.—V. 108, p. 1721, 784.

Gainesville & Northwestern RR.—Contract Signed.

A dispatch from Washington on May 8 states that a co-operative contract was signed by Director-General Hines with this company.—V. 94, p. 1763.

Georgia Coast & Piedmont RR.—Road Not Sold.

There were no bids for this company's property, which was up for sale on May 8, at Brunswick, Ga., at the upset price of \$300,000. We learn that the bondholders' protective committee are now working on a plan of reorganization.—V. 108, p. 1060.

Glenmore & Western Ry.—Co-Operative Contract Signed.

See Pittsburgh & Susquehanna RR. below.

Knox County Electric Co.—New Name.

See Rockland Thomaston & Camden Street Ry. Co. below.

Kosciusko & Southwestern RR.—Contract Signed.

See Pittsburgh & Susquehanna RR. above.

Leavenworth Terminal Railway & Bridge Co.—

The Director-General of Railroads on May 1 signed the Federal contract with this company, fixing the annual compensation at \$43,583.—V. 107, p. 696.

Lehigh & New England RR.—Earnings.—

Table with 3 columns: Cal. Year, 1918, 1917. Rows include Standard return; Other income; Gross income; Deductions; Balance.

x This 3-year average is the basis for compensation by the Government for use of the property, but the contract has not yet been signed.—V. 107, p. 1579.

Louisiana & Northwest RR.—Sale Ordered.

This company's road, about 115 miles, extending from Magnolia, Ark., to Natchitoches, La., has been ordered sold by the U. S. Court at Shreveport, La. W. P. Leary, of Shreveport, has been appointed master of sale. It is understood that the line will be continued in operation.

The road has been in the hands of a receiver since August 1913. The company has outstanding \$100,000 Prior Lien 5% bonds due 1945, \$2,150,000 First Mgtg. 5% bonds due April 1 1935, and \$2,300,000 com. stock.—V. 108, p. 1275, 784.

Madeira-Mamore Ry.—Proposed Exchange for Unquaranteed Bonds.—

A special meeting of the holders of the 60-year first mortgage bonds will be held at London, Eng., on June 16 to vote upon approving an agreement between the Brazil Ry., the Port of Para and this company and its bondholders, providing for the exchange of the existing bonds for new bonds at par. The new bonds will not bear the guarantee by the Port of Para in the case of the 6% bonds, or by the Brazil Ry. in the case of the 5 1/4% bonds.—V. 99, p. 1130.

Manufacturers' Ry., St. Louis, Mo.—Electric Operation.

The operation of this road, which controls 24 miles of terminals in South St. Louis, is to be converted from steam to electric operation within the next three weeks. Six electric locomotives have been ordered, each of which will move 40 loaded cars at a speed of 15 miles an hour. Power will

be obtained from the hydro-electric plant at Keokuk Dam, and the total cost of converting the road to electric motive power is estimated at about \$500,000. August A. Busch is the principal owner of the road.—V. 106, p. 2011.

Memphis (Tenn.) Street Ry. Co.—Petition to be Filed for Increased Fare.—

Receivers Frank Elgin and T. H. Tutwiler have been granted permission by Federal Judge John E. McCall to apply to the Tennessee Railroad and Public Utilities Commission for an increase in fares to seven cents, with a charge of one cent for transfers. The receivers declare that present revenues from the five-cent fare are inadequate to meet increased operating costs and that the deficit in 1918 was \$225,000. A special plea will also be made for the Raleigh line to be allowed to charge an additional cash fare beyond the town of Binghampton.—V. 108, p. 1721, 1511.

Mexico Tramways Co.—Lines Returned to Private Owners.

A dispatch from Mexico City states that the Mexico City State railways, under the administration of the Federal Government for the past four years, were turned back to their private owners on May 7.—V. 108, p. 389.

Missouri Oklahoma & Gulf RR.—Reorganization Plan.—

A plan for the adjustment of the finances of this system was, on Dec. 31 1918, prepared by Judge William C. Hook of Kansas City, the U. S. Circuit Judge who in 1915 devised terms for the successful reorganization of the Kansas City public utilities. This plan has been heretofore filed in Consolidated Equity Cause No. 2022, pending in the U. S. District Court for the Eastern District of Oklahoma, and a hearing open to all claimants will be held to-day in the court-room of the U. S. Circuit Court of Appeals in St. Paul, as to the fairness and equitableness of said plan, claimants not then objecting being barred from subsequent objection.

Digest of Statement by Frank Hagerman, Depository, Commerce Building, Kansas City, March 6 1919.

(Mr. Hagerman is acting as depository and Judge Hook's representative.) U. S. Circuit Judge William C. Hook on Dec. 31 1918, prepared a plan of reorganization of the properties, theretofore in the hands of receivers appointed by him.

The properties were taken under Federal control as of Jan. 1 1919. All accounts against the receivers accruing prior to that time must be taken care of by them. They have no funds with which to pay. The claimants will not provide any cash, and failing this, the plan provides Class A bonds for them. These bonds will be secured by a railroad mortgage subject to the prior lien of the Government for the agreed advances made by it.

The rental for Federal control will be sufficient only to pay the interest on the Class A bonds, Government loans, heretofore and hereafter to be made, and equipment trust obligations. At the same time it is important that the claims against the receivers be classified, established and ultimately secured by a mortgage. No creditor will be called on for an assessment to meet any costs, Governmental advances or other claims which would be prior in lien.

Alleged Receivership Liabilities, in Probable Order of Priority [Subject to the Determination of the Court.]

- (a) Receiver's certs. \$1,720,000
(b) Accr. int. to Jan. 1 '19 188,000
(c) Equipment trusts 743,034
(d) Accr. int. to Jan. 1 '19 147,000
(e) Vouchers for material & supp., trackage, &c. 3437,000
(f) Already adv'd by Govt 255,000
(g) Total items a to f, \$3,490,034
(h) Personal injury claims, court costs, allowances, and expenses of reorganization not yet established. (Uncertain)

Up to date the plan has been accepted by holders of more than 71% of the claims on receivers' certificates (items a and b), and 100% of the equipment trust obligations (items c and d). Item (f) is for \$255,000, already advanced by the Director-General, and item (e) includes about \$142,000 due to other railroads operated by him; he has, however, approved the plan. If creditors accept they will have their obligations in full, classified and secured, and the equity of the foreign bondholders will be preserved, with the privilege to furnish the necessary money to take care of the preferred claims. If they reject the plan they can take their proportion of the net proceeds of the sale. Judge Hook endeavors to preserve the priority of all existing creditors, giving them, according to priority, the best security possible under existing circumstances. It is impossible to procure the cash with which to pay preferred claims, as is usually done.

If Judge Hook shall declare the plan 'operative,' the receiver will propose to sell the whole property to the new company, free and clear.

Digest of Plan of Adjustment of the System Prepared by William C. Hook, U. S. Circuit Judge, Dated Dec. 31 1918.

PREAMBLE—STATUS AND OUTLOOK.

Receivership.—The system was put in receivers' hands in Dec. 1913. The reasons for the duration of the receivership, almost unprecedented, are these: The great majority of the outstanding 1st M. bonds were issued in small denominations and sold in the Provinces of France and in Belgium, a substantial amount in and about Lille, France. With the desire to aid these bondholders to save their investment the court continued the receivership in the hope that they could be heard and act in their own behalf. Some committees were early constituted, but they cannot be regarded as representative.

The receivership should not, however, be allowed to continue indefinitely. There are other creditors who deserve consideration. Receivers' certificates of \$1,720,000 have been sold and the proceeds spent upon the properties. There are also equipment obligations aggregating nearly \$750,000, exclusive of interest, issued prior to the receivership, entitling the holders to reclaim the engines and rolling stock upon default; large sums have already been paid on this equipment. There are also judgments and other claims. All of the above are past due.

Not Meeting Expenses.—Experience has shown that the railroads in their present condition cannot be operated profitably as an independent system. They have not paid their way and with recent increased costs of labor and materials the receivers are getting more deeply in debt.

They have not been able to pay the last two semi-annual installments of interest on the Receivers' Certificates, and the maturity of the principal has been once postponed and has again passed by.

Early in the receivership an adjustment was made with the holders of the equipment obligations, but the receivers have been unable to continue the promised payments of interest or installments of principal. The receivers hold possession of most of the engines and cars used on the railroads on the condition of prompt payment and their use of them is essential to the railroad operation. Nor have the receivers been able to discharge all the ordinary liabilities arising in the conduct of the business.

Nevertheless Outlook is Favorable.—Notwithstanding these conditions, the railroads constitute a valuable property, and it is believed that with the expenditure of a considerable sum in improvements and extensions, it can be made to pay substantial returns on a large part of the actual investment. The railroads are in a productive territory, have unusually low grades, and their relation to more extensive railroad systems give them a large potential value. The 1st M. bondholders cannot contribute, and the holders of receivers' certificates and other creditors are either unable or unwilling to do so. Additional capital will have to be obtained and doubtless secured by a lien prior to all now existing liens.

Government Contract.—At the special instance of the undersigned the officials of the Government agreed to retain and operate the system during the period of Federal control, according to a contract embracing terms of compensation to be agreed upon. The value of the Government of its use of the road depends largely upon the making of some improvements and connecting extensions for which funds are lacking. Its agreement to operate the property was obtained upon the express assurance that the undersigned would prepare an equitable plan of adjustment. Operation by the Government and the improvements and extensions that may be made by it, we believe, should result in an exceptional and lasting value to the property.

No Discrimination.—While the plan is put forth by the Judge of the court, no discrimination against any person interested directly or indirectly in the railroad properties, will be made for that reason, and the orders of the court will be the same as if the plan were the voluntary convention of those who become parties to it.

DIGEST OF PLAN.

**Art. 1. Properties Included.**—Generally speaking, the properties consist of the following named four main lines of railroad and franchises, a substantial amount of equipment the title to much of which is held by the vendors until it is fully paid for, terminals, side tracks, shops, &c., viz.:

(a) *"The Railway."*—The Missouri Oklahoma & Gulf Railway Co. was organized Oct. 25 1904 under Oklahoma Territorial laws. It has 216.9 miles of road in Oklahoma, of which 201.9 extend from Wagoner to the Red River bridge, 4 from Bromide Junction to Bromide, 9 from Dewar to Deep Fork, and 2 from Arkansas Junction to Lowrey. Its authorized capital stock is \$10,000,000, of which it issued \$8,774,000. It mortgaged its property Nov. 1 1904 to the St. Louis Union Trust Co., as trustee, to secure \$7,007,000 of 1st M. bonds. A suit to foreclose this mortgage has long been pending. The receivers hold \$1,470,000 of the bonds; the balance are outstanding. The railway made a second mortgage May 15 1912, under which the Astor Trust Co. of N. Y. is now trustee. This mortgage secures \$1,767,000 of issued bonds, of which the receivers hold \$882,000.

(b) *"The Railroad."*—Missouri Oklahoma & Gulf RR. Co. was organized Dec. 12 1911 in Oklahoma. It has 95.6 miles of road extending from Wagoner, Okla., north to the Kansas State line. It also owns the foot passenger, wagon and railroad bridge across Red River. Authorized capital stock, \$20,000,000; issued, \$5,977,400. Mortgage of Dec. 15 1912 to St. Louis Union Trust Co., as trustee, secures 1st M. bonds, of which \$10,655,200 were issued, \$3,951,100 thereof being held by the receivers. Foreclosure suit has long been pending.

(c) *"The Kansas Company."*—The Missouri Oklahoma & Gulf Railroad Co. (Kansas) was organized Sept. 3 1912 in Kansas and has 2.6 miles of road extending from the north line of Oklahoma to Baxter Springs, Kan. Authorized capital stock, \$1,000,000; issued, \$25,000. A mortgage dated Dec. 2 1912 to the St. Louis Union Trust Co., as trustee, secures 1st M. bonds, of which it issued \$75,000. The stock and bonds are held as collateral to the bonds of the railroad and are embraced in said suit to foreclose.

(d) *"The Oklahoma Company."*—The Missouri Oklahoma & Gulf Railway Co. of Texas was organized March 28 1910 in Texas. It has 9.1 miles of road, comprising terminal facilities at Denison, Tex., and running to the southern extension of the Red River bridge. Authorized capital stock, \$10,000, all issued. A mortgage of Jan. 3 1911 to the St. Louis Union Trust Co., as trustee, secures 1st M. bonds, of which it issued \$350,000. The stock and bonds are held as collateral to the bonds of the railroad and are embraced in the suit to foreclose the latter's first mortgage.

**Trackage Arrangement with St. Louis & San Francisco RR. Co.**—Entrance into Joplin, Mo., is obtained by use of 14.6 miles of track of the above-named railroad under an arrangement terminated upon a year's notice. That company having informally expressed a desire to terminate said arrangement, the rights thereunder may be omitted from this plan.

**Art. 2. New Company—92% of Stock to Be 3% Non-Cumulative Preferred.**—The New Company shall be organized with such capital as may be authorized by law and with power to acquire all the properties after foreclosure, free and clear, provided that the stocks and bonds of the Kansas and Texas companies or either of them may stand in lieu of the physical properties thereof.

It shall issue such stock as this plan provides, but 92% thereof shall be preferred and 3% common, the preference being to the extent only of a 3% annual dividend non-cumulative.

**Art. 3. Government Lien.**—The Government may make or underwrite loans or advances for the benefit of the New Company (a) for improvements, extensions and additions not to exceed \$1,500,000, including deferred maintenance and any improvements heretofore made with the approval of the Government; and (b) \$255,000 heretofore advanced, for back pay of employees, accrued taxes, and contingencies, all sums hereafter advanced on installments of principal on equipment obligations, together with any sum not exceeding \$450,000 advanced, underwritten or loaned to meet receivers' liabilities, court costs and expenses of reorganization.

All sums so loaned, underwritten or advanced shall be payable on or before five years after foreclosure, except in any case, bear 6% interest annually, payable quarterly, and be secured by first lien called the Government Lien, upon all the property then owned or thereafter acquired, prior and superior to all mortgages or other liens.

The Government loan will avoid any assessment upon the security holders.

**Art. 4. Mortgage by the New Company.**—The New Company shall execute one mortgage on all its property and equities then owned or thereafter acquired, subject to the Government Lien, and shall secure, in denominations of \$100 or multiples, first, the bonds of Series A, next Series B, and thereafter Series C, all dated Jan. 1 1919. Series A bonds shall be payable on or before 18 years, and Series B and C on or before 30 years, after date. The bonds of any series may be called and paid at par upon any interest-paying day, after 60 days' notice.

The bonds of Series A shall bear 6% interest per annum, payable semi-annually. Series B and C shall bear 6% annual interest, and be payable (cumulatively) only if and when there are sufficient surplus earnings, Series B in this respect having a preference over Series C.

The bonds shall be used only for the purposes:

**First.** Series A to take up the \$1,720,000 receivers' certificates, claims against the receivers, expenses of reorganization, court costs and allowances, and to provide a working capital not to exceed \$500,000, when Governmental control is surrendered, and for any other lawful corporate purpose, but no bonds of any series shall, unless 75% in amount of the then outstanding bonds of that series consent, be issued for any such "other lawful corporate purpose" so long as there are outstanding and unpaid any of the Series A issue, or the amount necessary to redeem the same has not been deposited with the mortgage trustee.

**Second.** Series B to take up claims, if any, against either the railway or railroad decided in the receivership causes to be prior and paramount in lien or equity to the first mortgage bonds of those companies, respectively.

**Third.** Series C to take up 50% of the amount of existing first mortgage bonds as hereinafter provided.

**Art. 5. Exchange of Old for New Securities.**

(a) \$743,034 **Equipment Obligations and Accrued Interest.**—For these the New Company shall pay in Series A bonds all interest up to the date of the new bonds, and secure or assume new equipment contracts, agreeing to pay the principal as the purchase price, in ten equal annual installments, payable on or before the maturity date, with interest on each at 6% per annum from date, payable semi-annually. Title to the equipment shall, as heretofore, remain in the vendors until the purchase price is paid.

(b) **Receivers' Certificates, &c.**—Receivers' certificates for \$1,720,000, and interest thereon, also reorganization expenses, court costs and allowances (unless the court finds that cash is required in any case), also receivers' current debts in a considerable sum, and such unliquidated or disputed claims as may be established by decree or judgment, will be taken up by Series A bonds.

(c) **Obligations, if Any, Preferential to the Existing Mortgage Bonds.**—Such claims, if any, judicially so determined, shall be paid in Series B bonds, to bear 6% interest, payable only out of available surplus earnings. If any such claim be established as prior to or on an equality with receivership obligations, then same shall be paid in Series A bonds.

(d) **Bonds of the Railway and Railroad.**—The principal of the existing 1st M bonds of the railway and railroad aggregate \$17,662,200, of which \$5,421,100 belong to and are in the hands of the receivers and shall ultimately be canceled, leaving in the hands of the public \$12,241,100 in bonds, with accumulated interest thereon. For 50% of the principal of the bonds, Series C bonds shall be issued. For the accumulated interest and the balance of the principal there shall be given the beneficial interest of all the new pref. stock.

As the 1st M. bondholders are largely beyond communication and unable to elect whether to accept this plan or their shares in the proceeds of the judicial sales, the mortgage will provide for the times and conditions of the Series C bonds.

**Second Mortgage Bonds, &c.**—The value of the property is not such as to warrant the issue of any interest-bearing obligations for the existing 2d M. bonds or stock. In all probability a foreclosure would cut them off. However, as there are no known claims intervening between the first and second mortgage bonds and as there may be a potential value in the latter it is deemed equitable to allot to the holders of such bonds the beneficial interest of all the new common stock.

If there are any such unpaid intervening claims judicially established, the holders shall receive 100% thereof out of the stock so allotted to the second mortgage bonds.

**Stock.**—No allotment of any kind is made to the existing outstanding stock of either the railway or railroad.

**Voting Trust.**—All the new stock, excepting qualifying shares for directors, shall be put in the hands of three trustees to be named by the Judge, and whose compensation he shall fix, not exceeding \$2,500 each per year. One trustee shall be selected from the holders of receivers' certificates.

When a majority in amount of the holders of the old 1st M. bonds of the railway and railroad have accepted this plan, a majority of those may,

within any time fixed by the Judge, remove the trustees, and select their successors and thereafter give directions as to how the trustees shall vote the stock.

Provided, if after this right accrues there be any default in the payment of principal or interest upon Series A bonds, then during the time of such default the right of such removal and selection of trustees shall vest in the holders of said bonds.

If there be no existing default in the payments herein required upon the Government loan, equipment obligations and Series A bonds, the trustee may at any time, after five years from the date of the appointment of the trustee, be determined by a writing signed by a majority (in amount) of the stockholders of the New Company; otherwise it shall continue until Jan. 1 1937.

The underlying purpose of the plan is to preserve to the holders of the present outstanding bonds all the equity in the property after taking care of the superior claims and equities. The Judge may, if he deems it advisable, direct that the equity of those holding the present outstanding bonds on account of which stock is to be issued shall be represented by stock in a holding company or by stock of a corporation without a par value instead of stock of the New Company, the trustees being empowered to vote the stock of the New Company or of the holding company as may be directed by the Judge.

**Art. 6. Government Contract.**—This plan is conditioned upon the execution of a contract with the Government for operation during Federal control which will provide for a yearly cash rental of \$211,480, plus a sum equaling 6% yearly interest on all the moneys by the Government advanced or underwritten, as provided in Article III, hereof, excepting interest on \$235,000 heretofore advanced for back wages, taxes and contingencies, estimates for which are included in the cash rental. This should enable the New Company to pay during Federal control the annual installments upon the equipment obligations and interest on the Government loans, equipment obligations and Class A bonds.

**Art. 7. Assent to Plan.**—(a) Holders of existing 1st M. bonds of the railway and railroad may file a written declaration of acceptance of the plan and deposit their bonds with Frank Hagerman, of Kansas City, Mo.

No limit of time is now fixed within which such bondholders shall become parties hereto, but the Judge may at any time after three years from the date hereof, by notice published in a daily newspaper published and of general circulation in Muskogee, Okla., once each week for six weeks, fix the final limit of time for their acceptance and participation.

**Art. 8. Plan Delayed.**—This plan was substantially and for the most part prepared Aug. 31 1918, but delay occurred in consummating a contract with the Government upon which the plan depended. Such a contract has now been agreed upon, operative from Jan. 1 1919, and the foregoing embodies the changes necessary to make it harmonize with the contract. (Signed William O. Hook, U. S. Circuit Judge. Dated Dec. 31 1918.)—V. 108, p. 1721.

**Missouri Pacific RR. Co.—Reported to Have Increased Holdings of Texas & Pacific Stock.**—An officer refuses to confirm or deny the current rumors that the company has largely increased its holdings of stock in the Texas & Pacific Ry. Co., which amounted on Dec. 31 1917 to \$6,555,000 of the \$38,763,810 outstanding, or about 17%. It is said that the report for the year ended Dec. 31 1918, to be issued about June 1, will show that the Missouri Pacific now controls between 25 and 30% of the Texas & Pacific stock, which would give it virtual control. In addition to this stock, the Missouri Pacific owns \$23,703,000 of the \$25,000,000 issue of Texas & Pacific Second Mtgo. Income bonds. The market value of Texas & Pacific stock has increased considerably during recent months as a result of prospective oil developments on its right-of-way.—V. 108, p. 973.

**Nashville Ry. & Light Co.—Earnings, &c.**—See Tennessee Ry., Light & Power Co. under "Reports." in V. 108, p. 1820, 1611.

**Nevada Copper Belt RR.—Co-Operative Contract Signed.**—See Pittsburgh & Susquehanna RR. below.

**New Orleans Great Northern RR.—Federal Contract.**—The Director-General of Railroads on May 7 signed the operating contract with this company fixing the annual compensation at \$575,951.—V. 107, p. 2093, 1748.

**New York Central RR.—Petition Denied.**—The petition of C. H. Venner to re-open the question of the consolidation in 1914 of the New York Central & Hudson River RR., the Lake Shore & Michigan Southern Ry. and other subsidiary railroad companies, was denied by the Supreme Court of the United States on May 5.—V. 108, p. 1512, 1275.

**New York Railways Co.—Application to List.**—Application has been made to the N. Y. Stock Exchange to list New York Railway Co. \$5,592,000 Guaranty Trust Co. of N. Y. certificates of deposit for 30-year bonds.—V. 108, p. 1721, 1511.

**Pacific Electric Ry.—Application for Increased Fares.**—The company has applied to the California Railroad Commission for permission to establish a downtown zone in Los Angeles, with a cash five-cent fare and a blanket eight cent cash fare to, from and within the balance of the present five-cent zone. It also requested authority to issue a coupon book of 20 tickets to be sold for \$1, limited to ten days from date of sale and to provide two trips daily during such period. In the outside communities having street-car zones, the company proposes to substitute for the present five-cent fare, a cash seven-cent fare and to place on sale 20-coupon books, subject to the same provisions as at Los Angeles. Permission has also been asked to advance the present minimum for interurban fares from five cents to seven cents a single trip.—V. 108, p. 1275.

**Philadelphia Co.—Not Responsible for Interest on Bonds.**—Judge Chas. P. Orr, in the U. S. District Court at Pittsburgh, Pa., on April 10 dismissed a suit brought to hold this company responsible for interest on bonds of the United Traction Co., a subsidiary of the Pittsburgh Railways, which is in receivers' hands. The plaintiff sought to have the bonds made an obligation of the Philadelphia Co., which controls the Pittsburgh Railways. The bondholders' committee has appealed to the higher court.

**Increased Rates.**—The West Virginia P. S. Commission, it is stated, has granted this company and other producers of natural gas in West Virginia an increase of 3 to 5 cents per 1,000 cubic feet in the selling price of product for both industrial and domestic consumers.—V. 108, p. 1611, 683.

**Pittsburgh & Susquehanna RR.—Co-Operative Contract.**—A dispatch from Washington states that co-operative contracts were signed on May 7 by Director-General of Railroads Hines with this company, Kosciusko & Southeastern RR., the Bartlett Western Ry., Glamore & Western Ry., Nevada Copper Belt RR., Alabama Central RR., and the Cumberland & Manchester RR.—V. 106, p. 1578.

For standard form of contract for Short Line Railroads, see V. 108, p. 235.

**Pittsburgh & West Virginia Ry.—Officers.**—At the annual meeting of stockholders held May 5, the following directors were elected: (a) for a term of three years: Haley Fiske, Richard Sutro, William H. Coverdale, Arnold L. Scheuer, John B. Dennis; (b) for a two-year term: Joseph Walker Jr.

Subsequently the old officers were re-elected, together with the following executive committee: William H. Coverdale (Chairman), John B. Dennis, Henry E. Farrell (President of company), Haley Fiske, George P. Smith and Richard Sutro.—V. 108, p. 1611.

**Public Service Corporation of New Jersey.—Seven-Cent Fare Again in Effect.**—See Public Service Railway Co. below.—V. 108, p. 1512, 1391.

**Public Service Railway.—Seven-Cent Fare Again in Effect.—Suit to Test Legality of Increase.**—Following a decision of the New Jersey Public Utilities Commission seven-cent fares upon all of the company's lines were resumed at midnight on May 3, with an additional charge of one cent for transfers. This rate will remain in force until the Board has passed upon the proposed plan for the installation of a zoning system. The seven-cent fare was originally

effective on Oct. 15 1918 and prevailed until April 1 1919, when it was reduced to six cents.

Mayor Chas. P. Gillen of Newark, on May 6 filed suit in the Second District Court at Newark against the company for one cent, he having paid the seven-cent fare under protest, with a view to testing the legality of the Public Utilities Commission's order increasing the rate from six to seven cents. The New Jersey League of Municipalities asserts that no order of the Commission can become effective until after the expiration of 20 days.—V. 108, p. 1391, 1166.

**Quebec Ry., Light, Heat & Power Co.—Balance of Purchase Price Received.**

It is announced that the Canadian Government has paid to this company the balance of the money owed it in connection with the sale of the Saguenay Ry., making, with the amount paid at the time of the sale, a total of about \$3,400,000. The railway company will use this money to reimburse the bondholders of the Saguenay Ry., which will benefit the Quebec company by relieving it of its obligation in the form of interest on the Saguenay bonds.—V. 108, p. 974.

**Rhode Island Co., Providence.—Petition to Declare Leases Abrogated—Earnings.**

See United Traction & Electric Co., Providence, R. I., below. Income returns filed with the Rhode Island Public Utilities Commission indicate that the company's deficit for the first quarter of 1919 was \$263,055, a decrease of \$4,535 from the deficit of the three months of 1918. Net operating income showed a decrease of \$6,952 and total net income a decrease of \$6,453. If it had not been for the increase in fares recently granted, there would evidently have been an appreciable increase in the deficit.

**Step in Reorganization—Successor Company Chartered.**  
The Rhode Island Legislature has passed a bill chartering the United Electric Railways Co., making possible a reorganization of the Rhode Island Co. by the formation of one company owning all of the properties, in place of the present system of leases. It is understood that when the reorganization plans have matured sufficiently, the incorporators (the Governor, Commissioner of Banking and Tax Commissioner) will turn the charter over to the reorganized company.—V. 108, p. 1611, 1276.

**Rockland (Me.) Thomaston & Camden Street Ry.**  
The name of this company was changed to Knox County Electric Co. effective April 1 without in any way affecting its management or operations.—V. 99, p. 1833.

**Scranton Railway.—Fares Reduced to Seven Cents.**  
The Pennsylvania Public Service Commission on April 23 directed this company, which had been collecting an eight-cent fare since Sept. 1918, to establish a seven-cent fare on its lines, with a 6 1/4-cent fare when four tickets are purchased. The seven-cent fare is to continue in force for one year and the 6 1/4-cent rate for six months, at the expiration of which they are to be modified, continued or abandoned by the commission as the intervening experience of the company may warrant. The commission's order provides for a valuation of the company's property.—V. 107, p. 2098.

**Southern Pacific Co.—Applications to List.**  
The N. Y. Stock Exchange has received the following applications to list: Southern Pacific Co., \$5,400,000 (Central Pacific stock collateral 4% gold bonds); \$21,174,500 (Southern Pacific RR. Co., First Refunding Mtge. 4% bonds); \$6,000,000 (San Francisco Terminal First Mtge. 4% bonds).—V. 108, p. 1823, 1722.

**Southern Railway.—Preferred Dividend Omitted.**  
No action was taken by the directors on May 9 as to the declaration of the semi-annual dividend usually paid at this time. Dividends resumed in Nov. 1917, 2 1/4% being paid in April and Nov. 1918 paid 2 1/4% each.—V. 108, p. 1542.

**Tennessee Ry, Light & Power Co.—Receivership for Subsidiary Limited to Railway Lines.**  
See Chattanooga Railway & Light Co. above.

**Texas & Pacific Ry.—Missouri Pacific Reported to Have Increased Holdings of Stock.**  
See that company above.—V. 108, p. 1722, 1391.

**Third Avenue Ry.—Subsidiary Increases Fare.**  
See Yonkers RR. Co. below.—V. 107, p. 2478.

**Toledo St. Louis & Western RR.—Federal Manager.**  
B. C. Stevenson has been appointed Federal Manager of this company and Detroit & Toledo Shore Line, with headquarters at Toledo. These roads have been released from the jurisdiction of J. E. Taussig, Federal Manager at St. Louis, Mo., and F. H. Alfred, Federal Manager at Detroit, Mich., respectively.—V. 108, p. 785.

**United Traction Co., Pittsburgh, Pa.—Parent Company Not Responsible for Bond Interest.**  
See Philadelphia Co. above.—V. 108, p. 1611.

**United Traction & Electric Co., Providence, R. I.—Petition to Declare Leases Abrogated.**

Presiding Justice Tanner, in the Superior Court at Providence, R. I., has designated May 14 as the date for a hearing on the petition of Edwards & Angell, counsel for this company, the Union Street RR. Co., the Pawtucket Street Ry. Co. and the Rhode Island Suburban Ry. Co., asking the court to declare the leases of those properties to the Rhode Island Co. to have expired on April 21 because of default in payment of the rentals due. The total rentals and payments now due to the petitioning lessor companies under the terms of the leases are said to amount to \$331,925.—V. 108, p. 1611, 1166.

**Western Pacific RR. Corporation.—Dividend Reduction.**  
The directors have declared a quarterly dividend of 1% on the pref. stock, payable May 15 to shareholders of record May 9. A circular explains that this dividend is paid in lieu of the dividend usually distributed April 1, and that the rate has been reduced from 1 1/2% quarterly (6% p. a.) to 1% (4% p. a.), owing to the fact that the operating company (the Western Pacific RR. Co.) has found it necessary, owing to the position taken by the U. S. RR. Administration, to reduce its distribution for the April quarter to 1%.

The Administration awarded the latter company as compensation during Federal control the sum of \$1,986,579 annually, which the directors have declined to accept as, in their opinion wholly inadequate and insufficient, inasmuch as the earnings were abnormally depressed during the test period, and later increased heavily, the net in 1917 being about \$3,000,000.—V. 108, p. 1823, 1722.

**Wheeling & Lake Erie RR.—Authorized to Issue Bonds.**  
The Ohio P. S. Commission has authorized this company to issue \$958,000 5% bonds to be sold at not less than 65.—V. 108, p. 1612, 1061.

**Worcester Consolidated Street Ry. Co.—Fare Increase to Seven Cents Granted.**

The Mass. Public Service Commission on April 14 granted the company's application for a seven-cent fare unit, but required it to place tickets on sale at the rate of ten for 65 cents. The Commission also granted an increase of 33 1-3% in existing workman's tickets.—V. 108, p. 1722, 1612.

**Yonkers RR.—Fare Increased Despite Injunction.**  
Despite a temporary injunction issued by Justice Platt in the Supreme Court at White Plains, N. Y., on May 3, restraining the company from

collecting an extra nickel after crossing the city line and ordering it to resume the service in Hastings-on-Hudson, which was abandoned on April 24, the company has begun charging ten cents to all passengers. The company claims that the injunction was vacated and set aside by an order of Justice Jenks in the Supreme Court at Brooklyn, N. Y., on May 3.—V. 108, p. 1276.

INDUSTRIAL AND MISCELLANEOUS.

**Alaska Gold Mines Co.—Ore Milled (Tons.)—**

Month of April.....	1919.	1918.	1917.
Jan. 1 to April 30.....	167,630	125,435	212,200
	665,095	595,130	753,200

—V. 108, p. 1612, 975.

**American Bosch Magneto Corporation.—Listed.**  
The Committee on Stock List of the N. Y. Stock Exchange recommends that there be admitted to list before July 1 temporary interchangeable certificates for 60,000 shares of capital stock (without par value) of this company, with authority to substitute permanent engraved interchangeable certificates.—V. 108, p. 1166, 975.

**American Sumatra Tobacco Co.—New Notes.**  
The Chase Securities Co., Tucker Anthony & Co. and Montgomery & Co. have underwritten \$6,000,000 10-year 7% Sinking Fund Debenture notes of this company, convertible at par into common stock for a period of 30 days after date of issue, thereafter at 110. The debentures, it is stated, will be offered to the preferred and common shareholders at par to the extent of 60% of their stockholdings.—V. 108, p. 1612.

**American Tobacco Co.—Scrip Dividend.**  
A dividend of 5% has been declared on the common stock, payable on June 2 1919 to common stockholders of record May 15, in scrip or certificates of the company, for which on Mar. 1 1921 common stock B of the company at par is to be issued in units of \$100, or multiple. Interest on scrip to maturity will be paid semi-annually in cash at the rate of 6% per annum on the sum mentioned therein on March 1 and Sept. 1 of each year, first interest payment on scrip now issuing payable Sept. 1 1919.—V. 108, p. 1054, 975.

**American Water Works & Elec. Co.—Sub. Plant Sale.**  
See Racine Water Co. below.—V. 108, p. 1722.

**American Window Glass Machine Co.—Earnings.**

April 30 Years—	1918-19.	1917-18.	1916-17.
Royalty received.....	\$3,932,481	\$1,978,278	\$3,572,740
Other income.....	16,927	963	2,782
Total income.....	\$3,949,408	\$1,979,241	\$3,575,522
General expenses and taxes.....	976,667	201,334	96,062
Preferred dividends.....	490,861	1,854,648	3,394,907
Rate of preferred dividends.....	(7%)	(26 1/4%)	(48 1/4%)
Common dividends.....	(15%)	1,949,660	
Balance, surplus.....	\$532,220	def. \$76,740	\$84,553

—V. 107, p. 2010.

**Arizona Copper Co.—Copper Production.**

1919—April—1918.	Decrease.	1919—4 Mos.—1918.	Decrease.
2,400,000	4,200,000	1,800,000	11,800,000
			14,300,000

2,500,000  
—V. 108, p. 1062, 685.

**Atlas Crucible Steel Co.—Notes Paid.**  
We are advised that the \$200,000 Series A 7% Serial gold notes, which became due May 1, were paid at maturity from the funds of the company, without necessitating the issuance of any refunding notes or bonds.—V. 107, p. 2999.

**Autosales Gum & Chocolate Co.—Receivers Discharged.**  
Judge Julius M. Mayer on April 30 issued a final decree in the United States District Court at New York discharging the Receivers, William H. Coverdale and George W. Morgan, who were appointed on Jan. 3 1916. The Autosales Corp. of N. Y. City has succeeded this company (V. 104, p. 2345; V. 105, p. 2000). The decree discharging the receivers and winding up the proceedings was in accordance with the terms of a decree filed on March 31 last, when a few small accounts remained to be settled.—V. 107, p. 84.

**(The) Baldwin Locomotive Works.—New President.**  
Vice-Pres. Samuel M. Vauclain has been elected President to succeed Alba B. Johnson, resigned.—V. 108, p. 876, 685.

**Beatrice Creamery Co.—Capital Increase—Dividends.**  
The stockholders on April 2 authorized an increase in the capital stock from \$5,000,000 to \$7,500,000, consisting of \$3,500,000 preferred stock and \$4,000,000 common stock, par value of both classes \$100. It was announced on May 7 that the directors had declared a quarterly dividend of 1 1/2% on the preferred and 4% on the common stocks, both payable May 12 to stock of record May 6. The company paid regular quarterly dividends of 3% (12% p. a.) on the common stock since May 1918, with an extra dividend of 3 1/2% in Dec. 1918; previous to that 10% p. a. was paid, with extras of 5% in March 1918 and 1% in Dec. 1917. See also Fox River Butter Co. below.—V. 108, p. 1612.

**Brockton Gas Light Co.—New Rates.**  
This company has announced new rates for gas as follows: For the first 20,000 cubic feet of gas per month the price will be \$1.45 per 1,000 cubic feet. For the balance of all gas consumed \$1 per 1,000 cu. ft.—V. 97, p. 523.

**Butte & Superior Mining Co., Ltd.—Production.**

	1919—April—1918.	1919—4 Mos.—1918.
Zinc (pounds).....	8,250,000	14,100,000
Silver (ounces).....	150,000	250,000

541,000 1,050,000  
—V. 108, p. 975, 881.

**Caddo Central Oil & Refining Corp.—Application to List—New Interests.**  
This company, incorporated under the laws of N. Y. State on May 2 with \$15,000,000 of authorized capital stock in \$100 shares, as successor of the Caddo Oil & Refining Co. of La., has applied to the New York Stock Exchange to list its entire \$15,000,000 stock.

Fritchitt & Co. of New York and associates are reported to have put into the company \$2,500,000 working capital, part of which will be employed in the erection of a new 5,000-barrel refinery, bringing the daily capacity up to 7,500 barrels. Kirby Smith, President of the National Bank of Shreveport, and director of the Federal Reserve Bank of the Louisiana District, it is stated, will head the new company.

The balance sheet of March 31 1919 shows:  
(1) Assets.—Capital assets: 32,858 acres owned in fee, including well equipment, \$13,390,000; 18,156 acres leaseholds, including well equipment, \$4,879,000; tank cars, \$388,800; refineries, pipe lines, &c., \$1,500,000; crude and refined oils at market values, \$127,909; materials and supplies, \$86,528; accounts receivable, \$112,304; cash (including new cash introduced May 6 1919), \$2,522,756; prepaid insurance, &c., \$18,916; total assets, \$23,026,213.

(2) Liabilities.—Capital stock, \$15,000,000; capital surplus—excess of assets acquired over capital stock and bonds issued and liabilities assumed—\$804,344; Caddo Oil & Refining Co., First Mtge. 6% gold bonds, \$2,122,000; Caddo Central Oil & Refining Corporation First Mtge. 6% Consol. gold bonds, \$4,378,000; serial car-purchase notes, \$120,851; notes payable, \$287,500; accounts payable \$256,341; accrued interest and taxes (including estimated Federal taxes to Dec. 31 1918), \$57,177; total liabilities, \$23,026,213.

**Digest of Statement by E. W. Clark & Co., Bankers, Philadelphia, April 16 1919.**

The First Consol. Mortgage 10-Year Sinking Fund 6% gold bonds are to bear interest from Jan. 1 1920, payable semi-annually, and be free

of any tax which the company may be required to retain and will carry a tax refund agreement for Pennsylvania holders. The new company in which they will have a small interest will acquire all the property of the present Caddo Oil & Refining Co. of Louisiana, Inc. (incorporated Dec. 9 1916) and an additional 10,000 acres of oil and gas lands and leases and will build a new lubricating oil refinery with a daily capacity of 5,000 barrels of crude oil near Lewis, La., said refinery estimated to cost not to exceed \$1,750,000. An additional \$750,000 together with any balance of said \$1,750,000 not used for the refinery will be placed in the treasury for development purposes and working capital.

The new bonds will be a first lien on the new refinery, and the 10,000 acres of additional lands or leases, and also a lien upon the property of the old company junior to the latter's \$2,122,000 1st M. bonds outstanding (to be closed at that amount). The total issue will be \$5,378,000, of which \$1,000,000 will remain in the treasury for corporate purposes. The parties who organize this new company require us to furnish the aforesaid 10,000 acres of additional lands or leases, also to secure a release of the charge for royalty for use of patents for refining oil and for obtaining gasoline and a portion of the immediate issue of the new bonds will be appropriated for the acquisition of the aforesaid 10,000 acres of additional lands or leases, the release of all said claims for royalties and for the payment of all commissions, expenses, &c.

[The old company on Jan. 1 1919 owned (a) 85 miles of pipe lines (b) oil and gas lands and leases in Louisiana, aggregating some 41,000 acres (33,000 acres owned in fee) including "2,850 acres in the centre of the proven Caddo Oil Field, 880 acres in the Pine Island Field, and 31,000 acres (fee) directly east of Pine Island in Bossier Parish," (c) 82 producing oil wells and 8 gas wells (d) a gasoline extraction plant, and a modern refinery with capacity of 75,000 bbls. per month (e) 144 all-steel tank cars with 36 leased].—V. 108, p. 1722.

California Packing Corporation.—Earnings.—

Table with columns for 'Consol. Results—Years ended', '1918-19', '1917-18', and 'Per. '16-'17'. Rows include Profit, Income from investments, Total income, Preferred dividends (7%), Common dividends, and Surplus.

\* After deducting all expenses and taxes and also in 1917-18 and 1918-19 provision for income and excess profit taxes. y This item includes in addition to dividends actually received \$1,085,365 earned but left invested in properties of Alaska Packers' Association.—V. 108, p. 383.

Galumet & Arizona Mining Co.—Production (Pounds).—

Table with columns for 'Month of April', '1919', '1918', and '1917'. Rows show production for April and Jan. 1 to April 30.

Campbell Motor Car Co., Kingston, N. Y.—Receivers.— Judge Martin T. Manton in the U. S. District Court of Appeals on May 7 appointed Marcus Helfand and E. Bright Wilson receivers in equity as a result of a suit filed by Abel Smith, who holds 166 1-3 shares of the company's stock.

The company, successor to the Emerson Motors Co. (see plan of re-organization, V. 105, p. 1525), was organized in Oct. 1917 in Delaware with a capital stock of \$1,906,296, of which \$1,000,000 was first pref., \$113,700 2d pref. and \$792,296 common stock. Debts to the approximate sum of \$60,000 are pressing, the bill further alleged. J. A. Campbell, President, consented to the appointment of the receivers and "such other relief as a court of equity may grant."

Canadian Cottons, Ltd.—Proposed Sale of Mill.—

Bondholders of this company will vote at a special meeting on May 12 upon giving their consent to the sale of the Mount Royal Spinning Mill at Cote St. Paul. While the name of the purchaser has not been officially announced, it is believed to be the Dominion Textile Co., which has operated the plant under lease for about 10 years. The lease is about to expire and it is understood that the Textile Co. desires to purchase instead of renewing the lease. The rental under the expiring lease is \$198,000 per annum and, as a result of the material change for the better in the textile industry, it is not considered likely that the Textile Co. would have been able to renew the lease at anything like those figures.—V. 108, p. 169.

Cerro de Pasco Copper Corp.—Production (in Pounds).—

Table with columns for 'Month of April', '1919', '1918', and '1917'. Rows show production for April and Jan. 1 to April 30.

Chesebrough Mfg. Co.—New Director.—

P. J. Dobbins has been elected a director to succeed S. A. Drew.—V. 108, p. 786.

Chile Copper Co.—Quarterly Statement.—Pres. Daniel Guggenheim, in circular for the quarter ended Dec. 31 1918, says in brief:

The operations of Chile Exploration Co. for the fourth quarter, ended Dec. 31 1918, show the following production of copper for this and the preceding quarter in 1918. In pounds [1917 figures inserted by Ed.]

Table with columns for 'Fourth Quarter', '1918', '1917', and 'Third Quarter', '1918', '1917'. Rows list production for October, November, December and monthly averages.

The total quantity of ore treated during the quarter was 996,695 dry tons and average grade 1.64% copper, as compared with 968,115 and 1.60%, respectively, for the third quarter of 1918. The average net copper recovery, 84.30%, as compared with 81.72% for the preceding quarter. There was sold and actually delivered 14,366,138 lbs. at an average price of 25.658 cts. per lb., contrasting with 31,114,026 lbs. at an average price of 25.48 cts. per lb.

The annual report is being prepared and will be issued in the near future. The following tabulation shows the financial outcome of the operations of both the Chile Exploration Co. and the Chile Copper Co. In the fourth quarter adjustments are made which are applicable to entire year.

Table with columns for '4th Quar.', '3d Quar.', '1918', and '1917'. Rows include Net profit on copper delivered, Miscellaneous income, Int. on call loans & bank bal. of Chile Copper Co., Amortized discount on 15-year 6% convertible bonds, Accrued bond interest of Chile Copper Co., Expenses of Chile Copper Co., Balance undivided profits—both companies.

Colorado Fuel & Iron Co.—Labor Problem.—

The "Iron Trade Review" of May 1 has an article of nine pages entitled "Solving Labor Problem with Colorado Representation Plan," in which they believe they have solved the labor problem.—V. 108, p. 1612, 1614.

Columbia Graphophone Mfg. Co.—Common Dividend.—

The quarterly dividend (No. 5) of \$2.50 in cash and 1-20 of a share in common stock has been declared payable July 1 to holders of record June 10. A like amount was paid in April last.—V. 108, p. 881.

Deforest Sheet & Tinplate Co.—Purchased.—

See Republic Iron & Steel Co. below

Dominion Textile Co.—Rumored Purchase of Mill.— See Canadian Cottons, Ltd., above.—V. 106, p. 2556.

East Butte Copper Mining Co.—Production (in lbs.).—

Table with columns for 'Month of April', '1919', '1918', and '1917'. Rows show production for April and Jan. 1 to April 30.

Eastern Power & Light Corp.—Notice to Bond and Note Holders.—The protective committee announces that more than 79% of the Five-Year Convertible Gold bonds, due March 1 1918 (including 7% notes due Sept. 1 1918, representing such bonds), have been deposited with the committee. The committee anticipates that it will soon be necessary for it to take definite action with respect to all of the bonds which it represents. Accordingly, notice is hereby given that the holders of bonds or notes wishing to deposit same with the committee must do so on or before May 21 1919.

Bonds and notes should be deposited with the Equitable Trust Co. of New York, 37 Wall St., N. Y. City, depository for the committee. Committee.—H. E. Cooper, O. B. Willcox, H. C. Rorick, J. Y. Robbins, Sec., 37 Wall St., N. Y. City.—V. 107, p. 1100.

Eastern Steamship Lines, Inc.—Director.—

Spencer R. Hill has been added to the Board of Directors.—V. 108, p. 687.

Eastman Kodak Co.—Extra Dividend.—

An extra dividend of 7 1/2% has been declared on the common along with the regular quarterly dividends of 2 1/2% on the common and 1 1/4% on the preferred; all are payable July 1 to holders of record May 31. An extra dividend of 2 1/4% was paid on April 1 and 5% on May 1 1919.—V. 108, p. 1514.

Elk Horn Coal Corporation.—Listed.—

The N. Y. Stock Exchange has admitted to list \$1,754,000 additional Ten-year Sinking Fund Mortgage Convertible 6% gold coupon notes, due Dec. 1 1925, of this company, making the total amount listed \$6,544,000.—V. 108, p. 1514, 1584.

Emerson-Brantingham Co.—Application to List.—

Application has been made to the N. Y. Stock Exchange to list this company's \$12,170,500 7% cum. pref. stock and \$10,132,500 common stock.—V. 108, p. 1063, 783.

Emerson Motors Co.—Receivers for Successor.—

See Campbell Motor Car Co., Kingston, N. Y., above.—V. 107, p. 85.

Fairbanks, Morse & Co.—Balance Sheet Dec. 31.—

Table with columns for 'Assets', '1918', '1917', '1918', '1917', and 'Liabilities'. Rows include Machinery, tools & equipment, Furniture & fix'ts, Factory bldgs. and real estate, Warehouse bldgs. and real estate, Patteries, draw'gs, etc., Cap. stck. of E. T. Fairbanks & Co., Cash, Acc't receivable, Notes receivable, Invent. of mdse., For'n br'ch houses, Assets (Concluded), Current invest'm'ts, Unexpired expense, Total, Acc'ts payable, Notes payable, Div. pay. Jan. 1, Accrued expense, Res'v' for taxes & contingencies, Common stock, Preferred stock, Surplus and undivided profits, Total.

Firth-Sterling Steel Co.—To Increase Preferred Stock.—The stockholders will vote June 5 on increasing the preferred stock from \$500,000 to \$1,000,000.—V. 86, p. 172.

Flatbush Gas Co.—Rates Reduced.—

The company has accepted with certain modifications the order of the P. S. Commission of April 24, directing the company to reduce its maximum rate for electric current from 12 cents to 10 cents per k. w. h. The reduction will take effect as of May 1. The P. S. Commission on May 3 adopted another order reducing the minimum monthly service from \$1 to 60 cents.

Foreign Bond & Share Corp.—Organized.—

See "Current Events," in V. 108, p. 1664.

Fox River Butter Co.—Sale Ratified.—

The stockholders on April 28 ratified the plan, already adopted by the shareholders of the Beatrice Creamery Co., whereby the latter company will acquire the balance of the capital stock of the Fox River Butter Co. The preferred stockholders of the Fox River Co. it is stated, are to receive \$100 per share and the common stockholders \$173 per share; or holders of both classes of stock may exchange their present shares for the common and preferred stock of the merger company on a share for share basis.—V. 108, p. 1613.

Fraser Companies, Ltd.—Offering of Bonds.—In connection with the offering of \$2,000,000 6% 10-year First Mtge. serial G bonds, dated April 1 1919, by the Royal Securities Corp., Ltd., Montreal (see V. 108, p. 1824), a circular further shows:

Data from President Archibald Fraser, Edmundston, N. B., March 31 Company.—Incorp. in 1917 in Canada as successor to Donald Fraser & Sons, Ltd., P. & M. Lumber Co., Ltd., Fraser Lumber Co., Ltd., and Fraser, Ltd. The original business was founded in 1877. The company is one of the largest manufacturers of spruce lumber and cedar shingles in Canada.

Table with columns for 'Capitalization', 'Authorized', and 'Outstanding'. Rows include Common shares, 6% First Mortgage serial bonds, All the common shares are owned by members of the Fraser family and the employees of the company. Timber Limits.—Owns 210 sq. miles freehold timber lands, mostly in the eastern part of Quebec and New Brunswick. Leases 1,451 sq. miles timber lands, and in addition leasehold cutting rights on 900 sq. miles of privately owned lands. It is estimated that the timber limits contain 1,760,000,000 ft. b.m. spruce and cedar saw logs and 4,650,000 cords of pulpwood (not including New Brunswick Ry. lands). The pulpwood lands and limits are situated tributary to Temiscouata Lake, near the boundary of Quebec and New Brunswick. Pulp Mill.—Owns and operates at Edmundston, N. B., a bleached sulphite pulp mill, capacity of 35,000 tons per annum; mill started operation in Dec. 1918. In connection with this plant is developing on the Madawaska River at Edmundston a water power having an ultimate capacity of 3,000 h.p. Immediate development is being carried out to a capacity of 2,000 h.p. Space is being provided for a third unit to be installed on completion of the necessary storage facilities. Lumber Production.—Owns and operates 10 saw mills in Quebec and in New Brunswick. Four of the saw mills have planing mills in operation and 6 of the mills operate a total of 50 single machines.

Table with columns for 'Approximate Lumber Production per Annum', 'Lumber, (f.b.m., Shingles)', 'Lumber, (f.b.m., Shingles)'. Rows include Cabano, Que., 25,000,000; Baker Br'k., N.B., 6,000,000; 20,000,000; Paster R'k., N.B., 20,000,000; 4,000,000; Fred' ton, N.B., 15,000,000; 7,000,000; Edmund's, N.B., 30,000,000; Nelson, N.B., 14,000,000; Escourt, Que., 10,000,000; 8,000,000; Total lumber, 100,000,000; Glendyne, Que., 6,000,000; Total cedar shingle, 135,000,000.

**Miscellaneous annual production, 50,000,000 laths and 200,000 railway ties.**  
**Security**—A direct 1st Mtge. upon freehold and leasehold lands, water powers, on timber licenses and leases, and all buildings, plant and machinery now owned or hereafter acquired. The bonds are further secured by a floating charge upon all other assets present and future, including undertakings, good-will, franchises, concessions and rights.

**This Issue**—The remaining \$500,000 can only be issued to the extent of 75% of the cost of additions, improvements, &c., when net earnings for the last preceding fiscal year have been three times the interest charges on bonds then outstanding and proposed.

**Current Assets**—As at Dec. 31 1918, current assets, represented by cash, accounts receivable, inventories, investments in Dominion of Canada War Loan and other securities amounted to \$5,481,218, including the proceeds of this issue. Net liquid assets, after deducting current liabilities and including this issue, amounted to \$1,594,837, or over 79% of bonds out.

**Net Earnings after Depreciation and Bank Interest.**

1918.	1917.	1916.	1915.	1914.	5-Year Avg.
\$740,374	\$700,355	\$432,003	\$393,321	\$410,268	\$536,464

Net earnings available for bond interest in 1918 was over six times the amount required and for the five years was over four times.

In the last five years there has been written off for depreciation and through repairs and renewals accounts over \$1,000,000. The net earnings given above do not make any allowance for profit on the company's investment of approximately \$2,500,000 in its Edmondston pulp mill.—V. 108, p. 1824.

**Freeport Texas Co.—Dividends Resumed.**—The directors have declared a dividend of \$2 per share, payable May 20 to stockholders of record May 15. This is the first payment since May 15 1918, when \$1 50 per share was paid. The dividend was not designated as a quarterly payment, but simply as "a dividend." The company's annual report appeared in full in our issue of April 12.

**Favorable Decision in Patent Litigation.**

See Union Sulphur Co. below.—V. 108, p. 1506, 976.

**Great Western Power Co. of Cal.—New Securities Authorized—To Build New Plant.**

The California RR. Commission on April 28 authorized the company to issue \$6,000,000 of 6% 30-year bonds and \$1,500,000 of 7% cum. preferred stock. The granting of this authority provides for the immediate starting of work on a plant and transmission line on the north fork of the Feather River, within 6 miles of Belden, calling for the expenditure of \$6,000,000. The new plant will have a capacity of 40,000 h.p. A steel tower transmission line will be constructed to Big Bend and thence to the Valona sub-station; a distribution network center on the shore of San Francisco Bay.—V. 108, p. 1824.

**Harbison Walker Refractories Co.—Denial.**

The company in a letter to President John B. Barbour of the Pittsburgh Stock Exchange denies that it ever had any intention of, or entered into any negotiations to, acquiring the American Sewer Pipe Co. or the National Fire Proofing Co.—V. 108, p. 1270.

**Heywood Brothers & Wakefield Co.—Extra Dividend.**

An extra dividend of \$5 has been declared payable in Victory bonds as soon as bonds are ready for distribution, along with the regular semi-annual dividend of \$4, both payable June 1 to holders of record May 23.—V. 107, p. 908.

**International Nickel Co.—No Common Dividend.**

The directors on May 5 decided to omit the quarterly dividend on the common stock usually paid June 1. In March last 50 cents (2%) was paid previous to which \$1 (4%) was paid quarterly.

The following statement was issued:

"Because of the decreased earnings during the last quarter of the fiscal year, due to falling off in domestic business and almost entire cessation of foreign business and because it is deemed desirable to conserve cash resources of the company to meet further contingencies, the directors have deemed it inadvisable to declare any further distribution on the common stock at this time and have decided, therefore, to pass the dividend which ordinarily would be payable June 1."

"Because of the time required by accountants to complete their independent annual audit the earnings for the full year will not be ready for publication until issuance of the annual reports to stockholders later in the month."—V. 108, p. 1063, 679.

**International Paper Co.—Vice-President.**

Col. W. E. Haskell has been elected a Vice-Pres.; all other retiring officers were re-elected.—V. 108, p. 1824.

**Iowa Southern Utilities Co.—Fisher Interests in Control.**

The holdings of D. C. Bradley and Frank S. Payne, formerly General Manager, have been purchased by David G. Fisher & Co. of Davenport, Iowa, public utility engineers, who formerly owned a minority interest in the company. The transaction is said to involve in the neighborhood of \$450,000, and the formal transfer of control will be made on May 15. The company furnishes electric power to 30 Iowa towns and operates the railway, gas, heating and electric light plants of Centerville and about 33 miles of interurban railway.—V. 103, p. 2432.

**Jewel Tea Co., Inc.—Sales for 4 and 16 Weeks to April 19.**

	1919.	1918.	1917.
4 weeks to April 19.....	\$1,307,046	\$1,175,908	\$1,182,977
16 weeks to April 19.....	5,119,686	4,716,931	4,769,165

—V. 108, p. 1514, 1063.

**Kellogg Switchboard & Supply Co.—Balance Sheet.**

	1918.	1917.	1918.	1917.
<b>Assets—</b>				
Plant, real estate, machinery, &c.	640,688	685,079	4,000,000	4,000,000
Patents & good-will.	883,107	890,103		
Inventories	2,993,187	2,913,629		
U. S. Liberty bonds.	368,965			
Notes & accts. receiv. & investments.	1,325,301	1,284,203		
Cash	213,975	34,348		
Miscellaneous	29,842	4,935		
<b>Total</b>	6,454,065	5,812,298	6,454,065	5,812,298
<b>Liabilities—</b>				
Pay-roll and accrued taxes.	\$280,571	\$157,111		
Trade and miscellaneous accts. and notes payable.	515,179	271,521		
Special reserves.		725,000		
Surplus	1,658,315	658,667		

\* Incl. provisions for war excess profits and income tax.—V. 106, p. 2233

**(S. H.) Kress & Co.—Sales.**

	1919.	1918.	1917.
Month of April.....	\$2,041,389	\$1,573,494	\$1,406,836
Jan. 1 to April 30.....	\$6,725,484	\$5,513,795	\$4,683,651

—V. 108, p. 1613, 1064.

**Lindsay Light Co.—Authorized to Enter Dyestuffs Field.**

The stockholders on April 28 authorized changes in the company's charter permitting it to enter into the manufacturing of dyestuffs and chemicals, subject to 2 years of experiment and preparation.—V. 108, p. 687, 576.

**Ludlow Manufacturing Associates.—Special Dividend.**

The directors have declared a special dividend of \$1 00 per share along with the regular quarterly dividend of \$1 50 per share, both payable June 2 1919 to holders of record April 16. A like amount was paid in March last, and also in the four quarters of 1918.—V. 108, p. 1515, 1393.

**Mackay Companies.—Rates—Wages—Return of Cables.**

See "Current Events," &c., on a preceding page and also in V. 108, p. 1684, 1760, 1775.—V. 108, p. 1825, 1278.

**Manati Sugar Company.—Tenders.**

The Central Union Trust Co., N. Y., as trustee, will receive tenders for the sale of \$225,629 First Mtge. 6% 15-year gold bonds, dated May 1 1914, at not exceeding 110 and interest. Proposals will be opened May 15.—V. 108, p. 273.

**Manufacturers' Light & Heat Co.—Earnings.**

3 Mos. to	1919.	1918.	1919.	1918.
March 31—	\$	\$		
Gross earnings.....	3,152,643	2,675,397	13,499	15,757
Net, after taxes.....	1,189,001	1,218,177	5,244	2,517
Other income.....	16,355	13,372	460,000	460,000
Gross income.....	1,205,356	1,231,549	726,613	753,275

—V. 108, p. 971, 787.

**Marland Refining Co.—Stock Increase—Director.**

The stockholders on May 3 authorized an increase in the capital stock from \$10,000,000 to \$25,000,000. It is announced that the shareholders will be offered the right to subscribe to \$1,000,000 shares of additional stock at par (\$5 per share) to the extent of 50% of their holdings. Any of this stock not subscribed for will be taken by the directors at par. J. D. Callery has been elected a director.—V. 108, p. 1515.

**Mattagami Pulp & Paper Co., Ltd.—New Financing.**

The Royal Securities Corp. of Montreal announces that it heads a syndicate of Canadian and American bankers for the purchase of a new issue of \$2,000,000 7% Convertible Sinking Fund mortgage debentures of this company. The bonds will be offered at 94 and int., yielding over 7 1/2%.—V. 108, p. 485.

**Miami Copper Co.—Output (in Lbs.).**

Month of April	1919.	1918.	1917.
Jan. 1 to April 30.....	4,490,000	4,837,000	5,364,000
	18,792,000	19,191,000	20,034,000

—V. 108, p. 1724, 1515.

**Midvale Steel & Ordnance Co.—Combined Earnings.**

	1919.	1918.
Results for 3 months to March 31—		
Earnings after provision for all taxes.....	\$4,701,534	\$9,775,044
Deduct—Int. on bonds & guar. stock of sub. cos., \$238,885; Int. on Midvale Steel & Ordnance Co. bonds, \$553,837; total.....	792,722	793,383
Reserve for depreciation.....	1,158,615	1,181,320
Net profit for quarter.....	\$2,750,197	\$7,800,341

\* Subject to revision to meet any changes in interpretation of Federal tax laws, regulations and rulings.

**Tenders.**

The Guaranty Trust Co. of N. Y., as trustee, will until May 15 receive tenders for the sale of \$550,334 20-year 5% convertible sinking fund gold bonds, due Mar. 1 1936, at not exceeding 105 and int. Interest on accepted bonds will cease May 16.—V. 108, p. 1515, 1393.

**Milford (N. H.) Light & Power Co.—Receiver Appointed.**

Judge Anderson of the U. S. District Court on May 2 appointed Lyman K. Clark, of Ayer, Mass., receiver. The company has \$145,500 First Mtge. 5% bonds, due 1938, and \$150,000 common and \$110,000 7% Cumulative Preferred stocks outstanding.

**Mill Mountain Incline, Inc.—Purchased.**

This company's property, a railway operated by cable and hoist reaching the summit of Mill Mountain, 2,100 ft., near Roanoke, Va., recently sold at auction, it is stated, was purchased by E. M. Funckhouser, agent, for \$7,000.

**Mt. Vernon-Woodberry Mills, Inc.—Balance Sheet.**

	1918.	1917.	1918.	1917.
<b>Assets—</b>				
Property & plants x10,556,412	5,925,237	7,925,237	26,109,200	6,109,200
Good-will.....	4,511,300		4,511,900	4,511,900
Investments.....	671,721	428,003	2,000,000	2,500,000
Cash.....	660,666	915,302	242,380	287,971
Notes receivable.....	77,793	34,652	83,566	114,451
Accts. receiv., less reserve.....	1,484,697	1,696,556	213,822	152,730
Mdse. inventory.....	4,044,368	3,017,762		
Other assets.....	51,583	43,805	1,301,670	651,317
			3,084,252	2,245,048
<b>Total</b>	17,547,240	16,572,617	17,547,240	16,572,617
<b>Liabilities—</b>				
7% cum. pref. stk. z61,109,200			6,109,200	6,109,200
Common stock.....	4,511,900		4,511,900	4,511,900
1-year 6% notes.....	2,000,000		2,000,000	2,500,000
Accounts payable.....	242,380		242,380	287,971
Accrued accounts.....	83,566		83,566	114,451
Div. declared and pay. Jan. 15 '19			213,822	152,730
Reserves for Fed'l war taxes & con.			1,301,670	651,317
Surplus.....			3,084,252	2,245,048

x After deducting in 1918 \$210,264 reserve for depreciation of plants.  
 y After adding in 1918 \$110,861 reserve for cotton price adjustment.  
 z After deducting \$1,640,800 pref. and \$938,100 common stocks in treasury.  
 \* After adding "excess provision for Federal taxes for the year 1917, \$99,251."—V. 108, p. 1825.

The income account for 1918 was given in V. 108, p. 1825.

**National Biscuit Co.—Acquires Property.**

The company has bought from the Peter Doelger Brewing Co. the 4-story building at the southeast corner of West and 12th streets, in N. Y. City, 20x50, giving it control of a site which includes the entire block front on West St., between 12th and Bethune Sts. The property has a frontage of 160 ft. on West St., 190 ft. on 12th St. and 124 ft. on Bethune St. For over 20 years the National Biscuit Co. has owned property surrounding the corner purchased.—V. 108, p. 260.

**National Breweries, Ltd.—Initial Dividend, &c.**

An initial dividend of 1 1/2% has been declared on the \$2,254,300 outstanding common stock, payable June 1 to holders of record May 14. Annual earnings are reported as follows:

	1918.	1917.	1916.
Profits.....	\$616,265	\$417,225	\$446,002
Bond interest.....	103,280	108,640	113,600
Preferred dividend.....	194,250	194,250	194,250
Depreciation reserve.....	82,226	81,287	80,257

	1918.	1917.	1916.
Balance, surplus.....	\$236,509	\$334,048	\$57,895
Total surplus.....	\$900,592	\$604,082	\$631,033

—V. 106, p. 611.

**National Cloak & Suit Co.—Stock Reduction.**

This company filed a certificate in Albany reducing the capital stock from \$17,000,000 to \$16,330,000.—V. 108, p. 1515.

**Nevada-California Electric Corp., Denver.—Earnings.**

Earnings for March 1919 and 3 Months ended March 31 1919, Incl. Sub. Cos [After eliminating inter-company transactions.]

	1919—March—1918.	1919—3 Mos.—1918.	1918—March—1917.	1918—3 Mos.—1917.
Gross operating earnings.....	\$176,131	\$171,010	\$499,222	\$489,022
Total income (after taxes).....	\$94,699	\$90,625	\$279,300	\$268,486
Interest on bonds, debentures, notes, &c. (net).....	59,253	52,679	170,145	155,326
Depreciation.....	7,366	10,151	21,084	29,678
Net earnings.....	\$28,080	\$27,795	\$82,071	\$83,482
Discounts, &c. (net).....	def7,849	def5,021	def22,060	def12,045
Appropriated to redeem bonds.....	4,920	6,298	17,528	19,059
Available surplus.....	\$15,311	\$16,476	\$42,483	\$52,398
Interest in unappropriated earned surplus of controlled cos. def5,513		def2,084	def5,479	def2,851
Surplus of controlled cos. approp. for redemption of bonds.....	2,500	2,500	7,500	7,500

—V. 108, p. 1719.

**New Cornelia Copper Co.—Production (in Pounds).**

Month of April	1919.	1918.	Decrease.
Jan. 1 to April 30.....	2,674,000	3,728,000	1,054,000
	12,498,000	16,046,000	3,550,000

—V. 108, p. 1515, 1064.

**Niles-Bement-Pond Co.—Common Dividend Decreased.**

The directors have declared a quarterly dividend of 2% on the \$8,500,000 common stock, payable June 20 to holders of record June 2. This compares with 2 1/2% paid in March last and 3% in each quarter of 1917 and 1918.—V. 108, p. 779, 688.



**Nipissing Mines Co., Ltd.—Earnings.—**

	1918.	1917.	1916.
Total receipts.....	\$1,816,211	\$1,935,111	\$1,835,140
Expenses.....	39,839	120,343	29,896
Dividends (30%).....	1,800,000	1,800,000	1,800,000
Balance, surplus.....	def. \$24,028	\$14,768	\$ 5,244

—V. 100, p. 0000.

**North Pacific Public Service Co.—Earnings for March and 3 Mos. to Mar. 31.—**

	1919—March	1918.	1919—3 Mos.	1918.
Gross earnings.....	\$19,913	\$14,493	\$63,380	\$47,836
Oper. expenses and taxes.....	15,684	12,230	48,834	37,372
Net. after operating.....	\$4,229	\$2,263	\$14,546	\$10,464
Bond interest.....	1,217	1,217	3,657	3,650
Other interest.....	1,060	804	2,875	2,331
Preferred dividend.....	534	534	1,602	1,602

Balance, surplus..... \$1,418    def. \$292    \$6,412    \$2,881

Received from W. E. Wardell & Co., Worcester, Mass.—V. 108, p. 788.

**Ohio Fuel Supply Co.—Earnings for 3 Mos. end. Mar. 31.—**

	1919.	1919.
Gas.....	\$3,131,496	Expenses.....\$1,687,179
Oil.....	58,081	Depreciation.....216,339
Gasoline.....	203,001	Taxes.....264,747
Interest.....	28,051	Divs. paid in cash (2 1/4%).....495,319
Divs., United Fuel Gas Co.....	441,000	do U. S. Liberty bds. (2%).....396,260

Total gross earnings.....\$3,861,629    Balance, surplus.....\$801,785

Compare annual report in V. 108, p. 971.

**Old Dominion Co. of Maine.—New President.—**

Charles S. Smith has been elected President to succeed James Douglas, deceased.—V. 108, p. 1825.

**Ontario Steel Products Co., Ltd.—Dividend.—**

The directors have declared a dividend of 1 1/4% on the \$750,000 7% cumulative pref. stock, payable May 15 to shareholders of record May 2, and 1/2 of 1% on account of dividends in arrears, payable on same dates. A like amount was paid on back dividends in Feb. last.—V. 108, p. 485.

**Pabst Brewing Co.—Brewing of Beer.—**

See under "Current Events," &c., in V. 108, p. 1676.—V. 108, p. 485, 274.

**Pacific Coast Shipbuilding Co.—Reduces Outstanding Bonds.—**

The company on April 30 announced that it has retired one-third of its outstanding indebtedness, thereby reducing its outstanding bonds to \$500,000, which becomes due \$250,000 each Nov. 1 1919 and May 1 1920. In making the announcement the statement says:

"R. N. Burgess, President of the Pacific Coast Shipbuilding Co., states that checks have gone out as of May 1 to retire \$250,000 of its bonded debt. This will reduce outstanding bonds to \$500,000. This payment has been financed entirely from operations.

"It will be gratifying to our stockholders to know that the company has drawn together a successful shipbuilding organization and that its operations have been most friendly with its employees throughout, and at no time marred by any misunderstanding. The town of Clyde will be completed early in May, and includes a 176-room hotel and over a hundred houses which its employees are now beginning to occupy. Plant production is on schedule."—V. 107, p. 909.

**Pennsylvania Coal & Coke Corporation.—Earnings.—**

	1918.	1917.	1916.
Calendar Years—			
Net tons produced.....	3,412,558	3,288,440	2,891,573
Gross sales.....	\$10,539,656	\$8,811,111	\$4,430,451
Net earnings.....	\$2,008,463	\$2,182,354	\$181,674
Other income.....	120,178	91,616	53,022

  

	1918.	1917.	1916.
Gross income.....	\$2,123,641	\$2,273,970	\$234,766
Deductions.....	\$539,864	\$1,035,117	\$78,030
Federal taxes.....		445,196	
Dividends.....	(10 1/4%) 647,799	(4) 246,781	

  

Surplus.....	x\$935,978	\$546,874	\$156,736
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x Subject to change on account of 1918 Federal taxes.—V. 107, p. 800.

**Pierce-Arrow Motor Car Co.—Earnings 3 Mos. to Mar. 31.—**

	1919.	1918.	1917.	1916.
Operating profit.....	\$46,439	\$2,326,552	Prof. divs. (2%).....\$200,000	\$200,000
Deprec., war taxes and interest.....	378,554	1,094,685	Com. divs. (\$1.25).....312,500	312,500

The company on May 1 paid a further dividend of \$1.25 on the 250,000 shares (with no par value) of common stock, amounting to \$312,500.—V. 108, p. 1507, 386.

**Pierce Oil Corp.—Application to List.—**

Application has been made to the N. Y. Stock Exchange to list \$1,294,000 additional of this company's common stock.—V. 108, p. 1826, 386.

**Porto Rican-American Tobacco Co.—Scrip Dividend.—**

The regular quarterly dividend of 3% has been declared payable in 3-year 6% scrip on June 5 to holders of record May 15. A like amount was paid in the four quarters of 1918 in 3-year 6% scrip.—V. 108, p. 1394, 1065.

**Punta Alegre Sugar Co.—New Stock Issue Recommended.—**

The directors at a meeting held on May 8 decided to recommend to the stockholders an increase in the authorized common stock from 160,000 shares to 240,000 shares. Subject to such authorization, it is planned to offer to each common stockholder of record July 1 next the right to subscribe at par (\$50) to one additional share for each three shares held on that date.

**Racine Water Co.—Sells Plant to City.—**

The American Water Works & Electric Co. announces that one of its subsidiaries, the Racine Water Co., sold its plant to the city of Racine, Wis., April 30 1919, subject to the Racine Water Co.'s bonded debt of \$1,121,000. These bonds draw interest at 5% per annum and remain a lien on the property until they become due in 1931 unless called by the city of Racine for payment at some previous date in accordance with the terms of the mortgage.—V. 105, p. 394.

**Republic Iron & Steel Co.—Acquisition.—**

The company has announced the acquisition of the Deforest Sheet & Tinplate Co., Niles, Ohio. The purchase includes the entire capital stock and property of the Niles company, consisting of 8 sheet mills and 2 jobbing mills, with a manufacturing site of 225 acres of land.

**The St. Lawrence Transmission Co.—Stock Increase.—**

This company has increased its authorized capital stock from \$525,000 to \$3,000,000, the proceeds to be used for extensions to its electric system.

**Springfield (Mass.) Breweries Co.—Stops Brewing.—**

A dispatch from Boston on May 8 says this company has ceased all brewing, not only of 2.75% beer, but of a variety of non-alcoholic "near-beer" with which it has been experimenting. The company operated four plants, three in Springfield and one in Willimansett, Mass.—V. 90, p. 378.

**Standard Car Construction Co.—Consolidation &c.—**

It is stated that John Stevenson, Jr., Sharon, Pa., has acquired a controlling interest in this company's capital stock. The company's plant, located at Masaryk, Pa., has a daily production of about 20 tank cars. See Standard Car Equipment Co. below.—V. 105, p. 2371.

**Standard Car Equipment Co.—Consolidation.—**

The stockholders will meet June 3 to pass upon the agreement for the consolidation of this company, Standard Car Construction Co., and the Standard Tank Car Co. into a single corporation, the Standard Tank Car Co. of Delaware, also to consider the matter of converting the shares of this company and the Standard Car Construction Co. into the shares of the Standard Tank Car Co.—V. 104, p. 1805.

**Standard Motor Construction Co.—Dividend.—**

A dividend of 5% has been declared on the \$1,800,000 capital stock, payable June 2 to holders of record May 7. In Feb., May, July and Dec. 1918 a dividend of 20% was paid.—V. 107, p. 1485.

**Standard Tank Car Co.—Consolidation.—**

See Standard Car Equipment Co. above.

**Steel Co. of Canada.—Vice-President, &c.—**

Ross H. McMaster has been elected Vice-Pres. to succeed Cyrus A. Birge, resigned.

**Tennessee Power Co.—Earnings, &c.—**

See Tennessee Ry., Light & Power Co. under "Reports," in V. 108, p. 1820.—V. 108, p. 1615.

**Tidewater Oil Co. of N. J.—New Directors.—**

The following have been elected to the board: Robert McKelvey, Frank Hasbrouk, A. J. Bylos and Charles D. Norton. Robert McKelvey was also made 3rd Vice-Pres. and Frank A. Marcellus Asst. Treas.—V. 108, p. 1279.

**Triangle Film Corp.—Officers.—**

P. L. Walters has been elected President and Gen. Mgr. and H. E. Aiken, Chairman of the Board.—V. 108, p. 1809.

**Underwood Typewriter Co.—Extra Dividend.—**

The directors have declared an extra dividend of 5% on the \$8,600,000 common stock, payable in U. S. Victory bonds, in addition to the regular quarterly dividends of 1 1/4% on the \$3,900,000 pref. stock and 2% on the com. stock, all payable July 1 to holders of record June 5. In Jan. 1919, 5% extra was paid but in April only the regular quar. of 2% was paid.—V. 108, p. 886, 780.

**Union Oil Co. of California.—Tenders for Bonds.—**

The Equitable Trust Co. of N. Y., as trustee, will receive sealed tenders on or before noon on May 16 for the sale of First Lien 5% 20-year Sinking Fund bonds to exhaust the sum of \$734,000.—V. 108, p. 1615, 1616.

**Union Sulphur Co.—Application for Writ of Certiorari Denied.—**

The U. S. Supreme Court on May 5 denied this company's application for a writ of certiorari in the case against the Freeport Texas Co. for alleged infringement of patents. The U. S. District Court at Philadelphia had previously decided the case in favor of the Freeport Texas Co.—V. 108, p. 978.

**United Drug Co.—To Offer Preferred Stock to Employees.—**

This company, it is stated, is to offer \$750,000 of its 6% second pref. stock to its employees, at par, payments to be made in weekly installments ranging from 50 cents.

**United Profit Sharing Corp.—Balance Sheet Dec. 31.—**

	1918.	1917.	1918.	1917.
Assets—	\$	\$	Liabilities—	\$
Cash.....	211,021	19,619	Capital stock.....	409,538
Investments.....	598,973	\$34,925	Bal. capital distrib. for stockholders.....	12,540
Liberty bonds.....	75,000		Accounts payable.....	92,739
Furn. & fixtures.....	13,243	13,583	Reserve for deprec., taxes, doubtful accounts, &c.....	7,972,969
Merchandise, &c.....	71,587	60,726	Surplus.....	255,545
Unexpired insurance.....	719	813		192,334
Accts. receivable.....	204,449	209,561		
Acct. div. on invest. ....	11,200	10,150		
Coupon acct. (cont.).....	7,556,239	5,138,919		

Total.....\$7,433,331    6,288,296    Total.....\$7,433,331    6,288,296

The income account for 1918 was in V. 108, p. 1171.

**U. S. Steel Corp.—Subsidiary Acquires Land—Bonds, &c.—**

The company, through its subsidiary, the Carnegie Steel Co., has purchased from the Ford Realty Co., 54 acres of land on the Passaic River, Kearny, N. J., at a price understood to be in the neighborhood of \$350,000. Of the Union Steel Co., \$45,000,000 authorized First and Collateral 5% bonds, due Dec. 1 1952, \$24,025,000 are outstanding and \$19,886,000 were held alive in the sinking fund as of Dec. 31 1918. The amount of Sharon Coke Co. First Mtg. 5% bonds outstanding is \$96,000.

**Fore River Shipbuilding Co.'s Railroad Property Acquired.—**

See Fore River RR. Corp. above.

**Conferences in Steel Price Controversy.—**

See "Current Events," &c., in preceding pages and in V. 108, p. 1827, 1733.—V. 108, p. 1782.

**Wells, Fargo & Co.—Earnings.—**

	1918.	1917.	1916.
Calendar Years—			
Gross earnings.....	\$34,115,902	\$59,795,848	\$50,387,016
Net earnings.....	def. \$3,246,822	\$758,000	\$3,123,967
Other income.....	1,070,739	866,851	1,166,772

Balance, surplus or deficit.....def. \$2,176,083 sr\$1,624,851 sr\$4,289,739

—V. 108, p. 85.

**Wesl (F.) Mfg. Co.—Dividend.—**

A dividend of 3 1/4% has been declared on the preferred stock, payable May 15 to holders of record April 30. On Aug. 15 1918 a dividend of 7% was paid and Aug. 31 13 1/4% was paid.—V. 107, p. 1486.

**Western Power Corp.—Subsidiary Authorized to Issue New Securities—To Build New Plant.—**

See Great Western Power Co. of Cal. above.—V. 107, p. 1673.

**Western States Oil & Land Co., Denver, Colo.—**

Secretary Clarence E. Titus in circular of May 2 1919 announces that warrants will be mailed on or about May 15 to stockholders of record May 12 1919, entitling them to subscribe and simultaneously pay in full, on or before May 31, for their proportion of 900,000 shares of the Western States Oil & Land Co. capital stock at its par value of \$1 per share, being a right to subscribe for nine shares to every one share owned by them.

For other Investment News, see page 1947.

## Reports and Documents.

### CHICAGO & NORTH WESTERN RAILWAY COMPANY

FIFTY-NINTH ANNUAL REPORT—FOR THE YEAR ENDING DECEMBER 31 1918.

To the Stockholders of the Chicago & North Western Railway Company:

The Board of Directors in submitting the following report of the affairs of the Company for the year ending December 31 1918, desires to call attention to the following facts:

By a proclamation dated December 26 1917, the President, acting under the powers conferred on him by the Constitution and Laws of the United States, by the joint resolutions of the Senate and House of Representatives bearing date April 6 and December 7 1917, respectively, and particularly under the powers conferred by Section I of the Act of Congress approved August 29 1916, entitled "An Act making appropriations for the support of the army for the fiscal year ending June 30 1917, and for other purposes," took possession and assumed control at 12 o'clock noon on December 28 1917 of the railroad and transportation system of this Company and the appurtenances thereof, and the operation of the property since December 31 1917 has been conducted for account of the Government by the Director-General of Railroads.

The Congress of the United States, by an Act approved March 21 1918, known as the Federal Control Act, authorized the President to enter into agreements with the companies owning the railroads and systems thus taken over for the maintenance and upkeep of the same during the period of Federal control.

The President of this Company, under the terms of the Federal Control Act, executed a contract with the Director-General of Railroads dated the tenth day of September 1918, such execution upon the part of the Chicago & North Western Railway Company having been duly ordered by resolutions of the Board of Directors, which action of the Board of Directors had been duly authorized by a vote of the stockholders at their annual meeting on the 9th day of April 1918.

The contract stipulates that the Chicago & North Western Railway Company and its affiliated transportation companies shall receive as a yearly rental the sum of Twenty-three Million Three Hundred and Sixty-four Thousand Twenty-eight Dollars and Fifty-five Cents (\$23,364,028 55), of which Twenty-three Million Two Hundred and One Thousand Fifteen Dollars and Sixty Cents (\$23,201,015 60) accrues to the Chicago & North Western Railway Company, and the balance, One Hundred Sixty-three Thousand Twelve Dollars and Ninety-five Cents (\$163,012 95) to its affiliated transportation companies. Of the total rental as above, Nine Million Dollars (\$9,000,000 00) has been paid by the Government up to December 31st, leaving a balance due of Fourteen Million Three Hundred Sixty-four Thousand, Twenty-eight Dollars and Fifty-five Cents (\$14,364,028 55).

The accounts with the United States Railroad Administration, as shown in the Balance Sheet, agree with those shown on the Federal Books and are in accordance with the instructions as issued by the Director, Division of Accounting, of the United States Railroad Administration, but are subject to change in case of error or to meet conditions of the contract.

The Income Account of the Chicago & North Western Railway Company (corporation) for the year ending December 31 1918, was as follows:

Revenues:	
Compensation for Lease of Road	\$23,201,015 60
Dividends on Stocks Owned	1,026,130 00
All other sources	1,236,531 34
	\$25,463,676 94
Expenses:	
Interest on Bonds	\$8,816,106 39
War Tax Accruals	925,000 00
Corporate Operating Expenses	149,577 04
All other	1,201,762 51
	11,092,445 94
Net	\$14,371,231 00
Less for Dividends	11,952,275 00
Balance Income for the year carried to Profit and Loss	\$2,418,956 00

As shown in the monthly reports to the Inter-State Commerce Commission, the results of the operation of the Chicago & North Western property by the United States Railroad Administration for the calendar year 1918, as compared with the operation by the Chicago & North Western Railway Company for the calendar year 1917, were as follows:

	1917.	1918.
Operating Revenues	\$108,264,983 32	\$127,295,678 35
Operating Expenses	78,758,988 73	109,498,572 24
All Other Expenses (Net)	5,108,138 58	5,355,668 98
Total Expenses	83,867,127 31	114,854,241 22
Net Revenue from Operation	\$24,397,856 01	\$12,441,437 13

#### MILES OF RAILROAD.

The total number of miles of railroad owned December 31 1918 was 7,927.24 miles

In addition to which the Company had exclusive or trackage rights over the following

Through Ownership of Entire Capital Stock—	
Wolf River Valley Railway (Junction east of Elton to White Lake, Wis.)	1.98
Under Lease—	
De Pue, Ladd & Eastern Railroad (Ladd to Seatonville, Ill.)	3.25 miles
Belle Fourche Valley Railway (Belle Fourche to Newell, S. D.)	23.52 "
James River Valley & North Western Railway (Blunt to Gettysburg, S. D.)	39.55 "
Macoupin County Extension Railway (Bend to Staunton, Ill.)	4.36 "
Iowa Southern Railway (Miami to end of track beyond Consol, Iowa)	13.77 "
	84.45
Under Trackage Rights—	
Peoria & Pekin Union Railway (in the City of Peoria, Ill.)	2.02 "
New York Central Railroad (Churchill to Ladd, Ill.)	2.80 "
Union Pacific Railroad (Broadway Station, Council Bluffs, Iowa, to South Omaha, Neb.)	8.73 "
Missouri Valley & Blair Railway & Bridge Company's track	3.36 "
Chicago St. Paul Minneapolis & Omaha Ry.:	
Blair to Omaha, Neb.	24.70 "
Elroy to Wyeville, Wis.	22.79 "
In Sioux City, Iowa	2.28 "
Illinois Central Railroad (Sioux City to Wren, Iowa)	10.10 "
	76.78

Total miles of railroad in operation December 31 1918 8,090.45 "

The foregoing mileage is located as follows:

In Illinois	824.53 miles
In Wisconsin	2,160.12 "
In Michigan	510.90 "
In Minnesota	650.30 "
In Iowa	1,634.66 "
In North Dakota	14.28 "
In South Dakota	1,063.15 "
In Nebraska	1,102.05 "
In Wyoming	130.46 "
Total	8,090.45 "

#### CAPITAL STOCK.

There has been no change since the close of the preceding year in the Capital Stock and Scrip of the Company.

The Company's authorized Capital Stock is Two Hundred Million Dollars (\$200,000,000 00), of which the following has been issued to December 31 1918:

Outstanding:	
Common Stock and Scrip	\$145,157,518 82
Preferred Stock and Scrip	22,395,120 00
Special Stock	65,000 00
Total Stock and Scrip Outstanding	\$167,617,638 82
Owned by the Company:	
Common Stock and Scrip	\$2,342,122 15
Preferred Stock and Scrip	3,834 58
Total Stock and Scrip owned by the Company	2,345,956 71
Total Capital Stock and Scrip, December 31 1918	\$169,963,595 53

#### FUNDED DEBT.

At the close of the preceding year the amount of Funded Debt, exclusive of Bonds in the Treasury and Due from Trustee, was \$204,623,000 00

The above amount has been decreased during the year ending December 31 1918 by Bonds and Equipment Trust Certificates redeemed, as follows:

M. L. S. & W. Ry. Extension and Improvement Sinking Fund Mortgage, 5%, redeemed	\$9,000 00
C. & N. W. Ry. Sinking Fund of 1879, 5%, redeemed	127,000 00
C. & N. W. Ry. Sinking Fund Debentures of 1933, 5%, redeemed	91,000 00
C. & N. W. Ry. Equipment Trust Certificates of 1912, 4½%, redeemed, viz.:	
Series A	\$300,000 00
Series B	300,000 00
Series C	400,000 00
	1,000,000 00
Total Funded Debt redeemed	1,227,000 00
	\$203,396,000 00

And the above amount has been increased by Bonds sold during the year, as follows:

C. & N. W. Ry. General Mortgage Gold Bonds of 1987, 5%, sold to reimburse the Company for past expenditures made for construction and in redeeming matured bonds	\$16,500,000 00
Leaving Funded Debt Outstanding December 31 1918	\$213,896,000 00

**BONDS IN THE TREASURY AND DUE FROM TRUSTEE.**

At the close of the preceding year the amount of the Company's Bonds in the Treasury and Due from Trustee was

The above amount has been increased during the year ending December 31 1918 as follows:	
W. & St. P. RR. (Extension Western Division) First Mortgage, 7%, redeemed	\$18,100 00
North Western Union Ry. First Mortgage, 7%, redeemed	44,500 00
M. L. S. & W. Ry. Extension and Improvement Sinking Fund Mte., 5%, redeemed	9,000 00
C. & N. W. Ry. Sinking Fund of 1879, 6%, redeemed	2,000 00
C. & N. W. Ry. Sinking Fund of 1879, 5%, redeemed	127,000 00
C. & N. W. Ry. Sinking Fund Debentures of 1933, 5%, redeemed	91,000 00
& N. W. Ry. Equipment Trust Certificates of 1917, Series H, 5%, issued	4,000,000 00
& N. W. Ry. General Mortgage Gold Bonds of 1987, due from Trustee on account Construction Expenditures made during year	1,000,000 00
	5,291,600 00
	<u>\$28,163,900 00</u>

And the above amount has been decreased during the year, as follows:

C. & N. W. Ry. Equipment Trust Certificates of 1913, 4 1/2 %, retired, viz.:	
Series D	\$400,000 00
Series E	485,000 00
Series F	115,000 00
C. & N. W. Ry. Equipment Trust Certificates of 1917, Series G, 5%, retired	422,000 00
C. & N. W. Ry. General Mortgage Gold Bonds of 1987, 5%, sold to reimburse the Company for past expenditures made for construction and in redeeming matured bonds	10,500,000 00
	11,922,000 00
Total, December 31 1918	\$16,241,900 00

In addition to the foregoing transactions, the following Treasury Bonds were exchanged for Trustee's Certificates entitling the Company to an equal amount of C. & N. W. Ry. General Mortgage Gold Bonds of 1987, viz.:

W. & St. P. RR. (Ext. Western Div.) First Mte., 7%	18,000 00
North Western Union Ry. First Mortgage, 7%	44,000 00
M. L. S. & W. Ry. Extension and Improvement Sinking Fund Mortgage, 5%	31,000 00
C. & N. W. Ry. Sinking Fund of 1879, 6%	2,000 00
C. & N. W. Ry. Sinking Fund of 1879, 5%	135,000 00
C. & N. W. Ry. Sinking Fund Debentures of 1933, 5%	200,000 00
	<u>\$430,000 00</u>

**CONSTRUCTION.**

The construction charges for the year ending December 31 1918 were as follows:

<b>Sundry Construction:</b>	
Bridges, Trestles and Culverts	\$576,887 41
Track Elevation	202,263 59
Buildings and Fixtures	1,119,549 69
Betterment of Roadway and Track	660,075 26
Shop Machinery and Tools	343,918 82
Grain Elevators and Storage Warehouses	736,572 83
Assessments for Public Improvements	72,734 69
Miscellaneous Construction, including Sidings, Grade Crossings and other items	70,082 77
	<u>\$3,782,085 06</u>
<b>Equipment:</b>	
16 Locomotives, 38 Freight-train Cars and 5 Work Equipment Cars	869,511 62
Improvement of Equipment	345,040 17
Trust Equipment of 1917, added:	
2,000 Freight-train Cars	4,031,672 98
	<u>\$5,246,224 77</u>
Less Original Cost of Equipment Retired, as follows:	
2 Locomotives	\$15,449 01
5 Passenger-train Cars	30,841 42
909 Freight-train Cars	598,867 89
148 Work Equipment Cars	31,836 33
Other Items	22,913 70
	<u>\$669,908 26</u>
	<u>\$4,576,316 51</u>
	<u>\$8,358,401 57</u>

**LANDS.**

During the year ending December 31 1918 7,966.77 acres and 32 town lots of the Company's Land Grant lands were sold for the total consideration of \$298,711.87. The number of acres remaining in the several Grants December 31 1918 amounted to 295,437.16 acres, of which 9,588.60 acres were under contract for sale, leaving unsold 285,848.56 acres.

Appended hereto may be found statements and accounts relating to the business of the Company for the year, and the condition of its affairs on December 31 1918.

By order of the Board of Directors.  
W. H. FINLEY, *President.*

**GENERAL BALANCE SHEET DECEMBER 31 1918.**  
(7,927.24 Miles.)

<b>ASSETS.</b>	
<i>Investments—</i>	
Road and Equipment—	
Balance to Debit of this Account, December 31 1917	\$397,916,748 89
Add Sundry Construction and Equipment Expenditures for the year ending December 31 1918, including Trust Equipment (See statement above)	8,358,401 57
	<u>\$406,275,150 46</u>
Cash and Securities in Sinking Funds	2,520,981 60
Miscellaneous Physical Property	616,036 25
Investments in Affiliated Companies	14,837,226 01
<i>Other Investments—</i>	
149,200 shares of Capital Stock of the Chicago St. Paul Minneapolis & Omaha Ry. Co.	\$10,337,152 29
41,715 shares of Preferred Stock of the Union Pacific Railroad Company	3,910,575 93
\$96,000 New York Central & Hudson River RR. Refunding and Improvement Bonds	89,064 00
\$60,000 New York Central Railroad Consolidated Bonds	56,959 44
\$5,000,000 United States Government 15-20-Year 4 1/2 % Gold Bonds	5,000,000 00
Miscellaneous	3,481 10
	<u>19,397,232 76</u>
	<u>\$443,646,626 98</u>
<i>Current Assets:</i>	
Cash	\$4,245,517 57
Loans and Bills Receivable	1,001,712 35
Miscellaneous Accounts Receivable prior to January 1 1918	551,380 26
Various Persons and Companies	309,117 20
Due on Land Contracts	177,443 76
	<u>6,285,171 14</u>
<i>United States Railroad Administration:</i>	
Accrued Compensation, \$23,201,015 60 Less received on account	9,000,000 00
	<u>\$14,201,015 60</u>
Cash December 31 1917, taken over	5,722,051 43
Agents' and Conductors' Balances, December 31 1917, taken over	4,035,549 53
Material and Supplies on Hand December 31 1917, taken over	9,833,182 31
December 31 1917, Assets Collected	3,427,816 00
Revenue prior to January 1 1918	1,453,182 63
Road Retired and Not Replaced	293,788 76
Equipment Retired	429,015 25
	<u>39,395,601 51</u>
<i>Unadjusted Debts:</i>	
Advances Account Equipment Purchased under Trust Agreement	\$1,843,374 92
Capital Stock and Scrip, C. & N. W. Ry. Co., held in Treasury	2,345,956 71
C. & N. W. Ry. General Mortgage Gold Bonds of 1987, due from Trustee	1,043,300 00
C. & N. W. Ry. Equipment Trust Certificates of 1913, Series D, E and F, held in Treasury	7,400,000 00
C. & N. W. Ry. Equipment Trust Certificates of 1917, Series G and H, held in Treasury	7,798,000 00
Other Unadjusted Debts	738,333 07
	<u>21,168,664 70</u>
	<u>\$510,496,364 33</u>
<b>LIABILITIES.</b>	
<i>Capital Stock</i> (See statement above):	
Outstanding	\$167,617,638 82
Owned by Company	2,345,956 71
	<u>\$169,963,595 53</u>
Premium Realized on Capital Stock	29,657 75
<i>Long-Term Debt:</i>	
Funded Debt held by the Public	\$211,454,000 00
Funded Debt held by Trustees account Sinking Funds	2,442,000 00
Funded Debt held by Company and Due from Trustee	16,241,900 00
	<u>230,137,900 00</u>
<i>Current Liabilities:</i>	
Loans and Bills Payable	\$5,000,000 00
Audited Accounts Payable	113,549 32
Miscellaneous Accounts Payable prior to January 1 1918	133,476 62
Matured Interest and Dividends Unpaid	3,746,649 74
Funded Debt Matured Unpaid	120,100 00
Unmatured Interest Accrued	1,898,610 82
Other Current Liabilities	31,246 32
	<u>11,043,602 82</u>
<i>United States Railroad Administration:</i>	
Additions and Betterments	\$7,109,998 76
Liabilities, December 31 1917, Paid	12,735,087 36
Corporate Transactions	1,879,416 38
Expense prior to January 1 1918	5,573,149 01
	<u>27,297,651 51</u>
<i>Unadjusted Credits:</i>	
Tax Liability	\$932,483 83
Accrued Depreciation—Equipment	13,724,721 71
Balance Premium on C. & N. W. Ry. 5% General Mortgage Gold Bonds of 1987	702,807 79
Other Unadjusted Credits	946,721 45
	<u>16,306,734 78</u>
<i>Corporate Surplus:</i>	
Additions to Property through Surplus	\$461,545 67
Sinking Fund on North Western Union Ry. Gold Bonds	1,071,342 81
Sinking Fund on W. & St. P. RR. Extension Gold Bonds	1,431,389 52
	<u>2,964,278 00</u>
Profit and Loss	52,752,913 94
	<u>\$510,496,364 33</u>

## COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR THE TWELVE MONTHS ENDING DECEMBER 31 1917 AND 1918.

	January 1 to December 31 1917.	January 1 to December 31 1918.	Increase.	Decrease.
<i>Gross Income:</i>				
Net Operating Income.....	\$24,241,319 86			\$24,241,319 86
Accrued Compensation for Lease of Road.....		\$23,201,015 60	\$23,201,015 60	
All Other Rent Income.....	342,628 88	676,387 69	333,758 81	
Dividend Income.....	1,826,564 00	1,026,130 00		800,434 00
Income from Funded Securities.....	537,681 55	350,601 14		187,080 41
Income from Unfunded Securities and Accounts, and Other Items.....	305,950 97	209,542 51		96,408 46
<b>Gross Income.....</b>	<b>\$27,254,145 26</b>	<b>\$25,463,676 94</b>		<b>\$1,790,468 32</b>
<i>Deductions from Gross Income:</i>				
Corporate Operating Expenses.....		\$149,577 04	\$149,577 04	
Rent for Lease of Other Roads:				
Belle Fourche Valley Railway.....	\$31,747 56	31,747 56		
James River Valley & North Western Railway.....	38,673 08	38,689 72		16 64
Macoupin County Extension Railway.....	13,220 82	16,329 17		3,108 35
Iowa Southern Railway.....	40,150 01	42,213 36		2,063 35
Miscellaneous Rents.....	140,728 93	196,396 67		55,667 74
War Tax Accruals.....	635,531 84	925,000 00		289,468 16
Miscellaneous Tax Accruals.....	114,561 76	194,980 03		80,418 26
Interest on Funded Debt.....	8,911,294 84	8,816,106 39		\$95,188 45
Other Deductions.....	203,205 58	569,926 13		366,720 55
<b>Total Deductions.....</b>	<b>\$10,129,114 42</b>	<b>\$10,980,966 06</b>	<b>\$851,851 64</b>	
<b>Net Income.....</b>	<b>\$17,125,030 84</b>	<b>\$14,482,710 88</b>		<b>\$2,642,319 96</b>
<i>Disposition of Net Income:</i>				
Sinking Funds.....	\$170,881 63	\$111,479 88		\$59,401 75
Dividends—				
8% on Preferred Stock.....	1,791,600 00	1,791,600 00		
7% on Common Stock.....	9,897,366 50	10,160,675 00	\$263,308 50	
<b>Total Appropriations.....</b>	<b>\$11,859,848 13</b>	<b>\$12,063,754 88</b>	<b>\$203,906 75</b>	
<b>Balance Income for the year, carried to Profit and Loss.....</b>	<b>\$5,265,182 71</b>	<b>\$2,418,956 00</b>		<b>\$2,846,226 71</b>

## CHICAGO SAINT PAUL MINNEAPOLIS &amp; OMAHA RAILWAY COMPANY

## THIRTY-SEVENTH ANNUAL REPORT—FOR THE YEAR ENDING DECEMBER 31 1918.

To the Stockholders of the Chicago Saint Paul Minneapolis & Omaha Railway Company:

The Board of Directors in submitting the following report of the affairs of the Company for the year ending December 31 1918 desires to call attention to the following facts:

By a proclamation dated December 26 1917 the President, acting under the powers conferred on him by the constitution and laws of the United States, by the joint resolutions of the Senate and House of Representatives, bearing date April 6 and December 7 1917, respectively, and particularly under the powers conferred by Section 1 of the Act of Congress approved August 29 1916, entitled "An Act Making Appropriations for the Support of the Army for the Fiscal Year Ending June 30 1917 and for Other Purposes," took possession and assumed control at 12 o'clock noon on December 28 1917 of the railroad and transportation system of the Company and the appurtenances thereof, and the operation of the property since December 31 1917 has been conducted for account of the Government by the Director-General of Railroads.

The Congress of the United States, by an Act approved March 21 1918, known as the Federal Control Act, authorized the President to enter into agreements with the companies owning the railroads and systems thus taken over for the maintenance and upkeep of the same during the period of Federal control.

Under the terms of the Federal Control Act, the President of this Company executed a contract with the Director-General of Railroads, dated the tenth day of September 1918, such execution on the part of the Chicago Saint Paul Minneapolis & Omaha Railway Company having been duly ordered by resolutions of the Board of Directors under the authority of the stockholders given at the annual meeting of the Company on the tenth day of April 1918.

Under the provisions of this contract the Chicago Saint Paul Minneapolis & Omaha Railway Company is to be paid a yearly rental in the sum of Four Million, Nine Hundred Thirty-Four Thousand, Seven Hundred Eighty-Nine Dollars and Fifty-One Cents (\$4,934,789 51). Of the total rental due for the year 1918, Two Million, Four Hundred and Fifty Thousand Dollars (\$2,450,000 00) has been paid by the Director-General, leaving due on December 31 1918 a balance of Two Million, Four Hundred and Eighty-Four Thousand, Seven Hundred Eighty-Nine Dollars and Fifty-One Cents (\$2,484,789 51).

The accounts with the United States Railroad Administration, as shown in the balance sheet, agree with those shown on the Federal books and are in accordance with the instructions as issued by the Director, Division of Accounting, of the United States Railroad Administration, but are subject to change in case of error or to meet conditions of the contract.

The Income Account of the Chicago St. Paul Minneapolis & Omaha Railway Company (corporation) for the year ending December 31 1918 was as follows:

<i>Revenues:</i>	
Accrued Compensation for Lease of Road.....	\$4,934,789 51
Miscellaneous Rents.....	32,637 57
Dividends on Stocks Owned.....	8,519 00
All Other Sources.....	24,424 36
	<b>\$5,000,370 44</b>
<i>Expenses:</i>	
Interest on Bonds.....	\$2,260,474 85
War Tax Accruals.....	192,000 00
Corporate Operating Expenses.....	38,260 51
All Other.....	103,454 58
	<b>\$2,594,189 94</b>
<b>Net.....</b>	<b>\$2,406,180 50</b>
Less for Dividends.....	1,715,986 00
<b>Balance Income for the year, carried to Profit and Loss.....</b>	<b>\$690,194 50</b>

As shown in the monthly reports to the Inter-State Commerce Commission, the results of the operation of the Chicago Saint Paul Minneapolis & Omaha property by the United States Railroad Administration for the calendar year 1918, as compared with the operation by the Chicago Saint Paul Minneapolis & Omaha Railway Company for the calendar year 1917, were as follows:

	1917.	1918.
Operating Revenues.....	\$21,476,509 07	\$24,829,981 26
Operating Expenses.....	\$15,841,312 84	\$20,884,199 36
All Other Expenses (Net).....	1,415,963 99	1,321,061 82
<b>Total Expenses.....</b>	<b>\$17,257,276 83</b>	<b>\$22,205,261 18</b>
<b>Net Income From Operation.....</b>	<b>\$4,219,232 24</b>	<b>\$2,624,720 08</b>

## MILES OF RAILROAD.

The total number of miles of railroad owned December 31 1918 was.....1,679.60 miles

In addition to which the Company had trackage rights as follows:

Northern Pacific Railway (Superior, Wis., to Rice's Point, Minn.).....	1.59 miles
Great Northern Railway (St. Paul to Minneapolis, Minn.).....	11.40 "
Minneapolis & St. Louis Railroad (Minneapolis to Merriam, Minn.).....	27.00 "
Illinois Central Railroad (Le Mars to Sioux City, Iowa).....	25.20 "
Sioux City Bridge Company (bridge across Missouri River and tracks at Sioux City, Iowa).....	3.90 "
Chicago & North Western Railway (Sioux City to Sioux City Bridge Company's track).....	.50 "
	<b>69.59 "</b>
<b>Total Miles of Railroad in Operation Dec. 31 1918.....</b>	<b>1,749.19 "</b>

The above mileage is located as follows:

In Wisconsin.....	777.55 miles
In Minnesota.....	473.01 "
In Iowa.....	102.04 "
In South Dakota.....	88.20 "
In Nebraska.....	308.39 "
<b>Total.....</b>	<b>1,749.19 "</b>
In addition to the foregoing, the company owned 183.03 miles of second track, located as follows:	
In Wisconsin.....	157.09 miles
In Minnesota.....	24.23 "
In Nebraska.....	1.71 "
<b>Total.....</b>	<b>183.03 "</b>

**CAPITAL STOCK.**

There has been no change since the close of the preceding year in the Capital Stock and Scrip of the Company.  
The Company's authorized Capital Stock is Fifty Million Dollars (\$50,000,000 00), of which the following has been issued to December 31 1918:

Outstanding:		
Common Stock and Scrip	.....	\$18,559,086 69
Preferred Stock and Scrip	.....	11,259,859 09
		\$29,818,945 78
Owned by the Company:		
Common Stock and Scrip	.....	\$2,844,206 64
Preferred Stock and Scrip	.....	1,386,974 20
		4,231,180 84
Total Capital Stock and Scrip, December 31 1918	.....	\$34,050,126 62

**FUNDED DEBT.**

During the year ending December 31 1918, Chicago Saint Paul Minneapolis & Omaha Railway Consolidated Mortgage 6% Bonds of 1880 to the amount of \$591,000 00 were issued for a like amount of Chicago Saint Paul & Minneapolis Railway First Mortgage 6% Bonds of 1878, retired.

Chicago Saint Paul & Minneapolis Railway First Mortgage Bonds to the amount of \$37,500 00, maturing May 1 1918, were not presented for redemption and have been transferred to "Current Liabilities." \$500 00 of the issue was redeemed and canceled. Consolidated Mortgage Bonds to the amount of \$38,000 00 will hereafter be issued in lieu of the above.

**BONDS OF THE TREASURY.**

On December 31 1917 the amount of the Company's Bonds and Scrip in the Treasury was	.....	\$3,100,634 09
This amount had been decreased during the year by the retirement of Equipment Trust Certificates of 1917, Series A	.....	110,000 00
Total Bonds and Scrip in the Treasury, Dec. 31 1918	.....	\$2,990,634 09

**CONSTRUCTION.**

The construction charges for the year ending December 31 1918 were as follows:

Sundry Construction:		
Balance cost of Locust Street viaduct, Omaha, Neb.	.....	\$7,058 30
Bridges, Trestles and Culverts	.....	108,709 26
Betterments of Roadway and Track	.....	131,540 78
Sidings and Yard Tracks	.....	44,414 06
Account Cost of Additional Shop Buildings at St. Paul, Minn.	.....	60,836 57
Other Buildings	.....	139,387 11
Machinery and Tools	.....	48,385 71
Assessments for Public Improvements	.....	4,436 03
Miscellaneous Charges	.....	6,994 38
		\$551,732 20
Equipment:		
Equipment acquired (196 coal cars)	.....	\$291,572 22
Improvement of Equipment	.....	102,961 39
		\$394,533 61
Less Original Cost of Equipment Retired, as follows:		
246 Freight-train Cars	.....	\$192,545 11
4 Work Cars	.....	1,518 61
		194,063 72
		200,469 89
		\$752,203 09

**LANDS.**

During the year ending December 31 1918, 2,938.84 acres of the Company's Land Grant lands were sold for the total consideration of \$15,453 83. The number of acres remaining in the several Grants December 31 1918 amounted to 79,962.78 acres, of which 13,557.59 acres were under contract for sale, leaving unsold 66,405.19 acres.

Appended hereto may be found Statements and Accounts relating to the business of the Company for the year, and the condition of its affairs on December 31 1918.

By order of the Board of Directors.

JAMES T. CLARK, *President.*

**GENERAL BALANCE SHEET, DECEMBER 31 1918.**

(1,679.60 Miles.)

<b>ASSETS.</b>	
Investments:	
Road and Equipment—	
Balance to Debit of this Account, Dec. 31 1917	.....
Add Sundry Construction and Equipment Expenditures for the year ending Dec. 31 1918	.....
	752,202 09
Debiture Gold Bonds of 1930, deposited in Lieu of Mortgaged Property Sold	.....
Miscellaneous Physical Property	.....
Investment in Affiliated Companies	.....
	\$80,408,354 67
Current Assets:	
Cash	.....
Miscellaneous Accounts Receivable prior to Jan. 1 1918	.....
Various Persons and Companies	.....
Other Current Assets	.....
	346,970 28
United States Railroad Administration:	
Accrued Compensation	.....
Less Received on Account	.....
	\$2,484,789 51
Cash, Dec. 31 1917, taken over	.....
Agents and Conductors' Balances, Dec. 31 1917, taken over	.....
Material and Supplies on hand, Dec. 31 1917, taken over	.....
Dec. 31 1917 Assets, Collected	.....
Revenue prior to Jan. 1 1918	.....
Road Retired and Not Replaced	.....
Equipment Retired	.....
	8,884,120 02
Unadjusted Debits:	
Discount on Funded Debt	.....
C. St. P. M. & O. Ry. Common Stock, held in Treasury	.....
C. St. P. M. & O. Ry. Preferred Stock, held in Treasury	.....
Debiture Gold Bonds of 1930, held in Treasury	.....
Equipment Trust Certificates of 1917, Series A, held in Treasury	.....
Consolidated Mortgage Bond Scrip Due from Central Trust Company	.....
Other Unadjusted Debits	.....
	7,379,890 16
	\$97,836,140 71

**LIABILITIES.**

Capital Stock (see above):	
Outstanding	.....
Owned by Company	.....
	\$34,050,126 62
Long Term Debt:	
Bonds held by the Public	.....
Bonds and Scrip owned by Company	.....
	44,339,634 09
Current Liabilities:	
Loans and Bills Payable	.....
Audited Accounts Payable	.....
Miscellaneous Accounts Payable prior to Jan. 1 1918	.....
Matured Interest and Dividends Unpaid	.....
Funded Debt Matured Unpaid	.....
Unmatured Interest and Dividends	.....
Other Current Liabilities	.....
	2,848,590 25
United States Railroad Administration:	
Additions and Betterments	.....
Liabilities Dec. 31 1917, paid	.....
Corporate Transactions	.....
Expense prior to Jan. 1 1918	.....
	5,613,919 11
Unadjusted Credits:	
Tax Liability	.....
Premium on Funded Debt	.....
Accrued Depreciation—Equipment	.....
Other Unadjusted Credits	.....
	3,816,030 20
Corporate Surplus:	
Additions to Property through Surplus	.....
Profit and Loss	.....
	7,167,840 44
	\$97,836,140 71

**COMPARATIVE STATEMENT OF INCOME ACCOUNT FOR THE TWELVE MONTHS ENDING DECEMBER 31 1917 AND 1918.**

	January 1 to December 31 1917.	January 1 to December 31 1918.	Increase.	Decrease.
<b>Gross Income:</b>				
Net Operating Income	\$4,296,597 31	.....	.....	\$4,296,597 31
Accrued Compensation for Lease of Road	.....	\$4,934,789 51	\$4,934,789 51	.....
All Other Rent Income	26,614 20	32,637 57	6,023 37	.....
Dividend Income	84,183 00	8,519 00	.....	75,664 00
Income from Funded Securities	6,675 00	3,487 50	.....	3,187 50
Income from Unfunded Securities and Accounts, and Other Items	67,489 87	20,936 86	.....	46,553 01
<b>Gross Income</b>	<b>\$4,481,559 38</b>	<b>\$5,000,370 44</b>	<b>\$518,811 06</b>	
<b>Deductions from Gross Income:</b>				
Corporate Operating Expenses	.....	\$38,260 51	\$38,260 51	.....
Miscellaneous Rents	\$1,403 03	1,130 55	.....	\$272 48
War Tax Accruals	77,365 07	192,000 00	114,634 93	.....
Miscellaneous Tax Accruals	13,123 87	7,098 16	.....	6,025 71
Interest on Funded Debt	2,262,870 00	2,260,474 85	.....	2,395 15
Interest on Unfunded Debt	3,151 28	89,105 26	85,953 98	.....
Other Deductions	5,067 41	6,120 61	1,063 20	.....
<b>Total Deductions</b>	<b>\$2,362,970 66</b>	<b>\$2,594,189 94</b>	<b>\$231,219 28</b>	
<b>Net Income</b>	<b>\$2,118,588 72</b>	<b>\$2,406,180 50</b>	<b>\$287,591 78</b>	
<b>Disposition of Net Income:</b>				
Dividends—				
7% on Preferred Stock	\$788,151 00	\$788,151 00	.....	.....
5% on Common Stock	927,835 00	927,835 00	.....	.....
<b>Total Dividends</b>	<b>\$1,715,986 00</b>	<b>\$1,715,986 00</b>	.....	.....
Balance Income for the year, carried to Profit and Loss	\$402,602 72	\$690,194 50	\$287,591 78	.....

## CANADIAN PACIFIC RAILWAY COMPANY

ANNUAL MEETING OF SHAREHOLDERS, MAY 7 1919.

## ADDRESS OF MR. EDWARD W. BEATTY, PRESIDENT.

I have the honor to submit on behalf of the Directors the Thirty-eighth Annual Report of the Company's affairs for your consideration and approval.

The results of the year's operations were, on the whole, and under the conditions which existed, satisfactory, notwithstanding the shrinkage in the net earnings of \$12,043,630, due to the extraordinary increase in wage scales and cost of materials of all descriptions. Over 77% of the total increase in operating expenses was due to increases in wages alone.

The volume, both of freight and passenger traffic, decreased in comparison with 1917, the increase in gross earnings of \$5,148,363 being due to increases in rates granted in March and July of last year. The fact that, notwithstanding the heavy increases in the cost of operation, there was a surplus after payment of all charges and dividends, is another satisfactory evidence of the foresight and wisdom of the Shareholders in having approved substantial expenditures in previous years, which undoubtedly permitted the operations of the Company to be carried on with a cheapness which would not have been possible had such adequate facilities not been provided.

A conspicuous example of the results of such foresight is found in the difference in the cost of rolling stock acquired during the years 1911 to 1914, and the approximate market value of an equivalent amount if required to be purchased in 1918. The rolling stock purchased during the former years, if required to be furnished at the 1918 prices, would have represented an increased cost of approximately \$96,000,000.

After four years of war, and the existence of times of the most severe climatic conditions, I am happy to say that the physical condition of your property is excellent and it will not require more than usual maintenance expenditures to ensure its usual efficiency.

The results of the operations of the three months subsequent to the conclusion of the fiscal year have been disappointing, but not unexpectedly so, in view of the falling off of general traffic during the months of February and March, and the inevitable heavy costs of maintenance and operation, due to high wages and the high prices of materials.

In view of the uncertain conditions which succeeded the conclusion of hostilities, and the need of providing as much employment as possible, your Directors did not think it wise to make drastic reductions in the number of men employed by the Company and the shops of the Company have been maintained at full pressure, always on necessary work, but in some cases on work which might have been postponed if the general conditions had warranted it.

The financial position of the Company at the end of the fiscal year, as indicated in the Annual Report, was, on the whole, extremely gratifying.

Your Directors are of the opinion that a reasonable amount of additional branch line construction should be gone on with as soon as conditions warrant, and the necessary statutory authority obtained. Resolutions will be submitted for your approval for the construction of the lines which are most urgently required. In this connection I should point out that in the matter of railway construction the country is faced with a condition quite unprecedented in the recent history of Canada, in that the National Railways and your Company are the only large companies with resources sufficient to enable them to provide additional railway facilities to any substantial extent. Serious and continuing blunders in our railway policy have resulted in the Government being required to assume the ownership at present of 11,400 miles of railway, with the prospect of the acquisition of an additional 6,400 miles. When this acquisition has been accomplished the principal competing systems in Canada will be your Company and the Canadian National Railways. I have no apprehension as to the ability of your Company, with its splendid facilities and equipment, and loyal and efficient officers and men, to obtain a fair share of the traffic, and to handle it expeditiously and well. I have no fear of Government ownership, but Government ownership apparently has some fear of private competition under equal conditions. It has recently been found necessary to give the National Railways privileges in the matter of construction of railways not enjoyed by private Companies and to exempt them from complying in other respects with the existing laws respecting railways. I sincerely trust that this policy of making one law for the National Railways and one for the Canadian Pacific and other private enterprises will neither be continued nor extended, because nothing would, in my opinion, be calculated to destroy confidence in Canadian railway enterprise more than a policy which would confer exclusive and peculiar rights on the National Railways designed to make the competitive conditions unequal. The subject of Government ownership has received much attention recently, but not nearly as much as the importance of the subject justifies. Notwithstand-

ing our previous experience and that of the United States and Great Britain, Government ownership and operation of railways is to be attempted on a large scale. The situation is full of danger which cannot be avoided or even minimized except by rigorously independent and non-political administration, which is at least difficult of establishment under our system of Government. This fact must, however, be obvious, that in no other way can the people of Canada obtain a correct appreciation of the results of Government operation of the Systems which are or which may hereafter come into its possession, than by their being administered in strict accordance with the laws of the country under which other Companies have to operate, by their financial and accounting methods being made as precise and as accurate as the law now requires of private Corporations and by the exact financial results being submitted to Parliament each year.

Different views may conceivably be held as to the wisdom of public ownership and operation of Railways. My own views are sufficiently well known not to require repetition, but the fact is public ownership is already here and experience only will show whether the difficulties I have mentioned in securing efficient and non-political administration can be overcome, and the country receive an adequate service at a minimum of loss.

I am satisfied the Government recognize these difficulties and that a sincere and determined effort will be made to meet the situation. It would seem, however, to be obviously wise that the assumption of further obligations should at least be deferred until the practicability of Government administration, or administration under the aegis of the Government (which is quite inseparable from Government ownership) has been demonstrated. In the end the burden of the enterprises must be borne by the people and the people are entitled to know whether the method of administration provided and the results of that administration are such as warrant their approval of the continuance or extension of them in the interests of Canada.

The returns from sales of land during the fiscal year just closed have been the largest in the history of your Company, and it is a matter of great gratification to your Directors, as no doubt it is to the Shareholders, that the incessant activities of the Company in the matter of sale and colonization of lands, and the promotion of immigration to Canada has had such far-reaching and beneficial results. As a direct consequence of the efforts of the Company more than 21,000,000 acres of land have been sold to settlers, and more than half a million settlers induced to come to Canada and settle in the Canadian West. The contribution to the exchequer of the country has been thereby increased by many millions. With return to Peace conditions I should expect a considerable increase in immigration and with the vigorous development of the country's natural resources and the necessary extension of the markets of Canada, we have every reason for confidence in the future prosperity of the country, even though the present year may be one during which the commercial expansion may be only moderate.

Your Directors look forward with confidence to the development of the Trans-Atlantic and Trans-Pacific steamship business of your Company, particularly the latter, and adequate provision for the needs of the immediate future have been made as indicated in the Annual Report.

It would not be proper that I should conclude my remarks without a personal reference to your former President, Lord Shaughnessy, who retired from the Presidency during the last fiscal year. It is perhaps not necessary that I should reiterate the inestimable value of his services to the Company from the beginning of his connection with it, but more particularly during the last twenty years, during which time he occupied the position of Chief Executive Officer. It will, however, be gratifying to the Shareholders to know that, great as has been the success of Lord Shaughnessy's administration of the Company's affairs, viewed from a purely commercial standpoint, greater still has been the influence and force of his personal character and ideals and his high sense of duty on the officers and men of the Company, with the result that the Canadian Pacific enjoys an esprit and an ambition for efficiency among all ranks which I venture to think is unequaled, and certainly not excelled, in any corporation in the world. It must be a source of great gratification to Lord Shaughnessy to know, on his retirement from the active work of the Presidency to the more advisory work of Chairman of the Company, that not only was his administration extraordinarily successful, and that he leaves the property in excellent physical condition, but that he created, during the tenure of his office, an organization the ambition of which, and every member of it, is to utilize that property in the closest co-operation and to the full extent of their powers for the benefit of the country and the Shareholders.

**Western Union Telegraph Co.—Rates—Return of Cables—Wages.—**

See "Current Events," &c., on a preceding page, and also in V. 108, p. 1684, 1760, 1775.—V. 108, p. 1827, 1516.

**White Motor Co.—Stock Increase.—**

The stockholders will vote on June 10 on increasing the authorized stock from \$16,000,000 to \$20,000,000. The \$4,000,000 new capital stock, it is stated, will be offered to stockholders at par, \$50 a share. The proceeds will be used to reimburse the treasury for expenditures already made for the extension of plant facilities.—V. 106, p. 1458.

**Wilson & Co.—Definitive Convertible 6s Ready.—**

The Guaranty Trust Co. of New York is now prepared to exchange the outstanding temporary ten-year 6% convertible gold bonds for the definitive bonds at its trust department, 140 Broadway, between 10 a. m. and 2:15 p. m. daily, except Saturday, when the window will close at 12 m. Definitive bonds will be delivered the same day on which temporary bonds are received.—V. 108, p. 1615.

**F. W. Woolworth Co.—Sales.—**

	1919.	1918.	1917.
Month of April.....	\$9,138,593	\$7,447,332	\$7,493,253
Jan. 1 to April 30.....	32,585,080	28,378,990	25,978,508

—V. 108, p. 1733, 1516.

**Worcester (Mass.) Electric Light Co.—New Stock—Rates Reduced.—**

Stockholders of record April 25 have the privilege of subscribing for 4,000 shares of capital stock up to July 10 at \$185 a share to the extent of one share for every four shares of old stock held by them respectively. Subscriptions are payable at the company's office, as follows: (a) 25% July 10; 25% Oct. 10; 25% Jan. 10 and 25% Apr. 10 1920; or (b) payment in full may be made on any of above dates. Negotiable interim receipts will be issued for the money paid in, bearing interest at 6½% p. a. Accrued interest from said dates will be paid on surrender of receipt April 10 1920. This company has reduced its lighting rate from 8 to 7½ cents per k. w. and on May 1 abandoned the 4 mill surcharge on small power business which it put into effect at the end of 1918.—V. 108, p. 689.

**Worcester Gas Light Co.—Petition to Amend Rates.—**

The company has petitioned the Massachusetts Board of Gas and Electric Light Commissioners to amend its order of Jan. 18 requiring the company to reduce its price for gas to \$1.10 per 1,000 cu. ft. after July 1. The company also asks permission to set aside out of the current year's earnings and add to surplus not less than \$20,000 to make good the payment of dividends of April 1 1917.—V. 108, p. 1171, 387.

**CURRENT NOTICES**

—In order to relieve the congestion in their Eastern offices, created by the extraordinary pressure of work arising in the adjacent industrial centres, Haskins & Sells, Certified Public Accountants, have opened offices in Philadelphia, in the Franklin Bank Building, under the management of Mr. Edmund C. Gause, C. P. A., as resident partner. Haskins & Sells are auditors of the leading insurance companies, railroads, manufacturing and trading enterprises and banks in America and have been recently engaged by the United States Liquidation Commission to develop the financial condition which exists between the United States and the Allies. Haskins & Sells now have offices in New York, Chicago, Philadelphia, Baltimore, Detroit, St. Louis, Boston, Cleveland, Pittsburgh, San Francisco, Los Angeles, New Orleans, Seattle, Denver, Atlanta, Watertown and London.

—Interesting information concerning 45 leading industrial preferred stocks is contained in a 56-page pamphlet just issued by the New York Stock Exchange firm of Dominick & Dominick. The book brings together in a brief and accessible form the salient points about each of these securities—including history of the companies, summary of the stock provisions, capitalization, and record of dividends paid.

A table is also presented showing the average high and low prices for the last ten years, average earnings and the number of consecutive years in which dividends have been paid.

—Some of his business associates presented to Henry L. Doherty & Co. at the Reform Club last week a portrait of Mr. Doherty by Joannes de Tahy, an artist of international repute. Among his best known paintings are "The Rosary," "Liszt's Second Rhapsody" and "Beethoven's Moonlight Sonata," all of which are in Aeolian Hall. He has also produced several other musical paintings for the late F. W. Woolworth, as well as a portrait of Mr. Woolworth. The portrait was presented by a committee in behalf of every individual in the Doherty organization as a mark of respect to Mr. Doherty.

—John Stuart Thomson, author of "China Revolutionized," "The Chinese," and other books (Bobbs-Merrill Co.) has been elected Chairman and Associate Editor of the "Gateway" magazine of Detroit. Mr. Thomson will cover the Eastern field and his headquarters will be at 361 Bergen Ave., Jersey City. He is well known in the business world, having formerly been Manager of the Plant Steamship Lines at New York, and of the Pacific Mail & Toyo Kisen Kaisha Trans-Pacific Steamship Lines at Hong Kong, China.

—It is pertinent to note that contributors to the March 1919 number of "The Gateway" were John D. Rockefeller, Jr., whose article was entitled, "Share Plan With Labor," and Otto H. Kahn, on "Menace of Paternalism;" the June number will have as contributors Charles E. Mitchell, President of the National City Co., on "Private Control of Railways;" Vice-President Hoffman, L. L. D., Prudential Insurance Co., Newark, on "Private Initiative in Insurance and Finance," on John Stuart Thomson, on "Selected Immigration."

—John B. Thayer and Charles H. Drew have formed a partnership to transact a business in municipal bonds. Mr. Thayer was formerly Vice-President, Director and Manager of the New York office of the William R. Compton Company, and both he and Mr. Drew have had many years experience in municipal securities. This firm will be known as Thayer, Drew & Co., 111 Broadway, this city. Their telephone number is Rector 8418.

—Edward B. Hall, formerly of Harris, Forbes & Co., has been admitted to the firm of Rutter & Co., 2 Wall St. Mr. Hall, who was connected with Harris, Forbes & Co. eight years, is a son of the late E. J. Hall, a former Vice-President of the American Telephone & Telegraph Co.

—Winslow & Co., members of the N. Y. Stock Exchange, announce the removal of their offices to 20 Nassau St., this city, and have opened an uptown branch at 16 Vanderbilt Avenue.

—MacQuoid & Coady, members of the New York Stock Exchange, 14 Wall Street, this city, announce the admission of Richard Horwitz to general partnership.

—Chandler Bros. & Co., N. Y. and Phila., have issued a circular, prepared, it is understood, by Mr. V. H. Mardfin, regarding the common stock of the Ohio Clites Gas Co.

—The Guaranty Trust Co. of New York has been appointed Transfer Agent of the stock of the Ryan Petroleum Corporation.

—Charles Wesley & Co. on April 21 opened offices at 59-61 Wall Street, New York, for the conduct of a general investment business.

**The Commercial Times****COMMERCIAL EPITOME**

Friday Night, May 9 1919.

Trade is gradually broadening, despite cool, wet weather at the North and West. A brisk jobbing business is in progress. Many industries are busy, especially textiles, automobiles, agricultural implements and even jewelry and carpets. It is now an open market for iron and steel, and it is believed that a better business is ahead. Already export trade in steel is increasing, and the Railroad Administration will seek offers of 200,000 tons of rails. The coal trade is better, although the production is well below capacity. Larger sales are noted of building materials, especially lumber and hardware. Houses are relatively scarce in this country. An immense amount of construction must be done, and there is increased activity in this work. It is bound to expand as time goes on. Things have come to a pretty bad pass when the churches have to be opened as they were recently to receive evicted tenants, who either could not or would not pay increased rents. There is a larger demand for wool and leather. Trade in luxuries keeps up briskly and taxes the productive capacity of different lines of industry. Stocks of wearing apparel in many parts of the country are apparently small.

The extraordinarily active stock market at rising prices has a certain effect in general business circles. Needless to say, so have the glowing crop prospects in the winter wheat section. If the present prospects are maintained the yield of winter wheat alone will considerably exceed the combined crops of spring and winter in the years immediately preceding the war. Exports of wheat continue on a large scale. Latterly cotton exports have been increasing. There has been an active coffee speculation at higher prices. An idea prevails that coffee will largely take the place of whiskey and wines after prohibition goes into effect. On the other hand, there is room for a good deal of improvement in the iron and steel trade. Pig iron production in April decreased nearly 20%. Cool, wet weather has interfered with farm work at the West. Spring wheat seeding is, therefore, late. Parts of the Cotton Belt are said to be getting too much rain. A wet May is generally bad for cotton. But taking the country as a whole the business situation is regarded as promising.

It is asserted that the control of the oil fields of California soon will pass into the hands of the British Government, unless measures are taken by the United States to prevent it. It is claimed that purchases now being made in California oil fields by the Royal Dutch Shell Oil Co. will make available for British naval and merchant ships, fuel which will be needed for American shipping. Senator Phelan of California charges that Great Britain is using money to purchase California fields which the United States advanced as loans during the war. It is said that proof of the charge that England is owner of at least a majority of stock of the Royal Dutch Shell Oil Co. is that a recent British Order-in-Council directed all owners of Royal Dutch stock to turn it over to the English Government.

Here is a curious sign of the times and of the exactions of labor in some fields; 7,500 employees of the Willys-Overland Co., who quit work at the Toledo plant at 3:30 p. m. last Monday in defiance of the management, which had extended the day to 4:06 p. m., were locked out on coming to work the next morning. The men demand a 44-hour week, while the company states that competition necessitates a 48-hour week. About 1,150 of the 2,400 employees of the Electric Auto-Lite plant are also out. Large groups of workers at the Willys-Morrow Manufacturing Co. at Elmira have walked out in sympathy. According to the Red Cross Society, there are five jobs available for every soldier and two jobs for every civilian now out of work in Detroit. Wages are rising daily and are now said to be at the highest point ever known in Detroit. Bolsheviks and other agitators are being dropped from the pay rolls as rapidly as they are detected. One large industrial plant, it appears, is dropping 375 a week.

Some twelve "brokers" who had been selling oil stocks on the New York Curb have disappeared since the District Attorney started an investigation into alleged Curb market oil swindles which are said to have netted the operators \$4,000,000 since Jan. 1. A search is being made for these "brokers" and arrests are expected soon. Ole Hanson, the militant Mayor of Seattle, says that the policy toward anarchism and I. W. W. has been "a skim milk, weak, vacillating and changeable one." He declared that the Government was "on the wrong track in starting conferences instead of cemeteries in dealing with the I. W. W. If the Government doesn't clean them up I will. I'll give up my mayorship and start through the country. We will hold mass meetings and have hanging places."

The child labor section of the War Labor Bill, which places a prohibitive tax on the products of child labor entering into inter-State commerce, is declared unconstitutional by Federal Judge James E. Boyd of Greensboro, N. C., on the

ground that it seeks to accomplish regulation of employment by indirection through use of taxation powers and is an invasion of the States' regulatory power. The Stock, Cotton, Produce and Coffee Exchanges were closed on May 6 in honor of the parade up Fifth Ave. from Washington Square to 110th St. of 25,000 men of the 77th Division, with Major-Gen. Alexander at their head, amid the plaudits of hundreds of thousands of spectators.

Two American seaplanes in a flight from Rockaway, L. I., to Halifax, on the first leg of the overseas trip to Europe, made the 541 miles in nine hours. Repairs have had to be made to both seaplanes at Halifax, but they will start tomorrow on the second leg of 460 miles to Trepassey, N. F. The trip from Rockaway, L. I., to Plymouth, England, is 3,925 miles, and at 60 miles an hour the time thus far made, will take 65 1-3 hours, or about 2 2/3 days. At a meeting of the aerial mail representatives at Atlantic City it was stated that 150,000 lbs. of postal matter, aggregating over 1,000,000 letters, had been carried by postal air service. The cost of operation in April was reduced 6% from that of March, despite a 50% increase in wages and extra charges for machine repairs. The vagaries of the weather hereabouts continue. Four persons, including one soldier, were prostrated by the heat here on the hottest May 5 in history. The temperature reached 86 atop the Whitehall Tower, on Battery Place, 414 feet above the street. On the street level in some places it was 90 degrees. The heat was mitigated by the low humidity, in the 30s; and in 24 hours the temperature fell nearly 40 degrees.

STOCKS OF MERCHANDISE IN NEW YORK.

	May 1 1919.	April 1 1919.	May 1 1918.
Coffee, Brazil	504,527	446,483	1,121,148
Coffee, Java	3,073	15,229	12,082
Coffee, other	420,332	498,064	446,529
Sugar (refiners' stock)	53,639	30,220	40,717
Hides	No. Not published during the war		
Cotton	Bales. 63,337	73,643	173,494
Manila hemp	Bales. 5,400	4,600	900
Flour	barrels. 5,400	4,600	14,900

LARD strong; prime Western here nominally 34.00@34.10c.; refined, Continent, 35.50c.; South America, 35.75c.; Brazil, in kegs, 36.75c. Futures advanced, with hogs up to new high records of \$21 3/5. Later prices eased, owing to the break in corn, and lower hogs. Also exports fell off noticeably last week. That caused more or less selling. So did a report that Germany would buy considerable quantities of meats in Argentina. But receipts of hogs have been much smaller than were expected at Chicago, and at other Western centres supplies are reported small. To-day prices declined, with hogs down 50 to 60 cents, and lard futures are lower for the week.

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May delivery	cts. 33.40	33.45	33.00	33.50	33.25	33.25
July delivery	32.07	32.10	32.22	32.00	31.90	31.67

PORK firm; mess \$57 nominal; clear \$52@56. Beef steady; mess \$35@36; packet \$38@39; extra India mess \$65@67; No. 1 canned roast beef \$4 50; No. 2 \$8 75. Cut meats quiet and steady; pickled hams, 10 to 20 lbs., 32 1/2@33 1/2c.; pickled bellies 33@34c. To-day July pork closed at \$50 50, a decline of \$1 for the week. Butter creamery extras 60c.; seconds and firsts, 56@56 1/2c. Cheese flats 30@32 1/2c. Eggs, fresh gathered extras 47 1/2@48c.; firsts to extra firsts, storage packed, 45 1/2@47c.

COFFEE on the spot fairly active and firmer; No. 7 Rio 19 1/2c. No. 4 Santos 23c.; fair to good Cucta 23@23 1/2c. Futures advanced under Wall Street and European buying, in expectation of a short crop and decreasing supplies. Also the belief has been that Germany and other European countries would buy freely on the formal conclusion of peace. But, on the 5th inst., came a report that the German Government does not favor importations at this time of coffee tea or cocoa. During the war the people of Germany, it stated, used brown grain as a substitute for coffee, and it is asserted that the German Government, doubtless for financial reasons, favors a continuance of its use at least for a time. The market responded readily to buying, however, even after a big advance in the last few months. If it should turn out that Germany is disposed to buy after the signing of the peace treaty it is believed that it would have a very stimulating effect here. May here touched 19c., the highest in 32 years. Speculation has been the most active for years past. American interior stocks are supposed to be small. Strong efforts will be made to stimulate the consumption of coffee in this country by an organized and well-financed campaign. Prohibition is expected to cause increased use of coffee in the United States. New Orleans reports Brazil offering coffee last Monday at 3/4c. under the highest recent prices. A cable dispatch said that there was a rumor that the Brazilian Government was selling some of its holdings. This is given for what it is worth. To-day prices closed unchanged to 49 points lower, on liquidation in a weak technical position, the market being heavily long. Prices end, however, about where they were last week on futures. Tea has been in better demand. The offerings of low-grade Formosa and Java have been absorbed. Closing priced:

May	c18.75@18.80	Aug	c18.05@18.07	Dec	c17.24@17.25
June	18.50@18.55	Sept	17.84@17.85	Jan	17.15@17.20
July	18.25@18.28	Oct	17.64@17.65	March	17.05@17.10
		Nov	17.41@17.45		

SUGAR unchanged at 7.28c. for centrifugal, 96 degrees test, Cuban and Porto Rican; granulated 9c. The Sugar Equalization Board is making arrangements for purchasing raw at producing points, i. e., about 350,000 bags or 50,-

000 tons of Cuba for May shipment, at 5.88c. cost and freight, 3,500 tons of Porto Rico May shipment at 7.28c. cost and freight; 950 tons of St. Croix at 7.28c. and 300 tons of Venezuela afloat May shipment at 5.64c. cost and freight. In Cuba the crop is moving steadily with the weather good. At Cuban points the receipts for the week ending May 4 were 170,796 tons. That was an increase of 35,512 tons over the previous week, 54,780 tons compared with last year and some 35,700 tons as compared with two years ago. The exports from Cuba last week reached the large total of 151,966 tons or far ahead of the total in the previous week for last year. Cuba stocks are now stated at 1,033,984 tons or 43,900 tons less than a year ago. North Atlantic receipts last week were 81,641 tons against 53,265 in the previous week; meltings 66,000 against 64,000 in the previous week and 60,000 last year; total stocks 114,821 tons against 99,180 in the week previous and 33,609 last year. Refined is in better demand from the interior.

OILS.—Linseed in fair demand and steady; city, raw, ear lots, \$1 58; 5-bbl. lots, \$1 61. Lard, prime edible, steady at 2.60@2.65c. Coconut oil, Ceylon, bbls., steady at 14 1/2@15c. Corn oil, crude refined, 22.81@23.01c. Newfoundland cod, steady at 85@90c. Spirits of turpentine 78@78 1/2c. Common to good strained rosin \$12 25.

PETROLEUM fairly active and steady; refined in blls., cargo \$17 25@18 25; bulk, New York, \$9 25@10 25; cases, New York, \$20 25@21 25. Gasoline in good demand. The export demand is keener, principally for England, where an active consumption is expected with the removal of trade restrictions. Motor gasoline in steel bbls., to garages 24 1/2c., to consumers 26 1/2c. Gas machine 41 1/2c. Pennsylvania dark \$4 00 South Lima \$2 38 Illinois, above 30 42 Cabell 2 77 Indiana 2 28 degrees \$2 42 Crichton 1 75 Princeton 2 42 Kansas and Old-homa 2 85 Somerset, 32 deg. 2 60 Caddo, La., light 2 25 Wooster 2 85 Ragland 1 25 Caddo, La., heavy 75 Thrall 2 25 Electra 2 25 Caddo, La., heavy 75 Strawn 2 25 Moran 2 25 Canada 2 78 De Soto 2 15 Plymouth 2 33 Healdton 1 20 North Lima 2 38 Corsicana, heavy. 1 05 Henrietta 2 25

RUBBER is unsettled. Buyers and sellers cannot agree. Last week there was some improvement in distant positions, but even then the spot market was dull. And it certainly is now. Manufacturers buy only as they are compelled to. They have an idea that prices are going lower now that the war is over. They refuse to raise their bids. Plantations on the spot and for nearby delivery are held firmly at 47c. for first latex pale crepe, or 46c. for ribbed smoked sheets, and in both cases this is half a cent above the current bids. Plantations first latex pale crepe for the last half year arrivals is held at 48c.; ribbed smoked sheets at 47 1/2c. But again the bids are fully half a cent under these quotations. Para rubber is also firm; fine up river, 56 1/2c. But buyers and sellers for the time being seem hopelessly apart in their views. Brazil prices are firm.

OCEAN FREIGHTS have been in good demand enough. But the question is how to get the ships. One thing that cheered shipping people not a little, however, was an announcement by Chairman Hurley of the Shipping Board that by July 1 he would begin releasing ships now in the food carrying service, so that they could be devoted to ordinary commercial uses. That gives exporters and importers something to go by. There are hopes of being able to move accumulated stocks of commodities here. A free open freight market, it is urged, would go far towards remedying the existing situation. It is figured that a total tonnage of about 2,000,000 tons will be in the food carrying service by July 1. Meanwhile coal tonnage is wanted for Italy and the South American market as well as Spain if it could get it. It is stated that American coal can be delivered in Italy c.i.f. at \$38 to \$42, or about double the rate at which England could do it. But on the other hand, England has no coal to spare. Exporters in this country simply want ships. They would not stand out about prices of commodities. Steel products are moving to Japan; also chemicals. Large quantities of beans are being shipped to France; to Havre and Bordeaux the rate is \$1 39, to Marseilles, Genoa and Naples \$1 82. Of course, big exports of wheat and other foodstuffs are in progress. It is hoped that within a couple of months the ocean freight business will be back to something like normal. Buenos Ayres trade is to be resumed immediately, as labor trouble there has subsided. There is a better demand for schooners.

TOBACCO.—Domestic has been in rather better demand, notably for 1917 Pennsylvania. Moreover, the high prices current for binders have not prevented a certain amount of business. Also Sumatra tobacco, it is said, has been active for arrival in the early fall. In other words, the prospects point to an ample supply of wrappers. On the whole, the market shows more life. This may be the earnest of better things to come. Everybody hopes so.

COPPER dull and unchanged at 15 1/4@15 1/2c. for electrolytic. Tin quiet at 72 1/2c. Lead also quiet with prices showing no great change from last week; outside interests quote 4.85c., while larger producers adhere to 5c. Spelter dull and easier at 6.25c.

PIG IRON has continued quiet and there are rumors that the Alabama product is lower. There has been, it seems, no general price cutting, however. Some think there may be a certain amount of reselling sooner or later. Resale iron ore has been offered at \$1 a ton under the market.



There are said to be not more than 200,000 tons of such ore to be had. The April output of pig iron was 2,478,218 gross tons as against 3,090,243 in March. The buying is only from hand to mouth. The export situation shows no change. Everybody is awaiting events.

STEEL prospects, it is believed, point to improvement. Not much interest was shown in the meeting held here on Thursday between the committee of the American Iron and Steel Institute and the representatives of the Railroad Administration. Everybody wishes the steel trade could be let alone to work out its own salvation. It could do it, it is believed, on the good old-fashioned basis of supply and demand. Meanwhile the export demand is better. Also in not a few quarters the home business is increasing. Japan has been buying structural shapes. Canada has taken plates, and France a certain number of cars. By July 1 the supply of ocean tonnage will be larger. That, it is believed, will mean a better export business in more directions than one.

The conference between the representatives of the Railroad Administration and the steel men was finally held at the Plaza Hotel in this city and no agreement as to prices was reached. Director-General Hines now says that he will at once ask for bids on 200,000 tons of steel rails. It now looks like an open market for steel. Some look for a rise in prices.

COTTON

Friday Night, May 9 1919.

THE MOVEMENT OF THE CROP, as indicated by our telegrams from the South to-night, is given below. For the week ending this evening the total receipts have reached 104,230 bales, against 99,063 bales last week and 90,323 bales the previous week, making the total receipts since Aug. 1 1918 4,574,984 bales, against 5,279,268 bales for the same period of 1917-18, showing a decrease since Aug. 1 1918 of 704,284 bales.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.	Total.
Galveston	4,883	6,799	3,564	17,482	1,920	4,578	39,226
Texas City				1,031		404	1,435
Port Arthur, &c.							
New Orleans	3,658	4,720	4,877	4,072	4,633	5,033	26,993
Mobile	100	21	90	936	368	82	1,597
Pensacola							
Jacksonville							97
Savannah	2,007	2,680	2,587	4,193	2,438	2,248	16,153
Brunswick	346	643	1,467	214	535	1,509	3,000
Charleston	250	102	334	156	244	145	1,231
Wilmington	1,713	1,705	2,704	554	1,698	353	8,727
Norfolk							
New York News, &c.			34				34
Boston	85	85			285	376	831
Baltimore						192	192
Philadelphia							
Totals this week	13,042	16,755	15,657	28,638	12,121	18,017	104,230

The following shows the week's total receipts, the total since Aug. 1 1918 and the stocks to-night, compared with last year:

Receipts to May 9.	1918-19.		1917-18.		Stock.	
	This Week.	Since Aug 1 1918.	This Week.	Since Aug 1 1917.	1919.	1918.
Galveston	39,226	1,544,049	4,534	1,515,930	203,128	280,168
Texas City	1,435	65,808		66,948	13,417	41,842
Port Arthur		53,527		8,192		
Arkansas Pass, &c.			2,146	32,326		
New Orleans	26,993	1,253,617	24,405	1,445,038	393,493	409,583
Mobile	1,597	132,258	317	92,315	15,427	10,640
Pensacola		9,812	3,570	33,792		
Jacksonville	97	20,905	821	40,586	11,350	15,000
Savannah	16,153	846,889	13,723	1,040,409	203,995	209,000
Brunswick	3,000	68,680		124,500	1,000	15,000
Charleston	4,714	158,266	1,689	199,188	57,700	43,129
Wilmington	1,231	97,145	453	92,844	59,419	35,525
Norfolk	8,727	271,535	2,560	286,245	129,509	82,749
New York News, &c.		3,015		5,420		
Boston	34	7,450	69	109,895	97,763	165,466
Baltimore	831	24,259	808	99,494	17,179	17,952
Philadelphia	192	17,679	1,263	79,321	6,531	32,627
		90	346	6,885	3,411	10,130
Totals	104,230	4,574,984	56,713	5,279,268	1,208,246	1,347,821

In order that comparison may be made with other years, we give below the totals at leading ports for six seasons:

Receipts at—	1919.	1918.	1917.	1916.	1915.	1914.
Galveston	39,226	4,534	22,297	20,237	44,383	21,260
Texas City &c	1,435	2,146	6,059	8,186	4,255	313
New Orleans	26,993	24,405	23,117	19,219	15,824	18,677
Mobile	1,597	317	1,387	5,696	0	0
Savannah	16,153	13,723	4,634	10,534	8,229	10,236
Brunswick	3,000		2,000	500	4,000	
Charleston &c	4,714	1,689	181	4,836	2,103	720
Wilmington	1,231	453	279	5,525	1,924	148
Norfolk	8,727	2,560	5,696	11,174	5,041	2,603
New York, &c.			168	204	2,607	3,517
All others	1,554	6,886	4,901	3,970	5,191	1,073
Tot. this week	104,230	56,713	70,710	83,081	94,412	63,812
Since Aug. 1.	4,574,984	5,279,268	6,249,308	6,418,531	9,929,162	10,113,749

The exports for the week ending this evening reach a total of 155,396 bales, of which 53,789 were to Great Britain, to France and 101,607 to other destinations. Exports for the week and since Aug. 1 1918 are as follows:

Exports from—	Week ending May 9 1919. Exported to—				From Aug. 1 1918 to May 9 1919. Exported to—			
	Great Britain.	France.	Other.	Total.	Great Britain.	France.	Other.	Total.
Galveston	14,448		48,639	63,087	640,948	140,919	372,243	1,154,110
Texas City								15,800
Port Arthur, &c.			100	100				430
New Orleans	4,564	30,349	34,913	474,986	240,354	224,618	939,958	
Mobile	5,940		5,940	82,647				82,647
Pensacola				9,922				9,922
Savannah	11,489		11,489	176,664	182,466	151,503	510,833	
Brunswick	15,817		15,817	60,142				60,142
Charleston				182		1,000		923
Wilmington								22,405
Norfolk				33,926		31		33,957
New York	1,261	2,937	4,198	290,498	20,750	230,619	571,867	
Boston	270		270	27,432		300		33,309
Baltimore				13,055				13,055
Philadelphia				10,126				2,300
San Fran.				150				119,255
Seattle				19,432				503,235
Total	53,789		101,607	155,396	1,829,528	621,097	1,643,631	4,094,256
Tot. 17-18*	14,907	22,130	34,224	71,261	1,968,004	516,465	1,109,120	3,588,589
Tot. 16-17.	32,321	32,594	28,252	93,167	2,367,634	838,714	1,600,778	4,807,120

\* Figures are adjusted to the comparison with this season approximately correct. In addition to above exports, our telegrams to-night also give us the following amounts of cotton on shipboard, not cleared, at the ports named. We add similar figures for New York.

May 9 at—	On Shipboard, Not Cleared for—					Total.	Leaving Stock.
	Great Britain.	France.	Germany.	Other Con't.	Coast-wise.		
Galveston	15,154	7,000		4,200	1,500	27,854	175,274
New Orleans	10,786			1,374	274	12,434	381,059
Savannah	5,900				3,000	8,900	195,995
Charleston					500	500	57,200
Mobile	1,787					1,787	13,640
Norfolk					450	450	129,059
New York*	2,000	2,000		2,000		6,000	91,763
Other ports*	3,000	1,000		2,000		6,000	101,231
Total 1919.	37,727	10,000		9,574	5,724	63,025	1,145,221
Total 1918.	17,750	3,500		17,179	14,100	52,529	1,295,292
Total 1917.	22,910	14,349		20,797	9,332	67,388	868,080

\* Estimated.

Speculation in cotton for future delivery has been somewhat less active generally at lower prices, though closing a shade higher on July. In the main the weather and crop reports have been more favorable. Certainly the weekly Government report on the 7th inst. was very generally regarded as pointing to better things. The temperatures last week averaged about normal or a little above. Rains fell where the soil was dry. The plant made good progress. Planting is nearly completed except in the northwestern portion of the belt. But it was progressing favorably there. The plant, according to the Government statement, is up to a good stand and is germinating well in practically all sections east of the Mississippi River. Satisfactory progress has been reported in Southern Texas and the outlook is better in Northern Texas. Rains favored germination and growth in Louisiana. Much of Arkansas was benefited by rains and warmer weather. Private reports from Texas said that stands are perfect and the plant healthy. In parts of that State, too, there seems to have been very little reduction in the acreage. As for the campaign to reduce the acreage in the cotton belt 33 1-3%, it is universally agreed that it is a failure. The estimated decrease as a rule is not over 10 to 15%. As time goes on the drift of opinion crystallizes around a reduction of not much over 10% in most parts of the belt. Indeed there are skeptics who advance the idea that if prices should rise much further it would probably result in the acreage being increased in some sections so that the net reduction would be comparatively small, taking the belt as a whole.

Liverpool at times has shown weakness, with a small market there and long liquidation not readily taken. Manchester has been selling there. On the 8th inst. prices declined in Liverpool some 30 to 40 points. It is supposed that with the advent of peace Liverpool looks for an increase of its stocks. Certainly quite a marked decline took place there at one time. Liverpool, too, from being a good buyer here recently, became for a time a seller. Japanese interests also were rather free sellers of July. Another point of interest is that May notices have been increasing. On the 7th inst. some 600 or 700 bales circulated for a long time, and on that day May fell 81 points, from the high level of the morning. On the 8th inst. the May notices were estimated at anywhere from 2,500 to 5,000 bales, and May was the weakest month that day, although it showed less weakness than on the previous day, and the whole list ended with little net change as compared with the closing on Wednesday. Still, this question of May notices is attracting more attention. Recently it was supposed that there would be very few. The inspection was declared to be very severe. The South was said to be anything but anxious to take the plunge of tendering cotton here under the new law and the rigorous inspection as to sand, staple, &c. Yet, it is stated that cotton in the Atlantic States is selling at approximately on a contract delivery basis at New York. There seems to be a fear that as time goes on deliveries will increase here on May contracts. It remains to be seen whether it is justified or not. The South has sold steadily, though not on a very large scale. Still, it is intimated that it is more ready to sell spot cotton at the present basis of prices, with a new crop approaching, than it was recently. Texas banks, it is asserted, have been giving Texas dealers a hint

to sell out rather than wait for a new crop. Another feature of the week was the rather free selling by Chicago and other Western operators coincident with a break in corn prices, and an announcement by Julius Barnes, head of the Grain Corporation, to the effect that the Government looked with disfavor on overspeculation in grain. It is supposed that the Western selling of cotton may have been done to protect corn holdings, especially as cotton itself has within a couple of months had a big advance. At times there has been considerable selling of July here by straddlers against purchases of October. Some fear that as the new season approaches the South will increase its selling. One hears much talk of a possible carry-over into next season of perhaps 5,000,000 bales, which would be roughly, according to some computations, 1,200,000 bales larger than the carry-over from last season. If it should turn out to be 5,000,000 bales this year and the crop 13,000,000 to 14,000,000 bales, it would naturally mean a season's supply of anywhere from 18,000,000 to 19,000,000 bales, and it would be a far cry to the comparatively small world's consumption of American cotton last year. On the other hand, scarcity of contracts has frequently arrested any downward tendency in prices. For that matter there has been no very marked net declines from day to day. For there is general hope that peace will bring larger exports. People were encouraged by the total on the 8th inst., which ran something above 45,000 bales. Also there was a rumor on that day that ocean freight, whether British or American was not stated, had dropped 75 cents. This attracted sharp attention. It would mean a good deal. Also Mr. Hurlley says that after July 1st tonnage will be diverted from the food carrying service to general commercial uses. On that date the U. S. Government will begin releasing ships for that purpose. It is said that about 2,000,000 tons will then be in the food carrying service. Cotton will have to take its chance with the rest, but inferentially it will have a better chance than it has now. And certainly Europe is bare of cotton and cotton goods. And clothing, of course, is bracketed with food and shelter as one of the three things mankind cannot do without. Liverpool's spot sales of late have been up to 6,000 and 7,000 bales a day. A good spot business has been done at Southern markets. As to the crop many think it has been getting too much rain both east and west of the Miss. If the rains continue the plant might get into grass. How to clean it up would then be the problem with labor universally scarce at the South. To-day, prices advanced some 50 to 70 points with the next crop leading, owing to heavy rains in the central and eastern sections, higher cable advices, increasing exports, the activity of cotton goods and good buying by Liverpool, Japanese and American trade interests. An unfounded rumor that Germany had signed the peace treaty also contributed to the advance. To-day's swing upward left prices higher for the week on futures. A few May notices were in circulation. And that month lagged behind the others. Spot cotton ended at 29.10 for middling uplands, showing a decline for the week of five points.

The official quotation for middling upland cotton in the New York market each day for the past week has been:

May 3 to May 9—	Sar.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling uplands	29.10	29.20	Hol.	28.85	28.75	29.10

NEW YORK QUOTATIONS FOR 32 YEARS.

The quotations for middling upland at New York on May 9 for each of the past 32 years have been as follows:

1919 c.....	29.10	1911 c.....	15.75	1903 c.....	11.15	1895 c.....	6.85
1918.....	23.15	1910.....	15.50	1902.....	9.62	1894.....	7.25
1917.....	19.60	1909.....	10.90	1901.....	8.06	1893.....	7.81
1916.....	13.05	1908.....	10.65	1900.....	9.88	1892.....	7.33
1915.....	9.85	1907.....	11.90	1899.....	6.25	1891.....	3.34
1914.....	13.00	1906.....	11.95	1898.....	6.38	1890.....	12.00
1913.....	12.00	1905.....	8.05	1897.....	7.75	1889.....	11.06
1912.....	11.90	1904.....	13.80	1896.....	8.25	1888.....	10.00

MARKET AND SALES AT NEW YORK.

The total sales of cotton on the spot each day during the week at New York are indicated in the following statement. For the convenience of the reader we also add columns which show at a glance how the market for spot and futures closed on same days.

	Spot Market Closed.	Futures Market Closed.	SALES.		
			Spot.	Contract	Total.
Saturday	Quiet 5 pts dec	Steady	—	—	—
Monday	Quiet 10 pts adv	Steady	—	100	100
Tuesday	—	HOLIDAY	—	—	—
Wednesday	Quiet 35 pts dec	Steady	—	700	700
Thursday	Quiet 10 pts dec	Very steady	—	800	800
Friday	Steady 35 pts adv	Steady	—	—	—
Total	—	—	—	1,600	1,600

NEW ORLEANS CONTRACT MARKET.—The closing quotations for leading contracts in the New Orleans cotton markets for the past week have been as follows:

	Saturday, May 3.	Monday, May 5.	Tuesday, May 6.	Wed' day, May 7.	Thurs'd'y, May 8.	Friday, May 9.
May	27.60	27.65-67		27.36-41	27.25-30	27.80-85
July	26.22-26	26.28-30		26.06-11	26.00-02	26.52-55
October	23.97-02	24.01-05		23.72-78	23.76-78	24.43-47
December	23.60-64	23.64		23.33	23.31-33	24.02-04
January	23.32	23.36		23.01-03	23.07	23.73-77
March	23.07	23.09		23.76-81	23.80	23.51-54
Tone	—	—		—	—	—
Spot	Steady	Steady		Steady	Steady	Steady
Options	Steady	Steady		Steady	Steady	Steady

FUTURES.—The highest, lowest and closing prices at New York for the past week have been as follows:

	Saturday, May 3.	Monday, May 5.	Tuesday, May 6.	Wed' day, May 7.	Thurs'd'y, May 8.	Friday, May 9.	Week.
May—							
Range	28.25-43	28.26-49		27.80-61	27.68-02	28.10-33	27.68-61
Closing	28.26	28.45		28.10-20	27.96-98	28.33	—
July—							
Range	26.43-72	26.54-85		26.30-99	26.15-54	26.60-94	26.15-99
Closing	26.66-70	26.77-78		26.50-57	26.45-48	26.90-03	—
August—							
Range	25.40	25.50		—	—	—	25.40-50
Closing	25.50-76	25.67-87		25.40	25.35-55	25.94	—
September—							
Range	—	—		25.37	—	25.30	25.30-37
Closing	25.17-27	25.28-35		25.10	24.97-17	25.65	—
October—							
Range	24.52-80	24.58-91	HOLI-	24.43-02	24.25-61	24.75-27	24.28-27
Closing	24.67-72	24.78-80	DAY.	24.58-62	24.57-58	25.24-27	—
November—							
Range	—	—		24.60	—	—	24.60
Closing	24.35	24.45		24.26	24.20-30	24.85	—
December—							
Range	24.00-30	24.12-43		23.96-53	23.84-13	24.30-78	23.84-78
Closing	24.19-25	24.30-32		24.11-12	24.10-12	24.75-78	—
January—							
Range	23.75-01	23.78-12		23.70-20	23.53-84	24.00-40	23.53-40
Closing	23.82-01	23.98-02		23.76-84	23.77-80	24.44-48	—
February—							
Range	—	—		—	—	—	—
Closing	23.70	23.85		23.61	23.60	24.26	—
March—							
Range	23.50-70	23.51-85		23.74-95	23.35-55	23.80-17	23.35-17
Closing	23.58-60	23.75-76		23.51-50	23.50-52	24.16-18	—

THE VISIBLE SUPPLY OF COTTON to-night, as made up by cable and telegraph, is as follows. Foreign stocks, as well as the afloat, are this week's returns, and consequently all foreign figures are brought down to Thursday evening. But to make the total the complete figures for to-night (Friday), we add the item of exports from the United States, including in it the exports of Friday only.

	1919.	1917.	1916.
Stock at Liverpool.....	553,000	332,000	607,000
Stock at London.....	12,000	22,000	24,000
Stock at Manchester.....	81,000	48,000	53,000
Total Great Britain.....	646,000	402,000	684,000
Stock at Hamburg.....	—	—	*1,000
Stock at Bremen.....	—	—	*1,000
Stock at Havre.....	201,000	149,000	224,000
Stock at Marseilles.....	7,000	1,000	7,000
Stock at Barcelona.....	86,000	10,000	88,000
Stock at Genoa.....	70,000	4,000	29,000
Stock at Trieste.....	—	—	*1,000
Total Continental stocks.....	364,000	164,000	351,000
Total European stocks.....	1,010,000	566,000	1,035,000
India cotton afloat for Europe.....	27,000	35,000	59,000
Amer. cotton afloat for Europe.....	297,124	132,000	231,000
Egypt, Brazil, &c., afloat for Eur'e.....	31,000	94,000	36,000
Stock in Alexandria, Egypt.....	365,000	302,000	127,000
Stock in Bombay, India.....	967,000	*640,000	902,000
Stock in U. S. ports.....	1,208,246	1,347,821	936,468
Stock in U. S. interior towns.....	1,397,201	1,065,189	877,537
U. S. exports to-day.....	48,914	19,435	15,071
Total visible supply.....	5,351,485	4,201,445	4,219,076

Of the above, totals of American and other descriptions are as follows:

American	1919.	1917.	1916.
Liverpool stock.....	356,000	189,000	484,000
Manchester stock.....	46,000	16,000	44,000
Continental stock.....	332,000	*138,000	*291,000
American afloat for Europe.....	297,124	132,000	231,000
U. S. port stocks.....	1,208,246	1,347,821	936,468
U. S. interior stocks.....	1,397,201	1,065,189	877,537
U. S. exports to-day.....	48,914	19,435	15,071
Total American.....	3,685,485	2,907,445	2,878,076
East Indian, Brazil, &c.....	—	—	—
Liverpool stock.....	197,000	143,000	123,000
London stock.....	12,000	22,000	24,000
Manchester stock.....	35,000	32,000	9,000
Continental stock.....	32,000	*26,000	*61,000
India afloat for Europe.....	27,000	35,000	59,000
Egypt, Brazil, &c., afloat.....	31,000	94,000	36,000
Stock in Alexandria, Egypt.....	365,000	302,000	127,000
Stock in Bombay, India.....	967,000	*640,000	902,000
Total East India, &c.....	1,666,000	1,294,000	1,341,000
Total American.....	3,685,485	2,907,445	2,878,076

	1919.	1917.	1916.
Total visible supply.....	5,351,485	4,201,445	4,219,076
Middling upland, Liverpool.....	17,194	21,554	21,804
Middling upland, New York.....	29,10c.	28,15c.	20,00c.
Egypt, good sack, Liverpool.....	30.08d.	31.97d.	29.85d.
Peruvian, rough good, Liverpool.....	29.75d.	39.00d.	20.75d.
Broach, fine, Liverpool.....	16.00d.	20.80d.	12.00d.
Tinnevely, good, Liverpool.....	16.25d.	21.06d.	12.58d.

\* Estimated. Continental imports for past week have been 55,000 bales. The above figures for 1919 show an increase over last week of 18,565 bales, a gain of 1,150,040 bales over 1918, an excess of 1,132,409 bales over 1917 and a gain of 481,464 bales over 1916.

QUOTATIONS FOR MIDDLINGCOTTON AT OTHER MARKETS.—Below are the closing quotations of middling cotton at Southern and other principal cotton markets for each day of the week:

Week ending May 9.	Closing Quotations for Middling Cotton on—					
	Saturday.	Monday.	Tuesday.	Wed' day.	Thurs'd'y.	Friday.
Galveston.....	29.00	29.00		29.00	29.00	29.25
New Orleans.....	28.00	28.00		27.88	27.63	27.63
Mobile.....	27.00	27.00		27.00	27.00	27.00
Savannah.....	27.75	27.75		27.75	27.50	27.75
Charleston.....	27.00	27.00		27.00	27.00	27.25
Wilmington.....		26.50	HOLI-	26.50	26.50	26.50
Norfolk.....	27.00	27.00	DAY.	27.00	27.00	27.00
Baltimore.....	28.50	28.50		28.50	28.50	28.50
Philadelpia.....	29.35	29.45		29.10	29.00	29.35
Memphis.....	28.25	28.25		28.00	27.75	27.75
Dallas.....	28.00	28.00		28.00	28.00	28.00
Houston.....		27.85		27.75	27.75	28.15
Little Rock.....	28.60	28.64		28.40	28.40	28.85
	27.00	27.00		27.00	27.00	27.00

INTERIOR TOWNS.

Towns.	Movement to May 9 1919.				Movement to May 10 1918.					
	Receipts.		Ship- ments. Week.	Stocks May 9.	Receipts.		Ship- ments. Week.	Stocks May 10.		
	Week.	Season.			Week.	Season.				
Ala., Eufaula.....	24	4,520	-----	3,397	-----	4,461	-----	2,807		
Montgomery.....	251	61,460	-----	369	24,368	-----	48,360	60	6,383	
Selma.....	420	58,080	-----	431	17,730	-----	33,983	4	617	
Ark., Helena.....	50	36,901	-----	150	5,300	-----	41,292	-----	7,000	
Little Rock.....	1,978	155,362	-----	2,211	44,022	-----	751	226,994	5,508	25,982
Pine Bluff.....	1,928	126,741	-----	1,514	50,414	-----	311	141,836	2,239	39,811
Ga., Albany.....	75	10,564	-----	114	4,158	-----	-----	12,344	-----	1,079
Athens.....	1,087	122,371	-----	2,787	39,719	-----	439	120,598	2,500	24,738
Atlanta.....	9,000	196,471	-----	6,408	28,000	-----	1,359	317,690	3,764	38,994
Augusta.....	12,421	390,879	-----	8,312	174,159	-----	556	430,370	5,949	113,211
Columbus.....	45	51,755	-----	20	30,255	-----	300	36,614	600	7,400
Macon.....	3,840	188,235	-----	3,099	39,599	-----	1,282	104,458	3,802	20,879
Rome.....	400	46,100	-----	568	14,700	-----	68	64,149	792	9,728
La., Shreveport.....	1,723	117,887	-----	1,872	50,051	-----	250	194,744	1,129	28,168
Miss. Columbia.....	319	19,219	-----	671	3,674	-----	2	9,946	239	870
Clarksdale.....	484	128,774	-----	3,486	36,010	-----	150	104,490	1,160	27,000
Greenwood.....	700	129,067	-----	1,000	36,500	-----	500	128,570	2,500	33,000
Moridian.....	525	38,624	-----	372	15,137	-----	222	34,525	300	8,422
Natchez.....	208	42,077	-----	1,070	13,253	-----	25	61,279	433	5,464
Vicksburg.....	530	35,519	-----	414	7,913	-----	164	30,263	1,503	3,584
Yazoo City.....	200	39,341	-----	1,200	15,500	-----	-----	37,978	500	12,000
Mo., St. Louis.....	7,876	477,558	-----	8,469	21,975	-----	20,262	1,088,292	18,661	18,991
N. C., Ge' naboro.....	1,000	42,034	-----	1,441	10,000	-----	600	58,342	800	11,800
Raleigh.....	345	7,800	-----	300	295	-----	-----	10,533	50	237
O., Cincinnati.....	2,469	125,075	-----	1,909	25,000	-----	3,892	123,127	4,067	14,000
Okla., Ardmore.....	-----	-----	-----	-----	-----	-----	-----	13,750	-----	-----
Chickasha.....	200	44,117	-----	300	5,200	-----	1,097	62,867	314	6,302
Hugo.....	5	27,125	-----	49	746	-----	205	34,591	425	3,600
Oklahoma.....	-----	34,408	-----	-----	5,700	-----	-----	44,395	-----	2,800
S. C., Greenville.....	2,676	83,164	-----	3,526	25,640	-----	3,000	129,835	4,000	21,000
Greenwood.....	-----	13,769	-----	-----	9,624	-----	325	13,591	-----	5,599
Tenn., Memphis.....	17,007	817,406	-----	26,369	341,033	-----	32,373	1,257,678	27,216	307,839
Nashville.....	-----	1,258	-----	1,193	-----	-----	3	1,823	-----	1,191
Tex., Abilene.....	-----	7,233	-----	9	638	-----	-----	26,992	-----	637
Brenham.....	100	17,463	-----	200	5,500	-----	11	21,159	16	798
Clarksville.....	695	45,050	-----	1,477	6,377	-----	-----	53,378	830	2,000
Dallas.....	877	83,582	-----	1,454	11,874	-----	700	127,883	700	12,000
Honey Grove.....	677	28,576	-----	1,299	3,325	-----	170	61,970	600	5,000
Houston.....	30,189	1,641,839	-----	33,946	256,232	-----	8,724	1,859,832	20,084	162,974
Paris.....	2,664	116,563	-----	2,619	13,538	-----	-----	103,409	659	11,100
San Antonio.....	-----	39,493	-----	1,700	-----	-----	-----	30,141	-----	-----
<b>Total, 41 towns</b> .....	<b>100,732</b>	<b>6,651,967</b>	-----	<b>120,535</b>	<b>139,721</b>	-----	<b>78,566</b>	<b>7,356,553</b>	<b>111,393</b>	<b>105,519</b>

OVERLAND MOVEMENT FOR THE WEEK AND SINCE AUG. 1.

May 9— Shipped—	1918-19		1917-18	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.
	Via St. Louis.....	8,469	469,375	18,651
Via Mounds, &c.....	11,425	416,668	14,256	492,117
Via Rock Island.....	325	23,582	-----	13,976
Via Louisville.....	1,564	97,130	728	81,437
Via Cincinnati.....	1,564	67,204	799	36,888
Via Virginia points.....	204	96,091	2,498	189,126
Via other routes, &c.....	22,841	708,632	12,413	604,671
<b>Total gross overland.....</b>	<b>46,184</b>	<b>1,868,680</b>	<b>49,343</b>	<b>2,416,869</b>
<b>Deduct Shipments—</b>				
Overland to N. Y., Boston, &c.....	1,057	49,478	2,486	295,595
Between interior towns.....	1,046	46,072	3,741	92,731
Inland, &c., from South.....	10,291	213,215	11,804	607,366
<b>Total to be deducted.....</b>	<b>12,394</b>	<b>308,765</b>	<b>18,031</b>	<b>1,995,692</b>
<b>Leaving total net overland*.....</b>	<b>33,790</b>	<b>1,559,915</b>	<b>31,312</b>	<b>1,421,177</b>

\* Including movement by rail to Canada. a Revised.

The foregoing shows the week's net overland movement has been 33,790 bales, against 31,312 bales for the week last year, and that for the season to date the aggregate net overland exhibits an increase over a year ago of 138,738 bales.

In Sight and Spinners' Takings	1918-19		1917-18	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.
Receipts at ports to May 9.....	104,230	4,574,984	56,713	5,279,268
Net overland to May 9.....	33,790	1,559,915	31,312	1,421,177
South'n consump'n to May 9.....	57,000	2,805,000	85,000	3,331,000
<b>Total marketed.....</b>	<b>195,020</b>	<b>8,939,899</b>	<b>173,025</b>	<b>10,031,445</b>
Interior stocks in excess.....	19,803	700,585	32,827	710,697
<b>Came into sight during week.....</b>	<b>175,217</b>		<b>140,198</b>	
<b>Total in sight May 9.....</b>	<b>6,640,481</b>		<b>10,742,142</b>	
<b>North, spin's takings to May 9.....</b>	<b>15,893</b>	<b>1,660,125</b>	<b>96,708</b>	<b>2,281,575</b>

\* Decrease during week. a These figures are consumption; takings not available.

Movement into sight in previous years:

Week—	Bales.	Since Aug. 1—	Bales.
1917—May 11.....	120,178	1916-17—May 11.....	11,642,662
1916—May 12.....	147,892	1915-16—May 12.....	11,100,343
1915—May 14.....	161,455	1914-15—May 14.....	14,210,616

WEATHER REPORTS BY TELEGRAPH.—Our telegraphic reports this evening from the South indicate that in the main the weather has been favorable during the week. Texas reports with the late rains moisture over the State is sufficient for the present, but low temperature at night has been unfavorable for plant growth.

**Galveston, Tex.**—Light to heavy rains occurred over the State during the week, which have been followed by low nightly temperatures unfavorable for plant growth. Moisture over the State is sufficient and clear warm weather is needed for proper development. The week's rainfall has been three inches and seventy hundredths on five days. The thermometer has averaged 70, ranging from 62 to 78.

**Abilene, Tex.**—There has been rain on two days during the week, the rainfall being seventy-six hundredths of an inch. The thermometer has ranged from 52 to 96, averaging 74.

**Brenham, Tex.**—The week's rainfall has been three inches and seventy-three hundredths, on four days. Average thermometer 69, highest 84, lowest 53.

**Brownsville, Tex.**—There has been rain on two days during the week, the precipitation reaching one inch and six hundredths. The thermometer has averaged 80, the highest being 92 and the lowest 68.

**Cuero, Tex.**—We have had rain on three days of the week, the rainfall reaching two inches and ninety hundredths. The thermometer has averaged 73, ranging from 56 to 89.

**Dallas, Tex.**—There has been rain on three days during the week, to the extent of eighty hundredths of an inch. The thermometer has ranged from 54 to 87, averaging 72.

**Henrietta, Tex.**—It has rained on two days of the week, the rainfall reaching fifty-five hundredths of an inch. Minimum thermometer 52, highest 89, average 71.

**Huntsville, Tex.**—There has been rain on four days of the week, to the extent of three inches and sixty-five hundredths. The thermometer has averaged 70, the highest being 83 and the lowest 57.

**Lampasas, Tex.**—There has been rain on three days during the week, to the extent of seventy-one hundredths of an inch. The thermometer has ranged from 54 to 88, averaging 71.

**Longview, Tex.**—The week's rainfall has been sixty-five hundredths of an inch, on one day. Average thermometer 74, highest 87, lowest 60.

**Luling, Tex.**—We have had rain on one day of the week, the rainfall reaching two inches. The thermometer has averaged 76, the highest being 89 and the lowest 62.

**Nacogdoches, Tex.**—The week's rainfall has been two inches and seventeen hundredths, on four days. The thermometer has averaged 74, ranging from 58 to 90.

**Paris, Tex.**—It has rained on three days of the week, the rainfall reaching one inch and thirty hundredths. Minimum thermometer 54, maximum 90, mean 72.

**San Antonio, Tex.**—It has rained on two days of the week, the rainfall reaching thirty-nine hundredths of an inch. The thermometer has averaged 72, the highest being 86 and the lowest 58.

**Weatherford, Tex.**—There has been rain on three days during the week, to the extent of one inch and twenty-one hundredths. The thermometer has ranged from 52 to 88, averaging 70.

**Ardmore, Okla.**—It has rained on three days of the week, the rainfall reaching one inch and sixty-two hundredths. The thermometer has averaged 70, the highest being 89 and the lowest 50.

**Muskogee, Okla.**—We have had rain on one day of the past week, the rainfall being sixty-two hundredths of an inch. The thermometer has averaged 69, ranging from 52 to 86.

**Eldorado, Ark.**—It has rained on three days during the week, to the extent of two inches and twenty-eight hundredths. The thermometer has ranged from 56 to 87, averaging 71.

**Little Rock, Ark.**—Rain on two days of the week. The rainfall has been one inch and sixteen hundredths. Average thermometer 69, highest 83, lowest 54.

**Alexandria, La.**—It has rained on two days during the week, to the extent of two inches and sixty hundredths. The thermometer has averaged 74, the highest being 87 and the lowest 60.

**New Orleans, La.**—It has rained on three days of the week, the rainfall reaching one inch and fifty-eight hundredths. The thermometer has averaged 76.

**Shreveport, La.**—It has rained on four days during the week, to the extent of two inches and twenty-six hundredths. The thermometer has ranged from 57 to 86, averaging 72.

**Columbus, Miss.**—Rain on four days of the week. The rainfall has been two inches and ninety hundredths. Average thermometer 72, highest 88, lowest 46.

**Vicksburg, Miss.**—It has rained on two days during the week, to the extent of two inches and forty-six hundredths. The thermometer has averaged 72, the highest being 85, and the lowest 60.

**Mobile, Ala.**—Beneficial rains in the interior. Planting is progressing rapidly in bottoms and chopping out is under way. Stands are good. We have had rain on four days of the week, the rainfall reaching eighty-two hundredths of an inch. The thermometer has averaged 74, ranging from 61 to 83.

**Montgomery, Ala.**—It has rained on five days during the week, to the extent of one inch and eighteen hundredths. The thermometer has ranged from 58 to 87, averaging 73.

**Selma, Ala.**—Rain on four days of the week. The rainfall has been one inch and sixty hundredths of an inch. Average thermometer 73, highest 85, lowest 55.

**Madison, Fla.**—It has rained on one day during the week, to the extent of one inch and ten hundredths. The thermometer has averaged 76, the highest being 90 and the lowest 62.

**Tallahassee, Fla.**—We have had rain on one day during the past week, to the extent of twenty hundredths of an inch. The thermometer averaged 74, ranging from 60 to 87.

**Atlanta, Ga.**—It has rained on four days during the week, to the extent of three inches and twenty-six hundredths. The thermometer has ranged from 61 to 86, averaging 74.

**Augusta, Ga.**—Rain on two days of the week. The rainfall has been fifty-one hundredths of an inch. Average thermometer 72, highest 87, lowest 54.

**Savannah, Ga.**—Dry all the week. The thermometer averaged 76, the highest being 86 and the lowest 64.

**Charleston, S. C.**—We have had rain on one day of the past week, the rainfall being ten hundredths of an inch. The thermometer has averaged 73, ranging from 64 to 83.

**Greenwood, S. C.**—It has rained on three days during the week, to the extent of eighty-two hundredths of an inch. The thermometer has ranged from 54 to 84, averaging 69.

**Spartanburg, S. C.**—Rain on two days of the week. The rainfall has been one inch and twenty-eight hundredths. Average thermometer 69, highest 88, lowest 50.

Charlotte, N. C.—It has rained on three days during the week, to the extent of one inch and eighty-six hundredths. The thermometer has averaged 70, the highest being 84 and the lowest 57.

Weldon, N. C.—We have had rain on three days during the past week, to the extent of one inch and ninety-one hundredths. The thermometer has averaged 68, ranging from 47 to 88.

Memphis, Tenn.—It has rained on three days during the week, to the extent of two inches and sixty-five hundredths. The thermometer has ranged from 54 to 84, averaging 70.

**WORLD'S SUPPLY AND TAKINGS OF COTTON.**

Cotton Takings. Week and Season.	1918-19.		1917-18.	
	Week.	Season.	Week.	Season.
Visible supply May 2	5,332,920		4,309,684	
Visible supply Aug. 1		3,027,450		2,814,776
American in sight to May 9	175,217	9,640,484	140,198	10,742,142
Bombay receipts to May 8	640,000	1,930,000	49,000	1,479,000
Other India shipm'ts to May 8		22,000	1,000	73,000
Alexandria receipts to May 7	62,000	666,000	7,000	758,000
Other supply to May 7*	62,000	161,000	6,000	170,000
Total supply	5,552,137	15,446,934	4,512,882	16,036,918
Deduct—				
Visible supply May 9	5,351,485	5,351,485	4,201,445	4,201,445
Total takings to May 9. a.	200,652	10,095,449	311,437	11,835,473
Of which American	167,652	7,904,449	248,437	9,354,473
Of which other	33,000	2,191,000	63,000	2,481,000

\* Embraces receipts in Europe from Brazil, Smyrna, West Indies, &c. a This total embraces since Aug. 1 the total estimated consumption by Southern mills, 2,805,000 in 1918-19 and 3,331,000 bales in 1917-18—takings not being available—and the aggregate amounts taken by Northern and foreign spinners, 7,290,449 bales in 1918-19 and 8,504,473 bales in 1917-18, of which 5,090,449 bales and 6,023,473 bales in American. b Estimated.

MANCHESTER MARKET.—Our report received by cable to-night from Manchester states that with an improving demand the market is active and advancing. We give prices for to-day below and leave those for previous weeks of this and last year for comparison:

Mar	1919.				1918.			
	32s Cop	8½ lbs. Shirts	Cot'n Mid.	Up's	32s Cop	8½ lbs. Shirts	Cot'n Mid.	Up's
14	d. d.	d. d.	d. d.	d. d.	d. d.	d. d.	d. d.	d. d.
17	26 1/2 @ 23 1/2	16 9 @ 24 0	15 36 1/2	41 @ 43	18 4 1/2 @ 26 9	18 4 1/2 @ 26 9	23 63	23 63
21	26 1/2 @ 23 1/2	16 9 @ 23 6	15 32 1/2	41 @ 43	18 4 1/2 @ 26 9	18 4 1/2 @ 26 9	23 10	23 10
23	24 1/2 @ 26 1/2	16 9 @ 23 0	15 78 1/2	41 1/2 @ 44 1/2	18 4 1/2 @ 26 9	18 4 1/2 @ 26 9	24 32	24 32
Apr. 4	25 @ 27	16 9 @ 23 0	15 24 1/2	42 1/2 @ 45 1/2	19 10 1/2 @ 28 1 1/2	19 10 1/2 @ 28 1 1/2	24 95	24 95
11	26 1/4 @ 23 1/4	17 0 @ 23 3	15 88 1/4	44 @ 46 1/2	20 0 @ 28 6	20 0 @ 28 6	24 38	24 38
18	26 1/4 @ 23 1/4	17 0 @ 23 3	18 20 1/4	43 1/2 @ 46	21 0 @ 28 6	21 0 @ 28 6	22 79	22 79
25	27 1/4 @ 29 1/4	18 0 @ 24 0	18 53 1/4	44 1/2 @ 46 1/2	22 0 @ 29 0	22 0 @ 29 0	21 38	21 38
May 2	27 1/4 @ 29 1/4	18 4 @ 24 0	17 29 1/4	44 1/2 @ 46 1/2	22 0 @ 29 0	22 0 @ 29 0	21 40	21 40
9	28 1/2 @ 30 1/2	18 0 @ 24 3	17 19 1/2	43 1/2 @ 46 1/2	22 0 @ 29 0	22 0 @ 29 0	21 55	21 55

**SHIPPING NEWS.—Shipments in detail:**

	1919.		1918.	
NEW YORK—To Liverpool—May 7—Belgic, 1,261		1,261		1,261
To Rotterdam—May 3—Amsteldyk, 1,600		1,600		1,600
To Antwerp—May 3—Lord Ormonde, 350		350	May 7—West	
Maureke, 1,187		1,187		1,337
GALVESTON—To Liverpool—May 3—Bonefactor, 6,875		6,875		6,875
To Manchester—May 2—Esperanza de Larrinaga, 5,023		5,023		5,023
May 8—María de Larrinaga, 2,550		2,550		7,573
To Antwerp—May 6—Edgfield, 20,550		20,550		20,550
To Trieste—May 7—Gulf of Mexico, 28,089		28,089		28,089
PORT NOGALEZ—To Mexico, by rail, 100		100		100
NEW ORLEANS—To Liverpool—May 2—Tactician, 4,564		4,564		4,564
To Genoa—May 5—Vittorio Emanuele III., 17,349		17,349		17,349
To Japan—May 7—Aital Maru, 13,000		13,000		13,000
MOBILE—To Liverpool—May 6—Logician, 5,940		5,940		5,940
SAVANNAH—To Liverpool—May 7—Kelyinbrao, 11,489		11,489		11,489
BRUNSWICK—To Liverpool—May 8—Nessian, 15,817		15,817		15,817
BOSTON—To Liverpool—April—Vedic, 191		191	April—Wini-	270
freddian, 79		79		150
SAN FRANCISCO—To Manila—May 3—Venezuela, 150		150		150
SEATTLE—To Japan—April 24—Kashima Maru, 6,031		6,031	April 26—Hoyelsen Maru, 9,106	19,432
		Myogisan Maru, 4,295		
Total		155,396		

LIVERPOOL.—By cable from Liverpool we have the following statement of the week's sales, stocks, &c., at that port:

	April 16.	April 25.	May 2.	May 9.
Sales of the week	14,000	17,000	31,000	34,000
Of which speculators took				
Of which exports took				
Sales, American	8,000	10,000	20,000	29,000
Actual export	1,000	3,000	2,000	6,000
Forwarded	28,000	35,000	53,000	68,000
Total stock	493,000	521,000	599,000	553,000
Of which American	328,000	354,000	399,000	356,000
Total imports of the week	27,000	84,000	91,000	27,000
Of which American	14,000	65,000	71,000	5,000
Amount afloat	165,000	167,000	124,000	
Of which American	140,000	136,000	86,000	

The tone of the Liverpool market for spots and futures each day of the past week and the daily closing prices of spot cotton have been as follows:

	Spot.	Saturday.	Monday.	Tuesday.	Wednesday.	Thursday.	Friday.
Market, 12:15 P. M.		Good business doing.	Fair demand.	Fair business doing.	Good demand.	Quiet.	Quiet.
Mid. Up's		17.06	17.25	17.25	16.96	17.19	
Sales		7,000	6,000	6,000	7,000	5,000	
Futures Market opened		Steady at 16@22 pts. dec.	Quiet at 2@21 pts. adv.	Quiet at 2@20 pts. adv.	Quiet at 2@20 pts. adv.	Easy at 20@27 pts. dec.	Steady, 5@12 pts. advance.
Market, 4 P. M.		Quiet at 21@26 pts. dec.	Quiet at 2@20 pts. adv.	Quiet at 2@29 pts. dec.	Steady at 30@38 pts. dec.	Steady, 14@40 pts. advance.	

The prices of futures at Liverpool for each day are given below:

May 3 to May 9.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	12 1/2 p. m.	12 1/2 p. m.	12 1/2 p. m.	12 1/2 p. m.	12 1/2 p. m.	12 1/2 p. m.
May	d.	d.	d.	d.	d.	d.
June	16.86	16.90	17.06	17.10	17.05	17.08
July	16.61	16.67	16.85	16.76	16.79	16.42
August	16.41	16.45	16.58	16.62	16.52	16.63
September	16.14	16.13	16.28	16.32	16.22	16.21
October	15.67	15.66	15.79	15.82	15.72	15.71
November	15.32	15.26	15.41	15.28	15.27	14.91
December	15.19	15.13	15.23	15.12	15.10	14.75
January	15.06	15.00	15.14	14.96	14.93	14.59
February	14.93	14.90	15.03	14.82	14.77	14.41
March	14.86	14.83	14.94	14.72	14.67	14.34
April	14.80	14.77	14.86	14.62	14.57	14.25
	14.74	14.71	14.81	14.57	14.52	14.18

**BREADSTUFFS**

Friday Night, May 9 1919.

Flour has been quiet and lower. It appears that 4,000,000 bushels of wheat will be imported by the Government from Canada instead of the 25,000,000 bushels at one time rumored early in the week. But Mr. Julius Barnes, the head of the Food Administration, did say in a speech at Chicago that "the price of flour has been going up rapidly of late and on account of a belief in a scarcity. If this price does not commence to reflect shortly the real situation regarding supplies, we must return to the 1917 food regulations, allowing only a 30-day supply to be kept on hand." Ever since then the trade has been awaiting developments. The demand has been light, at the same time mills have until now not been offering more freely. There is a fair jobbing trade. Receivers are supposed to be holding pretty good supplies. According to one view, the trade has enough to last until July 1. A Chicago dispatch said before leaving here yesterday Julius H. Barnes said that he had arranged for imports of wheat from Canada and would sell enough flour to stop the recent advance, which was unwarranted, as no scarcity exists. Northwestern millers have reduced prices 50 cents, making white patents \$10 95 to the retail trade and \$9 95 in car lots. Wheat flour is down \$1 25 from the highest price made last week. Other mills are said to be selling at \$13 80, or the same as last week.

Wheat supplies continue to fall rapidly. The visible stock last week lost 11,821,000 bushels, against a decrease in the same week last year of only 582,000 bushels. The total is now 49,502,000 bushels, against 2,194,000 a year ago. At one time there was a rumor that the United States Government would shortly permit the importation of 25,000,000 bushels of Canadian wheat. Later in the week, however, Mr. Julius Barnes, head of the United States Grain Corporation, stated that 1,000,000 bushels would be imported, still later 4,000,000. Wheat seeding has been delayed in North Dakota by heavy rains. But the moisture was very beneficial to the crop in the ground at the Northwest, and about 75% of the crop has been seeded. The New York Produce Exchange was closed on May 6 in honor of the parade of the 77th Division on Fifth Avenue. The Stock Exchange, Cotton and Coffee Exchanges were also closed.

In the United Kingdom the weather is favorable and good progress has been made in plowing and seeding. Winter wheat is satisfactory, although in some isolated sections the condition of the plant is not altogether favorable. On the whole, the prospects are favorable. In Italy cold weather has damaged fruit to some extent, but the wheat crop is in fair condition. In France the weather has been unfavorable and winter cereals have suffered somewhat. The outlook is disappointing. The yield of wheat will probably exceed that of a year ago by approximately 80,000,000 bushels. But this is far below a pre-war average. Sowing of spring crops has made fair progress, but the condition of early sown grains is unsatisfactory, due partly to the late spring. A return of good weather, it is believed, would more than offset this early setback. In Spain the weather is good and the condition of wheat is generally reported favorable. Prices remain high and further importations of Argentine wheat are predicted. In North Africa, although this year's harvest is expected to be smaller than that of the preceding year, it is believed that the wheat crop will be of fair size. In Sweden winter crops show good promise. The spring has been late, but agricultural preparations are making fair progress. In Argentina the weather continues favorable. Preparations for the wheat crop are well under way and indications are that a fair acreage will be seeded.

The May Government report, issued on the 8th inst., made the acreage of winter wheat 48,933,000, the condition 100.5 indicating a yield of 18.4 bushels to the acre and making the estimated crop 899,915,000 bushels which is about 10,000,000 bushels larger than the previous largest combined crop of winter and spring. That of 1912 was 730,267,000 bushels, and in 1913 it was 763,350,000. The April condition this year was 99.8 and the crop indication \$37,000,000. The acreage last year was 36,704,000 and last year's final crop 558,449,000 bushels. The rye condition is now put at 95.3, against 85.8 last year with the estimated crop 122,946,000 bushels, against 82,629,000 last year.

**DAILY CLOSING PRICES OF WHEAT IN NEW YORK.**

No. 2 red	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	237 1/2	237 1/2	237 1/2	Holl.	237 1/2	237 1/2
No. 1 spring	240 1/2	240 1/2	240 1/2	240 1/2	240 1/2	240 1/2

Indian corn has been very irregular, ending lower, however. It collapsed some 10 cents per bushel on the 5th inst.

from the high point that day. July sold at \$1 72 and later fell to \$1 62. But the erratic nature of the market is shown by the subsequent rally to \$1 65 1/4, the closing price on that day. September corn in Chicago dropped from \$1 67, the "high" of May 5th to \$1 55, but rallied and closed at \$1 60. Small wonder that such markets have attracted the notice of the Government. Recent swings have been 10 to 20 cents in twenty-four hours. It is not surprising that [Mr. Julius Barnes, the head of the United States Grain Corporation, has given the matter attention. There have been plain intimations from the Government that such wild fluctuations did not meet with approval. The break on the 5th inst. was due largely to a rumor that the United States Government would import 25,000,000 bushels of wheat from Canada in order to check the rise in wheat and flour and inferentially in other grain. On the 5th inst. the rise to \$1 72 for July meant an advance of over 20 cents from the low point of last week. Government officials have let it be known that they look for a gradual reduction in the cost of food. It is intimated that if flour continues to rise the old thirty-day regulation will be revived. Later in the week, in spite of the fact that the first reports of prospective importations were exaggerated, the tone was more or less weak. Operators became more cautious, as it was plain enough seen that the Government frowned upon over-speculation.

On the other hand, the visible supply is undoubtedly small. It is true that last week there was an increase of 664,000 bushels. But even so the total is only 4,245,000, against 16,111,000 a year ago. Also the wet weather of late had something to do with the price reaching the highest point of the season, as it did on the 5th inst. Marketing and planting have undoubtedly been delayed by bad weather. Moreover, the price of hogs has steadily advanced with little interruption. The temperature has recently averaged much below the normal in the Northern corn belt, and frequent rains further delayed plowing and planting from Kansas, Missouri and the Ohio River northward. The work of planting is fully two weeks behind the average in the lower Missouri Valley. Planting made good progress in the Southern States, where the warmer weather was more favorable for growth. Cultivation was in progress in the extreme South. Corn was beginning to tassel in parts of Texas. Cut worms were reported numerous and doing considerable damage in parts of Oklahoma. In Argentina the weather is favorable for the picking of the new corn crop and good progress is being made. Owing to the extreme high prices ruling in America, holders in Argentina predict a big business with the United States. To-day prices declined about 5 cents and then recovered part of the loss. But the close was lower for the week.

DAILY CLOSING PRICES OF CORN IN NEW YORK.

No. 3 yellow	Sat. 185 1/2	Mon. 183 1/2	Tues. 184 1/4	Wed. 188 1/4	Fri. 190 1/4
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DAILY CLOSING PRICES OF CORN FUTURES IN CHICAGO.

May delivery in elevator	Sat. 171	Mon. 166 3/4	Tues. 170	Wed. 166 1/4	Fri. 169 1/4
July delivery in elevator	168 3/4	165 3/4	169 1/4	164 3/4	165 3/4
September delivery in elevator	164 3/4	160	163 3/4	158 3/4	155 3/4

Oats have been irregular in sympathy with corn and at times have dropped sharply, though not so sharply as corn. The visible supply last week decreased 32,000 bushels, against a decrease in the same week last year of 1,198,000 bushels. The total is now 21,507,000 bushels, against 20,713,000 bushels a year ago. The stock of barley is 14,887,000 bushels, against 4,209,000 bushels a year ago; that of rye 17,246,000 bushels, against 1,000,000 bushels a year ago. Some big interests in the American trade recently bullish have been selling heavily. The visible supply is, on the whole, considered liberal. What is more, a new season is not far off. And the Government looks with very evident disfavor on big speculation in grain. There is no doubt, too, that oats will very obediently follow corn. Undoubtedly, too, there is more or less nervousness on the bull side of the grain market. There is an impression that if things go too far the Government will take drastic measures to check anything like a runaway bull market. On the other hand, oats are still considered relatively cheap in contrast with corn. To-day prices declined and end lower for the week. Crop reports are very favorable and the cash trade light.

DAILY CLOSING PRICES OF OATS IN NEW YORK.

Standards	Sat. 81 1/2	Mon. 82	Tues. 80-80 1/4	Wed. 79 1/2	Fri. 80 1/2
No. 2 white	82	80 1/2	day	79 1/2	80 1/2

DAILY CLOSING PRICES OF OATS FUTURES IN CHICAGO.

May delivery in elevator	Sat. 70 1/2	Mon. 69	Tues. 68 1/2	Wed. 67 1/2	Fri. 68 1/2
July delivery in elevator	72 1/2	70	70 1/4	68 1/4	69 1/4
September delivery in elevator	70 1/4	68 1/4	68 1/4	66	66 1/4

The following are closing quotations:

Spring patents	\$12 25@12 75	Barley goods—Portage barley:	
Winter straights	11 50@12 00	No. 1	5 75
Kansas straights	12 50@13 00	Nos. 2, 3 and 4	5 00
Rye flour	8 75@9 75	Nos 2-0 and 3-0	5 25@5 90
Corn goods, 100 lbs.—		Nos. 4-0 and 5-0	6 05
White gran.	4 25	Oats goods—Carload, spot delivery	7 95
Yellow gran.	4 25		
Corn flour	4 00@4 25		
Wheat—		Oats—	
No. 2 red	\$2 37 1/2	Standard	80 1/2
No. 1 spring	2 40 1/2	No. 2 white	80 1/2
Corn—		No. 3 white	79 1/4@79
No. 2 yellow	1 88 1/4	No. 4 white	78 1/4@79
No. 3 yellow	1 86 1/4	Barley	
Rye—		Feeding	120 7/8
No. 2	1 74 1/2	Malting	128 1/4

WEATHER BULLETIN FOR THE WEEK ENDING MAY 6.

The general summary of the weather bulletin issued by the Department of Agriculture, indicating the influence of the weather for the week ending May 6, is as follows:

**CORN**.—The temperature averaged much below the normal in the northern corn belt, and frequent rains further delayed plowing and planting from Kansas, Missouri, and the Ohio River northward. The work of planting is fully two weeks behind the average in the lower Missouri Valley. Planting made good progress in the Southern States where the warmer weather was more favorable for growth. Cultivation was in progress in the extreme South. Corn was beginning to tassel in parts of Texas. Outworms were reported numerous and doing considerable damage in parts of Oklahoma.

**COTTON**.—The temperature during the week just closed averaged about normal or somewhat above throughout the cotton belt, and rains were received in many localities where the soil had been dry, although the rainfall was rather unevenly distributed and more rain would be beneficial in some localities. The first part of the week was rather cool, but the latter part was warmer, which, combined with more favorable moisture conditions, caused cotton to make good advance. Planting was completed, except in the northwestern portion of the belt where this work is progressing favorably. Cotton is up to a generally good stand or is germinating well in practically all sections east of the Mississippi River, except that the stand is rather poor in portions of Alabama and the general condition continues rather unsatisfactory in Florida. The rain and warmer weather were beneficial in Arkansas, and the crop made good progress in the western portion of that State, but conditions continue rather poor in the eastern portion. The rains favored germination and growth in Louisiana, and the crop made satisfactory progress in southern Texas; cotton shows improvement also in northern Texas, although growth was somewhat retarded the first of this week by cold nights. Late planted cotton is progressing rapidly in southwestern Arizona.

**WINTER GRAINS**.—The unseasonably cool weather in central and northern districts during much of the week further checked the growth of winter wheat, rye, and barley, but these grains continued in good to excellent condition in all the important producing areas. Rains in some eastern districts where the ground was becoming dry were beneficial to winter wheat, but continued wet weather in portions of the central Plains region and eastward to the Mississippi River caused a continuation of that State and growth was retarded, and no amount of rain or snow has resulted to winter wheat from the recent cold bit, on the contrary, it was probably beneficial in the lower Missouri Valley in checking rank growth. Winter wheat was somewhat damaged by drought in some south Atlantic districts and there is considerable complaint of rust in Texas. There is also complaint of red rust in southwestern Oklahoma, but very little has appeared elsewhere in that State and practically no damage has resulted so far. Heads are beginning to appear as far north as southeastern Kansas and some fields are in boot to the central and northeastern portions of that State. High, cold, and drying winds were rather unfavorable in the far Northwestern States and rains are needed in some of those localities, but wheat continued in good condition. Winter rye and barley made favorable progress during the week and continue in good condition generally.

**SPRING GRAINS**.—The week was unfavorable for seeding spring wheat in some of the late districts of the spring wheat belt. The seeding of this crop is well advanced, however, and satisfactory growth of the earlier sown grains was reported. The crop is coming up to an even and good stand in Minnesota, and a good stand has been secured in Nebraska; that which is up in South Dakota is making good growth, while in North Dakota the condition is good to excellent, particularly in the eastern portion of that State. Growth was retarded in the far Northwest by cold, and seeding was considerably delayed on heavy soil in Wisconsin by rain and cool weather. It was also too cold and wet in Michigan for farm work, and seeding of spring grains was greatly delayed in that State. Germination and growth were retarded also in the Northeastern States by cold weather. The seeding of spring oats has been further delayed by cool, wet weather in many localities in the more northern districts, but where this grain is up satisfactory advance was made during the week; the early sown oats are mostly up to a good stand. The week was generally favorable for winter oats in southern districts, although it is too dry in some localities in the South Atlantic States and some damage by rust was reported in Texas. The dry weather in California has also been harmful to oats and barley, and much of the late sown of these crops is being cut for hay. Rice seeding continued in Texas, and this work was about completed in Louisiana and California.

**AGRICULTURAL DEPARTMENT REPORT ON CEREALS, &c.**—The report of the Department of Agriculture, showing the condition of the cereal crops on May 1, was issued on the 8th inst., and is as follows: The Crop Reporting Board of the Bureau of Crop Estimates, United States Department of Agriculture, estimates, from reports of correspondents and agents of the Bureau, as follows: The average condition of winter wheat at 100.5 compares with 99.8 on April 1 last, 86.4 on May 1 1918, and 85.4 the average for the past ten years on May 1. On May 1 the area of winter wheat to be harvested was about 48,933,000 acres, or 644,000 acres (1.1%) less than the acreage planted last autumn, and 12,229,000 acres (33.3%) more than the acreage harvested last year, viz., 36,704,000 acres. The 10-year average per cent of abandonment of planted acreage is 11.9. The indicated yield per acre this year is 18.4 bushels. The total indicated production is 899,915,000 bushels, against 528,448,000 bushels in 1918 and 412,901,000 bushels in 1917.

The average condition of rye on May 1, 95.3, compares with 90.6 on April 1 1919, 85.8 on May 1 1918 and 89.8, the average for the past ten years on May 1. The indicated production of rye is placed at 122,946,000 bushels, compared with 89,103,000 bushels in 1918 and 62,933,000 bushels in 1917.

The average condition of meadow (hay) lands on May 1 was 94.3, compared with 89.6 on May 1 1918 and a 10-year average on May 1 of 88.1. The expected hay acreage in 1919 is about 71,234,000 acres (55,937,000 tame and 15,297,000 wild).

Stocks of hay on farms May 1 are estimated as 8,493,000 tons (0.4% of the crop), against 11,476,000 tons (11.7%) on May 1 1918 and 11,805,000 tons (12.2%), the five-year average on May 1.

The average condition of pastures on May 1 was 90.3, compared with 83.1 on May 1 1918 and a 10-year average on May 1 of 84.5.

Of spring plowing 72.7% was completed up to May 1, compared with 77.5% on May 1 1918 and a 10-year average on May 1 of 70.5%.

Of spring planting 61.0% was completed up to May 1, against 60.8% on May 1 1918 and a 10-year average on May 1 of 58.1.

The statement of the movement of breadstuffs to market indicated below are prepared by us from figures collected by the New York Produce Exchange. The receipts at Western lake and river ports for the week ending last Saturday and since Aug. 1 for each of the last three years have been:

Receipts at—	Flour	Wheat	Corn	Oats	Barley	Rye
	bbls	190lbs bush	60 lbs bush	56 lbs bush	56 lbs bush	48lbs bush
Chicago	201,000	330,000	2,023,000	1,672,000	558,000	188,000
Minneapolis	1,059,000	62,000	453,000	838,000	287,000	287,000
Duluth	59,000	—	—	5,000	—	521,000
Milwaukee	12,000	29,000	106,000	239,000	278,000	61,000
Toledo	327,000	29,000	29,000	156,000	—	—
Detroit	37,000	24,000	45,000	—	—	—
St. Louis	72,000	275,000	351,000	828,000	11,000	14,000
Florida	63,000	24,000	386,000	122,000	5,000	4,000
Kansas City	11,000	219,000	403,000	281,000	—	—
Omaha	50,000	415,000	382,000	—	—	—
Indianapolis	—	417,000	356,000	—	—	—
Total wk 1919	359,000	2,412,000	4,216,000	4,547,000	1,690,000	1,075,000
Same wk 1918	310,000	1,601,000	4,917,000	6,185,000	683,000	152,000
Same wk 1917	346,000	5,000,000	3,468,000	4,080,000	810,000	182,000

Since Aug. 1—

1918-19	13,034,000	381,098,000	169,740,000	236,643,000	71,587,000	40,561,000
1917-18	12,302,000	151,234,000	197,141,000	273,807,000	46,754,000	32,106,000
1916-17	16,975,000	309,506,000	472,068,000	226,836,000	76,009,000	19,560,000

Total receipts of flour and grain at the seaboard ports for the week ending May 3 1919 follow:

	Flour.		Wheat.		Corn.		Oats.		Barley.		Rye.	
	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.
New York	185,000	1,250,000	18,000	200,000	127,000	755,000						
Portland, Me.	25,000	1,134,000										
Philadelphia	114,000	643,000	42,000	245,000	13,000	771,000						
Baltimore	109,000	559,000	83,000	91,000	193,000	685,000						
Newp't News	175,000				840,000							
New Orleans	108,000		174,000	73,000								
Galveston	41,000	3,000	3,000	1,000								
Montreal	37,000	498,000	2,000	17,000	23,000							
St. John	33,000	1,209,000		115,000	52,000							
Boston	91,000	295,000	1,000	19,000	1,000	227,000						
Total wk. 1919	962,000	5,811,000	323,000	854,000	1,249,000	2,438,000						
Since Jan. 1 '19	12,303,000	65,903,000	4,746,000	23,086,000	8,091,000	12,677,000						
Week 1918	453,000	661,000	538,000	3,903,000	184,000	46,000						
Since Jan. '18	8,969,000	10,985,000	9,137,000	37,065,000	3,221,000	2,257,000						

a Receipts do not include grain passing through New Orleans for foreign ports on through bills of lading.

The exports from the several seaboard ports for the week ending May 3 are shown in the annexed statement:

	Wheat.		Corn.		Flour.		Oats.		Rye.		Barley.		Peas.	
	Bushels.	Bushels.	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.
New York	1,733,158	37,873	396,878	466,371	308,615	2,701								
Portland, Me.	1,154,060		23,000											
Boston	420,000		108,000		187,000									
Philadelphia	477,000		75,000	273,000	435,000	346,000								
Baltimore	685,000	2,000	89,000		740,000									
Newport News			175,000				840,000							
New Orleans	642,000	26,000	93,000	19,000			120,000	23,000						
Galveston	130,000		11,000				70,000							
St. John, N. B.	1,209,000		83,000	115,000			52,000							
Total week	6,451,158	65,873	1,052,878	873,571	1,363,000	17,366,15	25,701							
Week 1918	74,910	161,740	64,496	2,574,466		60,999	4,370							

The destination of these exports for the week and since July 1 1918 is as below:

Exports for Week and Since July 1 to—	Flour.		Wheat.		Corn.	
	Week May 3 1919.	Since July 1 1918.	Week May 3 1919.	Since July 1 1918.	Week May 3 1919.	Since July 1 1918.
	Barrels.	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.
United Kingdom	602,687	5,985,498	3,090,838	54,057,909	36,170	1,994,851
Continent	277,025	6,942,707	3,360,320	70,348,572		2,352,037
So. & Cent. Amer.	34,059	431,204			788	89,524
West Indies	39,587	801,225			40	301,536
Brit. No-Am. Colon.						1,964
Other countries	9,520	153,327			358	4,790
Total	1,052,878	14,314,161	6,451,158	125,006,521	65,873	4,744,702
Total 1917-18	64,496	5,393,110	74,910	49,832,733	161,740	13,644,297

The world's shipments of wheat and corn for the week ending May 3 1919 and since July 1 1918 and 1917 are shown in the following:

Exports.	Wheat.		Corn.			
	1918-19.	1917-18.	1918-19.	1918-19.	1918-19.	1917-18.
	Week May 3.	Since July 1.	Since July 1.	Week May 3.	Since July 1.	Since July 1.
North Amer.	12,347,000	259,236,000	230,217,000	36,000	7,997,000	27,024,000
Russia						
Danube						
Argentina	1,124,000	72,568,000	39,852,000	1,903,000	29,149,000	17,703,000
Australia	1,808,000	50,846,000	34,943,000			
India		5,623,000	13,890,000			
Oth. countries	74,000	3,301,000	2,871,000	106,000	3,859,000	3,285,000
Total	15,353,000	391,574,000	321,773,000	2,045,000	41,005,000	48,012,000

a Revised.

The quantities of wheat and corn afloat for Europe are omitted for the present, as no figures are available since those for 1916.

The visible supply of grain, comprising the stocks in granary at principal points of accumulation at lake and seaboard ports May 3 1919, was as follows:

GRAIN STOCKS.

	Wheat.	Corn.	Oats.	Rye.	Barley.
	bush.	bush.	bush.	bush.	bush.
United States—					
New York	2,563,000	15,000	3,195,000	1,809,000	1,181,000
Boston	770,000		502,000	244,000	
Philadelphia	1,434,000	111,000	547,000	666,000	225,000
Baltimore	638,000	324,000	687,000	1,286,000	993,000
Newport News			78,000		718,000
New Orleans	1,179,000	60,000	316,000		540,000
Galveston	374,000	10,000		1,000	269,000
Buffalo	4,929,000	92,000	6,080,000	2,005,000	988,000
Toledo	573,000	23,000	594,000	133,000	10,000
Detroit	40,000	60,000	145,000	38,000	
Chicago	7,331,000	1,442,000	3,994,000	1,624,000	2,585,000
Milwaukee	2,016,000	104,000	440,000	470,000	3,678,000
Duluth	9,743,000		202,000	2,678,000	106,000
Minneapolis	10,968,000	12,000	2,461,000	5,783,000	2,183,000
St. Louis	166,000	382,000	420,000	55,000	34,000
Kansas City	1,735,000	429,000	1,071,000	73,000	
Peebles		114,000	109,000		
Indianapolis	295,000	690,000	172,000		
Omaha	835,000	377,000	518,000	202,000	114,000
Ou Lakes.	3,943,000			280,000	1,263,000
Total May 3 1919	49,592,000	4,245,000	21,507,000	17,246,000	14,881,000
Total April 26 1919	61,323,000	3,581,000	21,540,000	17,234,000	14,143,000
Total May 4 1918	2,194,000	16,111,000	20,713,000	1,000,000	4,299,000
Total May 5 1917	32,143,000	5,525,000	25,923,000	1,299,000	3,440,000
Note.—Bonded grain not included above: Oats, 6,000 bushels New York; 3,000 bush. Duluth; total, 9,000 bushels, against total, 74,000, against 32,000 in 1918.					
Canadian					
Montreal	2,899,000	22,000	691,000	12,000	763,000
Ft. William & Port Arthur	24,525,000		4,800,000		
Other Canadian	5,304,000		184,000		
Total May 3 1919	32,788,000	22,000	5,675,000	12,000	763,000
Total April 26 1919	38,482,000	39,000	5,321,000	7,000	680,000
Total May 4 1918	5,098,000	94,000	10,007,000		261,000
Total May 5 1917	22,729,000	767,000	13,915,000	63,000	209,000
Summary					
American	49,592,000	4,245,000	21,507,000	17,246,000	14,881,000
Canadian	32,788,000	22,000	5,675,000	12,000	763,000
Total May 3 1919	82,290,000	4,267,000	27,182,000	17,258,000	15,644,000
Total April 26 1919	99,805,000	3,620,000	26,861,000	17,241,000	14,823,000
Total May 4 1918	7,292,000	16,205,000	30,720,000	1,000,000	4,560,000
Total May 5 1917	54,863,000	6,292,000	39,838,000	1,632,000	3,649,000

THE DRY GOODS TRADE

New York, Friday Night, May 9 1919.

Markets for dry goods have been less active during the past week, especially in the cotton goods division, although the volume of business transacted was considered satisfactory. The character of the buying was also looked upon as being very good, as there has been less speculation, and the orders coming to hand are in many cases indicative of an urgent need for supplies. The majority of buyers are anxious to place orders for nearby shipment, but manufacturers in most instances are not in a position to accept any additional business for nearby delivery, with the result that purchasing for deferred shipment is increasing. During the week developments brought to light further labor unrest. New England mill operatives are demanding an increase of 15% in wages, and manufacturers are uncertain as to whether or not they will be able to grant this request. They express the opinion that if they should burden the consumer with the additional running costs it would check the demand and they would not be able to keep up production. The labor situation is again causing manufacturers considerable concern, and particularly so as there are several labor unions to satisfy. Despite the efforts of manufacturers to prevent a runaway market, prices generally rule firm. Prices for raw material have varied but little during the week, but advances from the cotton belt are more favorable, with less evidence that the reduction in acreage will exceed 15, whereas Southern planters had been asked to reduce the area upwards of 33%. Reports are current that some in the trade are anxious to have the Government place its surplus war supply of dry goods on the market. Several months ago it was announced that these fabrics would not be available until July. The surplus property division, however, is said to be endeavoring to co-operate with various departments so that the disposal of the Government-owned fabrics can be done with the least effect on the market. Business for export account is irregular, demand being active from some sources and quiet from others. India and China have been inquiring for supplies, while demand from South American countries is slow. Considerable attention has been attracted by an inquiry received from the Russian Soviet Government for pieces of various cloths. There are said to be large amounts of goods held in warehouses at various ports that were originally destined for export.

DOMESTIC COTTON GOODS.—Staple cotton markets have continued active, although demand for some classes of goods has fallen off. Mail orders are quite large, while jobbers and road salesmen are said to be doing a good business. Some of the jobbers, however, are only taking care of pressing needs and are showing little interest in future requirements. Mills in general are well supplied with business, and production as a result is steadily increasing. Demand for gray goods has slackened, and particularly for the lighter weights. Prices, nevertheless, are well maintained, with the tendency of those for heavy cloths distinctly upward. Colored fabrics, such as denims, tickings and ginghams, continue firm and active. Southern manufacturers have made further advances in ginghams during the week. Branded bleached fabrics have ruled firm, with a number of lines withdrawn from sale. Buyers appear to be anxious to place orders for cotton flannels and blankets, as many only purchased small quantities earlier in the season as compared with their requirements. Gray goods 38 1/2-inch standard are listed at 12 1/2¢.

WOOLEN GOODS.—Demand for woollens and worsteds continues to expand and prices rule firm. Mills in a number of cases are complaining that they are unable to keep up with the demand, as it is difficult to obtain a sufficient number of skilled operatives. Dress goods have been active in primary channels, while there has also been a good demand from retail sources, particularly for serges. Several lines have been entirely sold and withdrawn from the market, and buyers are finding it difficult to place their orders. Merchants are already devoting much of their attention to spring fabrics for 1920, but no openings are expected before August next. In the men's wear division of the market, business has been less active, but merchants are optimistic as regards the future.

FOREIGN DRY GOODS.—A moderate trade continues in markets for linens. The principal inquiry is from hotel interests, but there is some buying taking place for retail and jobbing account. Prices rule firm and advices from abroad lend no encouragement for any lowering of quotations. In the meantime the majority of retailers and jobbers continue to buy as sparingly as possible as they realize that they would experience difficulty in disposing of large amounts of goods at prevailing prices. Consequently activity is not expected to develop until the markets work lower. Reports from abroad as regards the probable flax production are discouraging. It is not expected that much flax will be raised in Russia this year, owing to the unsettled conditions in that country, while other Continental flax crops are also likely to be smaller than ordinarily. Burlaps have ruled firm, influenced by advices from Calcutta and active demand. Light weights are quoted at 9.00¢, and heavy weights at 11.00¢.

The Chronicle

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State and City Department

MUNICIPAL BOND SALES IN APRIL.

We present herewith our detailed list of the municipal bond issues put out during the month of April, which the crowded condition of our columns prevented our publishing at the usual time.

The review of the month's sales was given on page 1846 of the "Chronicle" of May 3. Since then several belated April returns have been received, changing the total for the month to \$44,631,660. The number of municipalities issuing bonds in April was 229 and the number of separate issues 293.

APRIL BOND SALES.

Table with 5 columns: Page, Name, Rate, Maturity, Amount, Price. Lists various municipal bond issues such as 'Ada, Okla.', 'Adams County, Ind.', etc.

Table with 6 columns: Page, Name, Rate, Maturity, Amount, Price. Continuation of municipal bond sales list, including 'Gloucester County, N. J.', 'Grand Fork, No. Dak.', etc.

Page	Name	Rate	Maturity	Amount	Price
1850	Taylor Rd. Dist., Ark.	6		200,000	
1746	Texas (State of) (21 issues)	5		37,000	100
1638	Throop, Pa.	6		110,000	
1638	Tishomingo, Okla.	6		50,000	
1746	Toledo, Ohio	5		200,000	102.21
1537	Trumbull County, Ohio	5	1920-1928	28,000	100.064
1638	Tulsa School Dist., Okla.			1,000,000	101.10
1850	Umatilla County, Ore.	5 1/2		735,000	
1746	Union County, Ohio (3 issues)	6		2,930	100.213
1746	Union Twp. Drain Dist., Mo.	5 1/2		160,000	100.52
1850	Van Buren County, Ark.	6	1920-1941	150,000	101
1850	Volusia County Special Tax Sch. Dist. No. 23, Fla.	6	1921-1941	25,000	103.20
1850	Walnut Ridge local Bd. Imp., Dist., Ark.	5 1/2	1939	300,000	98.25
1638	Warren County, Ind. (2 issues)	4 1/2		15,478	100
1638	Wasco Union Grammar School Dist., Cal.	6		60,000	109.215
1638	Washington County Rd. Dist. No. 2, Ark.			400,000	
1638	Watertown, Mass.	5	1920-1949	44,000	
1638	Watertown, Mass.	5	1920-1929	123,000	102.962
1638	Watertown, Mass.	5	1920-1939	100,000	
1638	Watonwan County, Minn.	5	1925-1939	10,000	100.85
1538	Weehawken Township, N. J.	5		53,000	101.945
1538	West Ast., Wis.	5		300,000	100.525
1851	Wichita Falls, Tex.	5	1929-1959	75,000	100.017
1639	Wichita School Dist., Kans.			350,000	
1639	Woodlawn Fire Dist., N. Y.	6	1920-1928	15,000	101.305
1961	Yakima County, Wash.			250,000	

Total bond sales for April (229 municipalities, covering 293 separate issues) \$44,631,660

a Average date of maturity. d Subject to call in and after the earlier year and mature in the later year. k Not including \$40,735,700 of temporary loans reported, and which do not belong in the list. \* Taken by sinking fund as an investment. h And other considerations.

We have also learned of the following additional sales for previous months:

Page	Name	Rate	Maturity	Amount	Price
1956	Arkansas City, Kan. (January)	5	1919-1938	\$18,000	100
1634	Bethany Heights, Neb.		1928-1938	42,000	100
1847	Bristol, Tenn. (2 issues)	5		21,000	100
1634	Canton, Ohio	5	1920	10,810	
1634	Canton, Ohio	5 1/2	1928	9,400	101.548
1634	Canton, Ohio	5 1/2	1920-1923	6,700	
1634	Canton Co. S. D. 31, Mont.	6	1929-1939	9,900	
1634	Cleveland, Ohio	5	1920-1926	140,000	100
1957	Eldorado, Kans. (Feb.)	5	1920-1929	20,000	100
1957	Elkhart, Kans. (Feb.)	5	1936	5,000	100
1957	Protonia, Kans. (Feb.)	5	1920-1939	19,560	100
1743	Homedale Highway Dist., Ida.	6	1939	30,000	
1636	Hudson, Colo.	6	1930-1934	15,000	
1958	Hutchinson, Kans. (Jan.)	5	1919-1928	5,800	100
1958	Iron County S. D., Utah	5	1920-1939	130,000	
1958	Kansas (State of) (Jan.), 4 Iss.	5		157,500	100
1958	Kansas (State of) (Feb.)	5	1919-1927	4,500	100
1849	Morrell Spec. Sch. Dist., Ark.	5 1/2	1920-1930	10,000	100
1637	Ord Valley, Neb.	4 1/2	1920	2,000	
1637	Otis, Colo. (Feb.)	6	1934	25,000	
1638	Rock Sch. Dist. No. 18, Neb.	6		11,400	
1638	Seattle, Wash. (2 issues)	6		10,535	100
1638	Sheridan Co. S. D. 45, Mont.	6	1929-1939	28,500	
1638	Talent Irrig. Dist., Ore. (Jan.)	6	1924-1935	175,000	
1850	Tuttle Sch. Dist., Okla.	6		24,000	104.30
1639	Wolf Point, Mont. (Jan.)	6	1928-1938	9,000	

All the above sales (except as indicated) are for March 1919. These additional March 1919 issues will make the total sales (not including temporary loans) for that month \$47,918,298.

DEBENTURES SOLD BY CANADIAN MUNICIPALITIES IN APRIL.

Page	Name	Rate	Maturity	Amount	Price
1640	Alberta Sch. Dist., Alta.	7		\$9,050	102.01
1640	Alberta Sch. Dist., Alta.	7		9,800	101.85
1640	Alberta Sch. Dist., Alta.	7		1,000	102.01
1640	Alberta Sch. Dist., Alta.	7		8,200	101.40
1640	Alberta Sch. Dist., Alta.	7		600	100.81
1640	Alberta Sch. Dist., Alta.	7		2,000	103.05
1640	Alberta Sch. Dist., Alta.	7		3,000	101.81
1746	Amphion Sch. Dist., Sask.			3,500	
1746	Beaverdale Sch. Dist., Sask.			1,800	
1746	Buffalo Hill Sch. Dist., Sask.			2,200	
1640	Burnaby, B. C.	6		400,000	99.09
1746	Calgary, Alta.	6		180,000	101.12
1746	Clemenceau Sch. Dist., Sask.			3,500	
1746	Flora Sch. Dist., Sask.			3,500	
1746	Georgevia Sch. Dist., Sask.			2,000	
1851	Kenora, Ont.	6		17,000	100.52
1538	Leader, Sask.			10,000	
1851	Le Ross Sch. Dist., Sask.			2,000	
1851	Lincoln County, Ont.	5 1/2		200,000	102.774
1538	Lupescu Sch. Dist., Sask.			500	
1538	McGillivray Twp., Ont.	6		12,135	102.162
1747	Maymont Sch. Dist., Sask.	6		1,000	
1747	Minto, Ont.	6		5,000	60
1851	New Glasgow, N. S.	5		8,000	92.15
1538	Orenia, Sask.			1,500	
1640	Ontario (Province of)	5 1/2	1922	3,000,000	101.134
1538	Pleton, N. S.	6		50,000	60
1538	Portage La Prairie, Man.	6		60,000	
1851	Sarina, Ont. (5 issues)			111,993	104.262
1538	Saskatchewan (Province of)	5		3,000,000	95.07
1747	Scarpe Sch. Dist., Sask.			3,450	
1747	Sussex Sch. Dist., Sask.			700	
1747	White Shore S. D., Sask.			2,500	
1851	Winnipeg, Man.	5 1/2		400,000	100.87

Total debentures sold in April 1919 \$7,515,028

NEWS ITEMS

Knoxville, Tenn.—Notice of Pending Lawsuit over City Bond Issue.—S. G. Heiskell, former Mayor of Knoxville, has brought suit against the city to declare void the proposed \$200,000 viaduct bonds, bids for which are to be opened at Knoxville on May 20 1919. The bill declares that the Act of the Legislature under which the bonds are to be issued does not confer such authority, and that the election held on March 11 1919 to authorize said bonds is null and void. Other grounds are set out in the bill to declare the bonds void. Persons wanting copies of the bill or further information about the bond issue can procure same by addressing J. C. Ford, Clerk and Master, Knoxville, Tenn., or S. G. Heiskell, who brings the suit.

Sioux City, Iowa.—Recall of Mayor Filed.—According to reports, a petition for the recall of Mayor Wallace M. Short was filed on April 29. This petition, it is stated, bears twice the number of voters' signatures required to secure a recall

election and is the outcome of an address by the Mayor at the I. W. W. national "convention." Accounts say that the I. W. W. are active among the labor unions with a view to organizing opposition to the recall and in support of the Mayor.

BOND CALLS AND REDEMPTIONS

Antonito, Colo.—Bond Call.—See official bond call in the advertising columns of this department.

BOND PROPOSALS AND NEGOTIATIONS this week have been as follows:

ABERDEEN, Brown County, So. Dak.—BOND OFFERING.—Sealed bids will be received until 9 a. m. June 2 by F. W. Raymond, City Auditor, for the \$325,000 4 1/2 % 20-year tax-free coupon storm-sewer bonds recently voted—V. 108, p. 1846. Denom. \$1,000. Date July 1 1919. Int. J. & J., payable at the Chemical National Bank, N. Y. Certified check for \$1,000, payable to the City Treasurer, required. Bonded debt (excluding this issue) May 1 1919, \$476,000. Floating debt (additional), \$344. Total debt, \$476,344. Sinking fund, \$188,151. Assessed value 1918, \$16,221,962. Total tax rate (per \$1,000), \$26.

ADAMS, Berkshire County, Mass.—BIDS.—The \$24,000 5% 1-8-year serial paving bonds recently disposed of (V. 108, p. 1846) were also bid for by the following brokers:  
 Edmunds Bros., Boston 101.72  
 E. H. Rollins & Sons, Boston 101.97  
 Harris, Forbes & Co., Boston 101.57  
 W. L. Raymond & Co. 101.54  
 Estabrook & Co., Boston 101.46  
 R. L. Day & Co., Boston 101.44  
 Curtis & Sanger, Boston 101.41  
 Merrill, Oldham & Co., Bos. 101.32  
 Arthur Perry & Co., Boston 101.27  
 National City Co., Boston 101.23  
 Kimball, Russel & Co. 101.22  
 Blake Bros. & Co., Boston 101.20  
 Blodgett & Co., Boston 100.64  
 S. N. Bond & Co., Boston 100.61

AKRON, Summit County, Ohio.—BOND OFFERING.—According to reports, proposals will be received until 12 m. May 26 for the \$71,000 street-improvement and \$12,000 fire-apparatus-purchasing 5% bonds recently authorized (V. 108, p. 1741). Certified check for 1% required.

AKRON SCHOOL DISTRICT (P. O. Akron), Summit County, Ohio.—BIDS.—Following is a list of additional bidders for the \$1,000,000 5% school bonds recently disposed of (V. 108, p. 1847):

	Bid
Tillotson & Wolcott Co., Cleveland	\$1,016,600.00
Merchants Loan & Trust Co., Chicago	1,015,110.00
Well, Roth & Co., Cincinnati	1,013,500.00
Stacy & Braun, Toledo	1,013,400.00
Otis & Co., Cleveland	1,013,005.50
Field, Richards & Co., Cleveland	1,010,440.00

ALAMEDA COUNTY (P. O. Oakland), Calif.—BOND OFFERING.—It is reported that George E. Gross, County Clerk, will receive bids until 10 a. m. May 19 for the following 5% school bonds: \$500,000 7 1/3-year (aver.) and \$500,000 11 1/3-year (aver.) bonds. Certified check for 2% required.

ALBANY, N. Y.—BOND SALE.—On May 6 the \$150,000 1-20-year serial city-hall-completion and \$60,000 1-10-year serial public improvement (various purposes) 4 1/2 % tax-free registered bonds, offered on that date (V. 108, p. 1741) were awarded to Paine, Webber & Co., of New York, for \$215,124 (102.344) and interest. The following brokers also submitted bids: G. W. Gibbons & Co., Sherwood & Merrifield, R. M. Grant & Co., National Commercial Bank of Albany, Hornblower & Weeks, R. H. Fiero & Co., R. W. Presserich & Co., New York State National Bank of Albany, Davies, Thomas & Co., Harris, Forbes & Co., Guaranty Trust Co., Stacy & Braun, Remick, Hodges & Co., A. B. Leach & Co., Sidney Spitzer & Co., E. H. Rollins & Sons and National City Co.

\* The \$34,250 1918 street-improvement bonds, offered at the same time, were purchased by the Comptroller for the Sinking Funds.

ALLENTOWN, Lehigh County, Pa.—BOND SALE.—On April 23 the \$180,000 4 1/2 % coupon tax-free "City Improvement Loan of 1919" bonds, offered on that date (V. 108, p. 1429), were awarded to the Allentown National Bank at par and interest. Due \$30,000 on May 1 in each of the following years: 1924, 1929, 1934, 1939, 1944 and 1949.

ANDREWS, Huntington County, Ind.—BOND OFFERING.—Proposals will be received until May 15 at the State Bank, Andrews, for the \$5,000 8-12-year serial coupon water-works bonds.—V. 108, p. 1847. Denom. \$500.

ANTWERP, Paulding County, Ohio.—BOND OFFERING.—C. A. Bissel, Village Clerk, will receive bids until 12 m. May 27 for \$45,000 5% refunding bonds. Auth. Sec. 3916 and 3917, Gen. Code. Denom. \$500. Date April 1 1919. Interest semi-annual. Due April 1 1926. Certified check for 2% of amount of bonds bid for, payable to the Village Treasurer, required. Bonds to be delivered and paid for within ten days from date of award. Purchaser to pay accrued interest.

ARKANSAS CITY, Cowley County, Kans.—BOND SALE.—An issue of \$18,060 01 5% improvement bonds was placed with the State of Kansas during January 1919 at par. Date Nov. 1 1918. Due yearly on Nov. 1 from 1919 to 1938, inclusive.

ARNOLD, Westmoreland County, Pa.—BONDS AUTHORIZED.—The Council has passed an ordinance authorizing the issuance of \$25,000 street-improvement bonds, it is reported.

ASHLAND, Ashland County, Ohio.—BONDS VOTED.—At the election held May 1 the people by a vote of 766 "for" to 170 "against" favored the issuance of the \$150,000 water-works-extension bonds mentioned in V. 108, p. 1634. It is reported.

BALTIMORE AND BASIL SCHOOL DISTRICT (P. O. Baltimore), Fairfield County, Ohio.—BONDS VOTED.—According to reports, the voters on April 26 favored the issuance of \$20,000 school-building bonds.

BEAUREGARD PARISH (P. O. De Ridder), La.—BOND OFFERING.—Sealed bids will be received until 2 p. m. June 4 by J. H. Derks, Secretary Board of Supervisors, for \$80,000 5% 20-year road bonds, it is reported. Int. annual. Cert. check for 2 1/2 % required.

BEAVER FALLS SCHOOL DISTRICT (P. O. Beaver Falls), Beaver County, Pa.—BOND ELECTION.—An election will be held June 28 when the people will decide whether or not they favor the issuance of \$150,000 building and \$150,000 high-school annex-construction bonds.

BEBEE AND ANTOIACH ROAD DISTRICT, White County, Ark.—BOND SALE.—Recently W. M. Elkins of Sheridan purchased \$140,000 road bonds, it is reported.

BEE COUNTY (P. O. Beeville), Tex.—BOND OFFERING.—Proposals will be received until May 12 by R. M. Cox, County Judge, for \$200,000 5 1/2 % 1-30-year serial bonds. Int. semi-ann. Cashier's check for \$3,000 required. Total bonded debt \$258,605. Assessed value \$8,080,686. Actual value (est.) \$20,000,000.

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

BILLINGS SCHOOL DISTRICT NO. 2 (P. O. Billings), Yellowstone County, Mont.—BOND OFFERING.—The \$22,000 school-building bonds voted April 7 (V. 108, p. 1634) will be offered for sale on June 19.

BLOUNT COUNTY (P. O. Maryville), Tenn.—BOND OFFERING.—R. P. McReynolds, Chairman of County Court, will receive bids until 1 p. m. May 24, it is reported, for \$50,000 5% 20-year (average) school bonds. Interest semi-annual. Certified check for 5% required.

BRAZOS COUNTY (P. O. Bryan), Tex.—BONDS PROPOSED.—Newspaper reports say that this county is contemplating the issuance of \$1,500,000 road bonds.

BRISTOL, Washington County, Va.—BOND OFFERING.—Proposals will be received until 3 p. m. May 23 by B. E. Ballard, City Clerk, for \$100,000 5 1/2 % 20-year tax-free coupon street improvement bonds. Denom. \$500. Date May 15 1919. Int. semi-ann. payable at the Domi-



tion National Bank, Bristol, or at the office of the City Treasurer. Cert. check for 2% of the amount of bonds bid for required.

**BRITT SCHOOL DISTRICT (P. O. Britt), Hancock County, Iowa.**—**BOND SALE.**—It is stated that this district has disposed of \$100,000 5% school bonds.

**BROOKSVILLE, Hernando County, Fla.**—**BOND OFFERING.**—W. M. Russell, Town Clerk, will receive sealed bids until 10 p. m. June 4 for \$12,000 6% gold coupon water-works system extension bonds. Denom. \$500. Date June 15 1919. Int. J. & D., payable at the National Park Bank, N. Y. Cert. check for \$500, payable to the above Town Clerk, required. Bonded debt (including this issue) May 5 1919, \$42,600. Assessed value 1918, \$445,550.

**BROWN COUNTY (P. O. Nashville), Ind.**—**BOND OFFERING.**—Thos. C. Ayers, County Treasurer, will receive bids until 1 p. m. May 12 for \$14,600 4 1/2% Hambien Twp. highway improvement bonds. Denom. \$730. Date May 15 1919. Int. M. & N. Due \$730 each six months from May 15 1920 to Nov. 15 1929, inclusive.

**BRUNSWICK, Glynn County, Ga.**—**BOND OFFERING.**—Proposals will be received until 3 p. m. June 16 by J. Hunter Hopkins, Mayor, for the whole of any part of the \$150,000 5% gold coupon street-paving bonds, recently voted—V. 108, p. 1534. Int. J. & J. Due \$6,000 yearly on July 1 from 1925 to 1949, incl. Certified check or cashier's check for 2% of the amount of bonds bid for required.

**BUCHANAN COUNTY (P. O. St. Joseph), Mo.**—**BOND ELECTION.**—An election is being held to-day (May 10) to vote on the question of issuing \$225,000 5% 10-year purchase bonds.

**BUFFALO, N. Y.**—**BOND SALE.**—During April the following bonds, aggregating \$19,582.92, were sold:

Purchaser	Amount	Purpose	Date	Price	Int.	Due
Hertel Ave. Sink	...	...	...	...	...	...
Ing Fund	\$1,997.64	grade-crossing	Apr. 1 '19	par	4%	Apr. 1 '20
Hertel Ave. Sink	...	...	...	...	...	...
Ing Fund	3,085.28	grade-crossing	Apr. 1 '19	par	4%	Apr. 1 '20
Water Sink, Ed.	4,500	water ref.	Apr. 1 '19	par	4%	Apr. 1 '44
Water Sink, Ed.	10,000	water ref.	Apr. 25 '19	par	4%	Apr. 25 '44

**BUFFALO TOWNSHIP (P. O. Polo), Ogle County, Ill.**—**BONDS VOTED.**—It is reported that a proposition to issue \$60,000 road bonds carried by a large majority at a recent election.

**BURTON, Geauga County, Ohio.**—**BOND OFFERING.**—Proposals will be received until 12 m. June 2 by Theo. Myler, Village Clerk, for \$3,500 5 1/2% coupon street-impt. (village's share) bonds. Auth. Sec. 3939, Gen. Code. Denom. \$500. Date May 1 1919. Int. A. & O. Due \$5,000 yearly on Oct. 1 from 1925 to 1931 incl. Cert. check for 10% of amount of bonds bid for, payable to the Village Treasurer, required. Bonds to be delivered and paid for within 10 days from date of award. Purchaser to pay accrued interest.

**BUTLER, De Kalb County, Ind.**—**BOND OFFERING.**—Proposals will be received until 8 p. m. June 2 by Ross Tomlinson, City Clk., for \$2,000 5% fire-apparatus-purchasing bonds. Denom. \$1,000. Date June 2 1919. Int. ann. Due \$1,000 on May 5 1922 and 1923. Cert. check for \$100, required. Purchaser to pay accrued interest.

The above bonds are being sold subject to the approval of the State Board of Tax Commissioners.—V. 108, p. 1847.

**CADDO PARISH SCHOOL DISTRICT NO. 9, La.**—**BOND OFFERING.**—C. E. Byrd, Superintendent of Schools (P. O. Shreveport) will sell at public auction 130 p. m. May 28 \$40,000 5% serial coupon school impt. bonds. Denom. \$1,000. Date July 1 1919. Int. semi-ann. (J. & J.) payable at the Seaboard National Bank, N. Y. Due \$3,000 yearly on July 1 from 1921 to 1932, incl., and \$4,000 July 1 1933. Cert. check for \$2,000 required.

**CAMPBELL SCHOOL DISTRICT (P. O. Campbell), Wilkin County, Minn.**—**DESCRIPTION OF BONDS.**—Further details are at hand relative to the sale of the \$75,000 4% school bonds awarded on April 19 to the State of Minnesota at par (V. 108, p. 1847). Date April 19 1919. Int. ann. Due \$1,000 yearly from 1925 to 1938, incl. and \$61,000 1939.

**CHAMBERS COUNTY (P. O. Anahuac), Tex.**—**BONDS DEFEATED.**—A proposition to issue \$550,000 road bonds was defeated by a vote of 65 "for" to 67 "against" at an election held April 26.

**CHATTANOOGA, Hamilton County, Tenn.**—**BOND SALE.**—Caldwell & Co. of Nashville were awarded at 100.0814 the \$500,000 5% serial school bonds offered on May 1 (V. 108, p. 1742). Denom. \$1,000. Date May 1 1919. Int. M. & N.

**CINCINNATI, Hamilton County, Ohio.**—**BONDS AUTHORIZED.**—On Apr. 8 the City Council passed an ordinance authorizing the issuance of \$1,000 5% 10-20-year (opt.) street-widening bonds. Denoms. \$100 or multiples thereof. Date May 1 1919. Int. semi-ann.

**CLAXTON SCHOOL DISTRICT (P. O. Claxton), Evans County, Ga.**—**BOND ELECTION.**—Newspaper reports state that on May 17 the voters will vote on the issuance of \$20,000 school house bonds.

**CLAY COUNTY (P. O. Liberty), Mo.**—**BOND SALE.**—On May 3, it is stated, the Mercantile Trust Co. of St. Louis was awarded at 97.5675 an issue of \$300,000 road bonds.

**CLIFTON, Passaic County, N. J.**—**BOND OFFERING.**—It is reported that City Treasurer Adrian Weiland will receive bids until 8:15 p. m. May 20 for \$95,000 16 1-3 year (aver.) school and \$27,000 1-27-year serial sewer sewer 5% bonds. Certified check for 2% required.

**COLEMAN COUNTY (P. O. Coleman), Tex.**—**BIDS REJECTED.**—**BONDS TO BE SOLD AT PRIVATE SALE.**—All the bids received for an issue of \$100,000 5 1/2% road bonds offered on April 17 were rejected. We are advised by the County Judge that the above bonds will be sold at a private sale.

**COLQUITT COUNTY (P. O. Moultrie), Ga.**—**BONDS VOTED.**—On April 16, it is stated, the voters authorized the issuance of \$500,000 road bonds by a tremendous majority.

**COLUMBUS SCHOOL DISTRICT (P. O. Columbus), Platte County, Neb.**—**DESCRIPTION OF BONDS.**—The \$120,000 (not \$70,000 as first reported) 5% 15-25-year (opt.) coupon bonds, mentioned in V. 108, p. 1430, are in denom. of \$1,000 and are dated July 1 1919. Int. J. & D. payable at the office of the County Treasurer. Bonded debt (excluding this issue) \$30,000. Assess. value \$1,473,797. Total tax rate (per \$1,000) \$99.08.

**COVETA COUNTY (P. O. Newman), Ga.**—**DESCRIPTION OF BONDS.**—The \$300,000 4 1/2% gold road bonds recently voted—V. 108, p. 1847—are in denom. of \$1,000 and are dated July 1 1919. Int. annually on July 1, payable in N. Y. Assessed value 1919, \$11,000,000. Total tax rate (per \$1,000), \$14.

**CRAWFORDSVILLE SCHOOL DISTRICT (P. O. Crawfordville), Montgomery County, Ind.**—**BONDS PROPOSED.**—According to reports the district has asked the State Board of Tax Commissioners for authority to issue \$21,264 high-school-addition-building bonds.

**CREAM RIDGE SCHOOL DISTRICT, Logan County, Ill.**—**BONDS VOTED.**—The issuance of \$4,500 school-building bonds was voted, it is reported, at an election held April 19. The vote was 16 "for" and 3 "agst."

**CRISP COUNTY (P. O. Cordels), Ga.**—**DESCRIPTION OF BONDS.**—The \$350,000 5% gold road bonds to be voted upon May 15 (V. 108, p. 1635) are described as follows: Denom. \$1,000. Date Jan. 1 1920. Int. J. & J. Due yearly on Jan. 1 as follows: \$4,000 1921 and 1922, \$5,000 1923 and 1924, \$6,000 1925 and 1926, \$7,000 1927 and 1928, \$8,000 1929 and 1930, \$10,000 1931 and 1932, \$11,000 1933 and 1934, \$12,000 1935 and 1936, \$13,000 1937 and 1938, \$14,000 1939 and 1940, \$15,000 1941 and 1942, \$16,000 1943 and 1944, \$17,000 1945 and 1946, \$18,000 1947 and 1948, \$19,000 1949 and 1950.

**CRISP SCHOOL DISTRICT (P. O. Crisp), Ellis County, Tex.**—**BOND ELECTION.**—The people will be asked to vote on the issuance of \$12,000 school-building bonds on May 17, it is reported.

**CUSTER COUNTY (P. O. Miles City), Mont.**—**BOND ELECTION PROPOSED.**—The County Highway Commissioners are considering the calling of an election to authorize \$400,000 road bonds. This is the limit to which the county can issue bonds for roads.

**CUT BANK, Teton County, Mont.**—**BOND OFFERING.**—F. E. Van Denmark, City Clerk, will sell at public auction 8 p. m. June 2 the \$48,000

6% sewer bonds, recently voted (V. 108, p. 1847). Denom. \$1,000. Date May 1 1919. Prin. and semi-ann. int. (J. & J.) payable at the National Bank of Commerce, N. Y. Due May 1 1939 and subject to call \$4,000 yearly on May 1 from 1928 to 1939, incl. Cert. check for \$2,000, payable to the S. L. Potter, Mayor, required.

**CUYAHOGA FALLS SCHOOL DISTRICT (P. O. Cuyahoga Falls), Summit County, Ohio.**—**BOND OFFERING.**—Proposals will be received until 12 m. May 19 by N. H. Rook, Clerk of Board of Education, for \$22,000 5% school bonds. Auth. Sec. 7629, Gen. Code. Denom. \$1,000. Prin. and semi-ann. int. (A. & O.) payable at the Cuyahoga Falls Savings Bank. Due \$1,000 yearly on Oct. 1 from 1921 to 1930, incl., and \$1,000 each six months from April 1 1932 to Oct. 1 1937, incl. Certified check for 10% of amount of bonds bid for, required. Purchaser to pay accrued int.

**DELAWARE COMMON SCHOOL DISTRICT NO. 4 (P. O. Delaware), Sullivan County, N. Y.**—**BONDS VOTED.**—An issue of \$10,000 school bonds has been voted. William C. Fuhrer (P. O. Kenosza Lake) is trustee.

**DELTA FARMS RECLAMATION DISTRICTS, Contra Costa County, Calif.**—**DESCRIPTION OF BONDS.**—The \$70,000 6% bonds awarded on April 25 to the Bank of Italy for \$73,348 (104,782) and interest—V. 108, p. 1848—are described as follows: Denom. \$1,000. Date Sept. 30 1918. Int. J. & J.

**DESCHUTES COUNTY SCHOOL DISTRICT NO. 1 (P. O. Bend), Ore.**—**BOND SALE.**—The \$28,000 6% 20-year school bonds dated May 1 1919, offered on April 30, have been awarded to Clark, Kendall & Co. of Portland for \$30,185, equal to 107.803.

**DES MOINES COUNTY (P. O. Burlington), Ia.**—**BONDS AUTHORIZED.**—On Apr. 21, it is reported, the Board of County Supervisors authorized the issuance of \$94,000 drainage bonds.

**DIXIE SCHOOL DISTRICT, Grayson County, Tex.**—**BONDS VOTED.**—A proposition to issue \$4,000 school bonds carried by a large majority on Apr. 26, it is stated.

**DOUGLAS, Coffee County, Ga.**—**BOND ELECTION.**—Reports state that the City Council has issued a call for an election on May 20, when the people will vote on a proposition to issue \$60,000 paving bonds.

**EAGLE GROVE INDEPENDENT SCHOOL DISTRICT (P. O. Eagle Grove), Wright County, Iowa.**—**BOND SALE.**—Recently Schanke & Co. of Mason City purchased \$16,000 5% 17-year high-school building bonds. Denom. \$1,000. Int. J. & D.

**EAST CARROLL TOWNSHIP (P. O. Ebenburg), Cambria County, Pa.**—**BOND OFFERING.**—According to reports, J. S. Springer, Township Treasurer, will receive bids until 9 a. m. May 24 for \$00,000 5% 1-30-year serial road bonds. Int. semi-annually. Cert. check for \$500 required.

**EASTLAND INDEPENDENT SCHOOL DISTRICT (P. O. Eastland), Eastland County, Tex.**—**BONDS VOTED.**—Reports state that an issue of \$150,000 school-building bonds has been voted.

**ELDORADO, Butler County, Kan.**—**BOND SALE.**—An issue of \$20,000 5% sewer bonds was placed with the State of Kansas during February at par. Date Jan. 1 1919. Due yearly on Jan. 1 from 1920 to 1929, incl.

**ELKHART, Morton County, Kan.**—**BOND SALE.**—An issue of \$5,000 5% water-works bonds was awarded during the month of February to the State of Kansas at par. Date Mar. 1 1916. Due Mar. 1 1936.

**EL SEGUNDO SCHOOL DISTRICT (P. O. El Segundo), Los Angeles County, Calif.**—**BONDS VOTED.**—At the election held April 28 (V. 108, p. 1635), the people favorably voted to issue \$120,000 grammar-school bonds, it is reported, by a vote of 178 to 68.

**EMERSON, Dixon County, Neb.**—**BOND ELECTION.**—The voters, according to reports, will have submitted to them on May 28 a proposition to issue \$20,000 municipal electric-light-system bonds.

**ENTERPRISE, Wallowa County, Ore.**—**BOND SALE.**—On April 29 the \$20,000 5% 10-30-year (opt.) gold coupon paving bonds dated April 1 1919—V. 108, p. 1535—were awarded to E. S. Devereaux & Co. of Portland.

**EVANS COUNTY (P. O. Claxton), Ga.**—**BONDS VOTED.**—At a recent election, it is reported, the voters of this county voted by an overwhelming majority \$100,000 improvement bonds.

**FALLS COUNTY (P. O. Marlin), Tex.**—**BONDS NOT SOLD.**—No sale was made of the \$150,000 5% 10-30-year (opt.) tax-free coupon Justice Precinct No. 5 bonds offered on May 1.—V. 108, p. 1430.

**FARMERSVILLE, Collin County, Tex.**—**BOND ELECTION.**—Reports state that on June 3 the voters will decide whether they are in favor of issuing \$80,000 high-school-building and \$10,000 paving bonds.

**FARREL, Mercer County, Pa.**—**BONDS VOTED.**—The proposition to issue the \$212,000 4 1/2% 30-year paving bonds, mentioned in V. 108, p. 1194, carried at the election held April 29, it is reported.

**FLOYD COUNTY (P. O. Rome), Ga.**—**BOND ELECTION PROPOSED.**—The following four issues of bonds aggregating \$960,000 will be voted upon, it is reported, at an election to be held in the near future: \$750,000 road bonds.

100,000 county-hall bonds.  
50,000 general hospital bonds.  
60,000 school bonds.

**FORT EDWARD, Washington County, N. Y.**—**BOND OFFERING.**—Additional information is at hand relative to the offering on May 31 of the \$75,000 5% coupon (or registered) 5-15-year serial paving bonds—V. 108, p. 1848. Proposals for these bonds will be received by Fred. J. Beiter, Village Clerk, until 7:30 p. m. on that date. Denom. \$1,000. Date July 1 1919. Int. J. & J. Due \$5,000 yearly on July 1 from 1924 to 1938, incl. Certified check on a national or State bank or trust co. for 10% of amount of bid, payable to the Village Treasurer, required. The official circular states that there is no litigation as to any bonds pending, and that no default of principal or interest upon any bonds has ever occurred.

Financial Statement.

Bonded debt May 1 1919	\$78,416.66
Water debt (included)	40,000.00
Assessed valuation, 1918	1,249,990.00
Population, 1919 (estimated), 4,000.	

**FORT WORTH, Tarrant County, Tex.**—**BOND OFFERING.**—Proposals will be received until 9 a. m. June 17 by James Liston Jr., City Secretary, for the whole or any part of the following seven issues of 5% 20-year (aver.) bonds, aggregating \$1,890,000, recently voted—V. 108, p. 1635:

\$725,000 sewage-disposal-plant bds. \$200,000 floating-debt payment bds.  
\$25,000 sewer bonds. 50,000 lighting-system bonds.  
400,000 water-works bonds. 100,000 storm-sewer-system bonds.  
90,000 street bonds.

Date June 1 1919. Prin. and semi-ann. int. (J. & D.) payable at the Hanover National Bank, N. Y. Certified check for 2% of the bid, payable to George S. Adams, City Auditor, required. All the above bonds with the exception of the \$725,000 sewage-disposal-plant bonds will be delivered on July 1 1919. Sewage-disposal bonds will probably be delivered six to nine months later.

**FRAMINGHAM, Middlesex County, Mass.**—**LOAN OFFERING.**—Proposals will be received until 1 p. m. May 12, it is stated, for a temporary loan of \$100,000, maturing Nov. 15 1919.

**FRANKLIN COUNTY (P. O. Brookville), Ind.**—**BONDS NOT SOLD.**—**RE-OFFERING.**—No sale was made of the \$42,000 5% East Forks White Water River "Series 2" bonds offered on May 5 (V. 108, p. 1311). Denom. \$500. Int. J. & D. Due \$2,000 each six months from June 1 1920 to June 1 1930, inclusive.

Proposals for these bonds will again be received until 1 p. m. May 31.

**FRAZEE, Becker County, Minn.**—**BOND SALE.**—On May 5 the \$20,000 5% water-works bonds (V. 108, p. 1848) were awarded to Kalman, Matteson & Wood of St. Paul at par and interest less \$95 for attorney's fees. Date June 1 1919. Due \$10,000 in 10 years and \$10,000 in 20 years.

**FREDONIA, Wilson County, Kan.**—**BOND SALE.**—During February \$19,560 5% impt. bonds were taken by the State of Kansas at par. Date Jan. 1 1919. Due yearly on Jan. 1 from 1920 to 1929, incl.

**FREDERICK, Tillman County, Okla.**—**BOND OFFERING.**—Proposals will be received until May 13, it is stated, by City Clerk D. W. Womack for \$150,000 30-year sewer bonds.

GARY, Lake County, Ind.—BOND OFFERING.—John A. Brennan, City Comptroller, will receive bids until 12 m. May 17 for \$140,000 6% park bonds. Denom. \$1,000. Date May 17 1919. Int. M. & N. Due \$35,000 on May 17 in each of the following years: 1924, 1929, 1934 and 1939. Certified check for \$500 required. Purchaser to pay accrued interest. Bonded debt, \$268,500. Sinking fund, \$77,561. Assessed valuation 1919 at least \$125,000,000.

GILA COUNTY SCHOOL DISTRICT NO. 19, Ariz.—BOND ELECTION.—A proposition to issue \$43,600 school-building bonds will be voted upon to-day (May 10), it is stated.

GRAND HAVEN SCHOOL DISTRICT (P. O. Grand Haven), Ottawa County, Mich.—BONDS VOTED.—OFFERING.—At an election held April 16 a proposition to issue \$150,000 5% school-building bonds carried by a vote of 752 to 565. Due yearly on June 1 as follows: \$8,000 1922; \$9,000 1923 and 1924; \$10,000 1925 and 1926; \$11,000 1927 and 1928; \$12,000 1929; \$13,000 1930 and 1931; \$14,000 1932; and \$15,000 1933 and 1934. Proposals for the above bonds will be received by the Secretary of the School Board until May 14.

GREEN BAY, Brown County, Wis.—BONDS AUTHORIZED.—On April 29, it is reported, an ordinance was adopted by the City Council providing for the issuance of \$30,000 Norwood school bonds.

HARRISON SCHOOL TOWNSHIP (P. O. Terre Haute), Vigo County, Ind.—BONDS APPROVED.—It is reported that the State Board of Tax Commissioners recently granted the township authority to issue \$9,000 heating-plant installation bonds, but at the same time rejected a petition asking for permission to issue \$42,000 building bonds. These are the bonds which we mentioned in V. 108, p. 1743.

HATTIESBURG, Forrest County, Miss.—BOND OFFERING.—Sealed bids will be received until 2 p. m. May 15 by the Mayor for the following 6% 20-year serial coupon general improvement bonds mentioned in V. 108, p. 1743:

- \$20,000 street paving bonds.
- 6,000 school building bonds.
- 5,000 sewerage bonds.
- 15,000 water-works bonds.
- 8,000 city-hall repair bonds.
- 6,000 storm or drainage sewer-system bonds.

Denom. \$500. Date June 1 1919. Int. J. & D. payable at some bank in New York to be designated by the purchaser. Cert. check for \$500 required. Official advertisement states that there is no controversy or litigation pending or threatened concerning the validity of these bonds, the corporate existence or boundaries of the City of Hattiesburg, or the title of the present officers to their respective offices, and that the principal and interest of all bonds previously issued has always been paid promptly at maturity.

Financial Statement.

True value (est.) of all taxable property in municipality	\$16,000,000
Assess. val. of real estate, pers'l and all taxable prop. for 1918	9,390,652
Total bonded debt, including present issue	\$778,000
Indebtedness existing in other forms	None
Total indebtedness	778,000
How much of the foregoing is water debt?	132,500
(None of foregoing debt is payable from special assessments against abutting property.)	
Cash value of all sinking funds on hand	6,152
Population, U. S. Census 1910, 11,700; Nov. 11 1916, 15,349; present population (estimated), 25,000.	

HENNING, Lauderdale County, Tenn.—BOND SALE.—Recently the Third National Bank of St. Louis was awarded at 102.40 an issue of \$20,000 street-impt. bonds.

HILL COUNTY (P. O. Hillsboro), Tex.—BONDS VOTED.—At an election held April 26 the following two issues of road bonds, aggregating \$1,160,000, were favorably voted, it is stated: \$350,000 Itasca Road District bonds (V. 108, p. 1635). Vote 336 to 10. \$810,000 Precinct No. 1 bonds (V. 108, p. 1195). Vote 881 to 267.

HUNTSVILLE, Madison County, Ala.—BONDS AUTHORIZED.—A resolution has been adopted by the City Council which provides for the issuance of \$15,000 bonds.

HUTCHINSON, Reno County, Kans.—BOND SALE.—The State of Kansas during the month of January purchased at par \$5,890 5% improvement. Date Nov. 1 1918. Due yearly on Nov. 1 from 1919 to 1928, inclusive.

IRON COUNTY SCHOOL DISTRICT, Utah.—BOND SALE.—On March 12 an issue of \$130,000 5% school bonds was awarded to Sweet, Causey, Foster & Co., and Benwell, Phillips, Este & Co., both of Denver, jointly. Denom. \$1,000. Date April 1 1919. Principal and semi-annual interest (A. & O.) payable at the National Bank of Commerce, New York. Due yearly on April 1 as follows: \$6,000 1920 to 1929 inclusive and \$7,000 1930 to 1939 inclusive.

Financial Statement of School District.

Total bonded debt (including this issue)	\$278,500
Assessed valuation	7,759,000
Real value (estimated)	20,000,000
Population (estimated), 9,000.	

IRONWOOD, Gogebic County, Mich.—BOND OFFERING.—Proposals will be received until 5 p. m. May 27 by David Hedlund, City Clerk for \$50,000 5% sewer bonds. Date May 1 1919. Principal and semi-annual interest (M. & N.) payable at the City Treasurer's office. Payable annually within 15 years from May 1 1919. Certified check (or draft) for \$500 required.

JEFFERSON COUNTY, Cole County, Mo.—BOND SALE.—On May 5 the \$61,500 5% funding bonds (V. 108, p. 1636) were awarded to the Mercantile Trust Co. of St. Louis for \$62,285 35 (101.276) and interest. Denoms. 61 for \$1,000 and 1 for \$500. Date May 1 1919. Interest semi-annual. Due May 1 1939, optional May 1 1929.

JEFFERSON SCHOOL DISTRICT (P. O. Jefferson), Greene County, Iowa.—BOND ELECTION.—At an election to be held May 15 a proposition to issue \$35,000 high-school-building bonds will be voted upon, it is stated.

JENESEE HIGHWAY DISTRICT (P. O. Moscow), Latah County, Ida.—BOND OFFERING.—Proposals will be received by Edwin Smoot, Secretary of Highway Commission, until 12 m. May 15, for \$170,000 road bonds, it is stated.

JOHNSON ST. PARIS SCHOOL DISTRICT (P. O. St. Paris), Champaign County, Ohio.—BOND OFFERING.—Proposals will be received until May 27 by James M. Turner, District Clerk, for \$25,000 2-24-year school-building-completion bonds. Date June 1 1919. In last week's issue we reported the fact that these bonds had been voted, under the caption "St. Paris School District."

KANSAS.—BONDS PURCHASED BY STATE.—The following bonds were purchased by the State of Kansas at par during the months of December, January and February:

Amount.	Place Issuing Bds.	Purpose.	Date.	Due.
Bonds Purchased during December 1918, Aggregating \$5,400.				
1,200	Ellis Co. S. D. No. 21	Building	Sept. 3 1918 Jan. 1 '20-'24	
300	Mitchell Co. S. D. No. 97	Building	Nov. 1 1918 Jan. 1 1923	
1,000	Mulberry	Furnace	Aug. 10 1918 Aug. 10 1921	
1,000	Mulberry	Furnace	Aug. 25 1918 Aug. 25 1922	
1,400	Stevens and Morton Cos.			
Joint S. D. No. 49				
		Building	Nov. 1 1918 July 1 '20-'29	
Bonds Purchased during January 1919, Aggregating \$157,500.				
\$150,000	Liberty Loan	War	Oct. 24 1918 Oct. 15 1938	
1,500	Lincoln Co. S. D. No. 46	Building	Jan. 1 1919 Jan. 1 '20-'33	
3,000	Palco	Water & Lt.	Dec. 1 1917 Dec. 1 1937	
3,000	Republic Co. S. D. No. 84	Building	July 1 1918 July 1 '20-'29	

Bonds Purchased during February 1919.

\$4,500 Crawford Co. S. D. No. 59 Building. Oct. 1 1918 July 1 '19-'27 All the above bonds bear 5% interest except the \$150,000 Liberty Loan bonds purchased during Jan. 1919, which carry 4 1/4%.

KANSAS CITY, Kans.—BOND ELECTION.—The City Commissioners it is reported, have authorized a special election to be held June 17 to

submit to the voters the proposal to issue \$500,000 municipal electric-light-plant bonds.

KAUFMAN COUNTY (P. O. Kaufman), Tex.—BOND OFFERING.—Proposals will be received until 1 a. m. May 12 by J. P. Coon, County Judge and Chairman of Commissioners Court, for the following four issues of 5% bonds, aggregating \$1,675,000: \$750,000 Commissioners Precinct No. 1 bonds. 25,000 Justice Precinct No. 2 bonds. 500,000 Commissioners Precinct No. 3 bonds. 400,000 Justice Precinct No. 7 bonds.

Date April 10 1919. Interest semi-annual. Certified check or cashier's check for 2%, payable to the above County Judge and Chairman of Commissioners Court, required.

KIMBLE COUNTY (P. O. Junction), Tex.—BOND SALE.—The \$150,000 5 1/4% 1-30-year serial road bonds recently voted (V. 108, p. 1535) have been awarded to J. E. Jarratt & Co., of San Antonio, at par and int.

KITTITAS COUNTY SCHOOL DISTRICT NO. 25, Wash.—BOND SALE.—The \$18,000 5% 2-20-year (opt.) coupon school bonds offered on April 26—V. 108, p. 1636—were awarded on that day to the State of Washington at par. Denom. \$1,000. Int. semi-ann.

KLEBERG COUNTY (P. O. Kingsville), Tex.—BOND SALE.—On May 1 Mrs. H. M. King was awarded at par and interest the \$350,000 5% 20-30-year (opt.) road bonds (V. 108, p. 1536). Denom. \$1,000 Date May 1 1919. Interest annual.

KLIKIKAT COUNTY SCHOOL DISTRICT NO. 9, Wash.—BOND SALE.—An issue of \$40,000 5% school bonds offered on April 19 was awarded on that day to the State of Washington at par. Denom. \$1,000. Interest annual.

KLICKITAT COUNTY SCHOOL DISTRICT NO. 10, Wash.—BOND OFFERING.—Proposals will be received until 1 p. m. to-day (May 10) by F. H. Anderson, County Treasurer (P. O. Galdendale), it is stated, for \$30,000 1-20-year bonds at not exceeding 6% interest. Interest semi-annual.

KNOXVILLE, Tenn.—BOND OFFERING.—Further details are at hand relative to the offering on May 20 of the \$200,000 5% coupon viaduct bonds—V. 108, p. 1549. Proposals for these bonds will be received until 3:30 p. m. on that day by Robert P. Williams, City Recorder and Treasurer. Denom. \$1,000. Date Jan. 1 1919. Principal and semi-annual int. payable at the Hanover National Bank, N. Y. Certified check for 2% of the amount of bonds bid for, payable to the "City of Knoxville," required. The bonds will be approved as to legality by Reed, McCook & Hayt of N. Y., whose approving opinion will be furnished to the successful bidder without charge, and will be printed under the supervision of the U. S. Mfg. & Trust Co. of N. Y., who will certify as to the genuineness of the signatures and the seal on the bonds.

LANCASTER, Fairfield County, Ohio.—BONDS AUTHORIZED.—Local newspapers state that the City Council has passed an ordinance authorizing the issuance of \$2,223 25 storm-water-sewer (special assessment) bonds.

LEE COUNTY SUPERVISORS DISTRICT NO. 3 (P. O. Tupelo), Miss.—BOND SALE.—On May 6 the \$200,000 40-year serial road bonds, dated April 17 1919—V. 108, p. 1536—were awarded to Caldwell & Co. at 101.75 and interest.

LEWIS AND CLARK COUNTY SCHOOL DISTRICT NO. 11 (P. O. Augusta), Mont.—BOND SALE.—On April 17 an issue of \$3,000 6% school bonds was awarded to the State Board of Land Commissioners at par. Denom. \$1,000. Date April 1 1919. Int. A. & O. Due April 1 1939, subject to call at any interest-paying period.

LINCOLN COUNTY SCHOOL DISTRICT NO. 127, Wash.—BOND OFFERING.—Proposals will be received until 1 p. m. to-day (May 10) by C. C. Gibson, County Treasurer (P. O. Davenport), for \$5,500 10-20-year (opt.) coupon school bonds at not exceeding 6% interest. Denom. \$350. Int. annual, payable at the office of the County Treasurer. Bonded debt, this issue only. Assessed value, \$131,000.

LORAIN, Lorain County, Ohio.—BONDS AUTHORIZED.—The City Council on April 21 passed an ordinance authorizing the issuance of \$21,000 5% coupon fire-station bonds. Denom. \$1,000. Date March 15 1919. Int. M. & S. Due \$3,000 yearly on Sept. 15 from 1923 to 1934, inclusive at the office of the Sinking Fund Trustees.

LOWNDES COUNTY (P. O. Valdosta), Ga.—BOND ELECTION.—Reports state that on May 23 an election will be held to vote on the issuance of \$500,000 road bonds.

LUCAS COUNTY (P. O. Toledo), Ohio.—BOND SALE.—On April 25 \$302,000 5% general-impt. bonds were awarded to Stacy & Braun of Toledo for \$302,623 (100.206) and interest. There were no other bidders.

BOND SALE.—Stacy & Braun of Toledo were awarded on May 2 \$208,000 5% road-impt. bonds for \$208,423 40 (100.202) and printing of bonds. Denom. \$1,000. Date May 16 1919. Prin. and semi-ann. int. payable at the County Treasurer's office. Due yearly on May 16 as follows: \$21,000 1920 to 1927, incl., and \$20,000 1928 and 1929.

McINTOSH SCHOOL DISTRICT, Glenn County, Calif.—BOND SALE.—An issue of \$15,000 5% 6-15-year serial school bonds has been awarded, according to reports, to Freeman, Smith, Camp Co. of San Francisco at 100.07.

McKEESPORT, Allegheny County, Pa.—BOND OFFERING.—According to reports, the City Clerk will receive bids until 2 p. m. May 12 for \$55,000 4 1/4% fire department bonds.

MARICOPA COUNTY SCHOOL DISTRICT NO. 41, Ariz.—BOND SALE.—An issue of \$65,000 6% 20-year school bonds offered on April 10 was awarded on that day to Sweet, Causey, Foster & Co. of Denver. Denom. \$500. Date May 1 1919. Int. M. & N.

MARICOPA COUNTY SCHOOL DISTRICT NO. 59, Ariz.—BOND SALE.—On April 14 Sweet, Causey, Foster & Co. of Denver were awarded \$27,000 6% 20-year school-building bonds. Denom. \$500. Date May 1 1919. Int. M. & N.

MARTINS FERRY, Belmont County, Ohio.—BOND SALE.—The \$11,500 culvert construction bonds recently authorized—V. 108, p. 1849—have been purchased by the Sinking Fund Trustees.

MEADOW TOWNSHIP, Johnston County, No. Caro.—BOND OFFERING.—Proposals will be received until 2 p. m. May 17 by John W. Wood, Chairman of Board of Road Trustees (P. O. Benson), for \$30,000 6% 40-year road bonds. Certified check for \$1,000 required.

MEDFORD, Middlesex County, Mass.—TEMPORARY LOAN.—A temporary loan of \$100,000, maturing \$50,000 Feb. 12 and \$50,000 March 12 1920, has been awarded, it is stated, to Blake Bros. & Co., of Boston on a 4.42% discount basis, plus \$4 premium.

MESA SCHOOL DISTRICT (P. O. Mesa), Maricopa County, Ariz.—BOND ELECTION.—The people, it is stated, will vote to-day (May 10) on a proposition to issue \$100,000 high-school-building bonds.

MODESTO, Stanislaus County, Calif.—BOND SALE.—On April 23 the \$9,377 28 1/2% improvement bonds—V. 108, p. 1637—were awarded to Rens A. Green at par and interest. Denom. \$625 15. Int. J. & J. Due yearly on July 2 from 1920 to 1934, incl.

MONONGALIA COUNTY (P. O. Morgantown), W. Va.—BOND OFFERING.—Additional information is at hand relative to the offering on May 20 of the \$300,000 5% 10-30-year (opt.) Case Magisterial District bonds—V. 108, p. 1849. Proposals for these bonds will be received until 12 m. on that day. John M. Gregg, Clerk of County Court. Denoms. \$100, \$500 or \$1,000. Date July 1 1919. Prin. and semi-ann. int. payable at the office of the County Treasurer. Due July 1 1949, optional after July 1 1929. Certified check for \$9,000, payable to the County Treasurer, or legal tender required. Official advertisement states that there has never been any default in payment of bonds or interest by the county or any district therein, or no former issue of bonds ever contested and that there is no litigation or controversy concerning the issue of these bonds nor concerning the corporate existence of the district, nor concerning the title of present officials to their respective offices. Bonded debt, this issue only. Assessed value of property for 1918, \$6,027,132. True value (approximate), \$13,000,000.

MONROE COUNTY (P. O. Madisonville), Tenn.—BOND OFFERING.—H. B. Witt, County Judge, will sell at public sale May 12 \$44,500 10-year tax-free coupon road bonds. Denom. \$500. Certified check for \$500 required.

MONROE SCHOOL DISTRICT (P. O. Monroe), Platte County, Neb.—BOND OFFERING.—Sealed bids will be received until 8 p. m. May 12 by L. Franklin, Secretary Board of Education, for \$21,100 5 1/2% bonds. Denom. \$500. Date July 1 1919. Prin. and interest payable in Columbus. Due \$1,000 yearly from 1922 to 1939, incl., and \$3,100 1940, optional 8 years from date.

MONTEVIDEO, Chippewa County, Minn.—BOND SALE.—On May 5 the Northwest Trust Co. of St. Paul was awarded at par and interest \$45,000 5% water-works-improvement bonds. Denom. \$1,000. Date April 1 1919. Int. A. & O. Due \$3,000 yearly on April 1 from 1925 to 1939, incl. Bids were also received from Palno, Webber & Co. and Splitzer, Rorick & Co.

MONTGOMERY COUNTY (P. O. Clarksville), Tenn.—BONDS VOTED.—A proposition submitted to the voters at an election held May 1 providing for the issuance of \$500,000 bridge bonds, carried, it is stated. The majority in favor of the proposition was estimated at not less than 1,500.

MORRIS COUNTY (P. O. Dingerfield), Tex.—BONDS VOTED.—At a recent election the voters favored the issuance of \$50,000 Road District No. 4 bonds, it is reported, by a vote of 5 to 1.

MOUNT PLEASANT SCHOOL DISTRICT (P. O. Mount Pleasant), Isabella County, Mich.—BONDS VOTED.—The voters have decided to issue \$138,000 school-building bonds, it is stated.

MUSKOGEE, Muskogee County, Okla.—BOND SALE.—The three issues of 5% bonds, aggregating \$305,000 offered on April 29—V. 108, p. 1637—were awarded on that day to the City of Muskogee at par and interest.

NARRAGANSETT, Washington County, R. I.—BOND OFFERING.—Edward E. Coggeshall, Town Treasurer, will receive bids until 4 p. m. May 15 for \$90,000 5% coupon refunding bonds. Date May 1 1919. Prin. and semi-ann. int. (M. & N.) payable at the Old Colony Trust Co., Boston. Due yearly on May 1 as follows: \$3,000, 1920 to 1923, incl., and \$3,000, 1924 to 1929, incl. These bonds will be engraved under the supervision of and certified as to their genuineness by the Old Colony Trust Co. of Boston, Mass. This trust company will further certify that in the opinion of Messrs. Ropes, Gray, Boyden & Perkins this issue is a valid obligation of the town of Narragansett, Rhode Island. All legal papers incident to this issue, together with an affidavit certifying to the proper execution of the bonds, will be filed with the Old Colony Trust Co., where they may be referred to at a moment's notice.

NEBRASKA CITY, Otoe County, Neb.—BONDS VOTED.—At an election held April 29 a proposition providing for the issuance of \$52,000 5 1/2% 5-20-year (opt.) sewer bonds carried by a vote of 776 to 24. F. M. Cook is City Clerk.

NEVADA ROAD IMPROVEMENT DISTRICT NO. 2, Ark.—BOND SALE.—I. B. Tigrett & Co. of Jackson were awarded at par, it is stated, \$600,000 5 1/2% 1-20-year road bonds offered on April 25.

NEWMAN GROVE SCHOOL DISTRICT NO. 13 (P. O. Newman Grove), Madison County, Neb.—BOND OFFERING.—E. H. Gerhart, Director of the Board of Education, will receive bids until 8 p. m. May 12, for \$35,000 5 1/2% 5-15-year (opt.) tax-free coupon school-building bonds authorized at the election held July 9 1918—V. 107, p. 421—Denom. \$500. Date Oct. 1 1918. Int. ann., payable at the office of the County Treasurer. Cert. check for \$200, payable to the above "School District" required. Bonded debt (including this issue), \$45,000. Assess. value 1918, \$285,000.

NEWTON FALLS CONSOLIDATED SCHOOL DISTRICT (P. O. Newton Falls), Trumbull County, Ohio.—BOND OFFERING.—Proposals will be received until 12 m. May 20 by H. H. Smith, Clerk Bd. of Education, for \$90,000 5% school-building bonds. Auth. Sec. 7625 Gen. Code. Denom. \$500. Date May 20 1919. Prin. and semi-ann. int. (A. & O.) payable at the First National Bank, Newton Falls. Due \$1,000 each six months from Apr. 1 1920 to Oct. 1 1949, incl. Cert. check for \$100, payable to the District Treasurer, required. Purchaser to pay accrued interest.

NIAGARA FALLS, Niagara County, N. Y.—BOND SALE.—The following is a list of bids received for the three issues of 4 1/2% bonds, aggregating \$638,217, offered on May 6 (V. 108, p. 1849):

Table with 4 columns: Bidder Name, Issue Amount, Bid Amount, and Total Bid Amount. Includes entries for Wm. R. Compton & Co., White, Weld & Co., Stacy & Braun, Kiesel-Kinnelcut Co., National City Co., E. H. Rollins & Son, Sherwood & Merrifield, Geo. B. Gibbons & Co., Hornblower & Weeks, R. M. Grant & Co., A. B. Leach & Co., R. W. Pressprich & Co., Harris, Forbes & Co.

The above bonds will be awarded at a meeting of the City Council to be held May 13. At this meeting the City Manager will recommend that the awards be made to the brokers whose bids are marked (\*).

NORMAN, Cleveland County, Okla.—BOND OFFERING.—Proposals will be received until May 13 by the City Clerk, for \$125,000 6% 25-year electric-light-plant bonds.

NORTH BERGEN TOWNSHIP, Hudson County, N. J.—BONDS AUTHORIZED.—On May 1 the Township Committee passed an ordinance authorizing the issuance of \$25,000 5% school bonds. Denom. \$1,000. Date Apr. 1 1919. Due yearly on Apr. 1 as follows: \$2,000 1920 to 1929, incl., and \$1,000 1930 to 1934, incl.

OSWEGO, Oswego County, N. Y.—BOND SALE.—On April 25 the \$100,000 4 1/2% 1-20-year serial highway bonds (V. 108, p. 1637), were awarded to Stacy & Braun, of New York, at 100.135 and interest. Other bidders, both of New York, were: Geo. B. Gibbons & Co., \$100,000; Sherwood & Merrifield, \$100,020. This item was inadvertently reported under the heading of "Oswego County, Ohio," in last week's issue.

PALMERTON, Carbon County, Pa.—BONDS VOTED.—At a recent special election it is reported, the voters favored the issuance of \$100,000 street-impt. bonds.

PARKER COUNTY (P. O. Weatherford), Tex.—BONDS VOTED.—According to newspaper reports, the people favorably voted the \$800,000 road bond issue mentioned in V. 108, p. 1537.

PAULDING COUNTY (P. O. Paulding), Ohio.—BOND OFFERING.—Proposals will be received by A. W. Armstrong, County Auditor, until 2 p. m. May 23 for the following 5 issues of 5% coupon pike-improvement bonds, aggregating \$169,000: \$60,000 Dotterer-Uphrevere Pike bonds. Due yearly on May 1 as follows: \$8,000, 1922 to 1924, incl., and \$9,000, 1925 to 1928, incl. 20,000 W. D. Price Pike bonds. Due yearly on May 1 as follows: \$2,000, 1922, and \$3,000, 1923 to 1928, incl. 62,000 Lucas-Daviler Pike bonds. Due yearly on May 1 as follows: \$8,000, 1922; \$9,000, 1923 to 1928, incl. 17,000 David Ringer Pike bonds. Due yearly on May 1 as follows: \$2,000, 1922 to 1925, incl.; \$3,000, 1926 to 1928, incl. 10,000 Weippert Pike bonds. Due yearly on May 1 as follows: \$1,000, 1922 to 1925, incl., and \$2,000, 1926 to 1928, incl. Auth. Sec. 6956-15, Gen. Code. Denom. \$1,000. Date May 1 1919. Prin. and semi-ann. int. payable at the County Treasurer's office. Certified check on a Paulding bank, for \$1,000, payable to the County Treasurer, required. Purchaser to pay accrued interest and furnish blank bonds and coupons without cost to the county.

PAWNEE COUNTY SCHOOL DISTRICT NO. 57, Kans.—BOND SALE.—During December 1918 the State of Kansas purchased at par \$6,000 5% school bonds. Date Nov. 25 1918. Due yearly on Jan. 1 from 1920 to 1931, incl.

PETROLIA, Butler County, Pa.—BONDS VOTED.—The issuance of \$6,440 road-impt. bonds has been approved by the people, according to reports.

PETTIS COUNTY (P. O. Sedalia), Mo.—BOND ELECTION.—The County Court, it is reported, has ordered an election on June 3 to vote on a proposition to issue \$500,000 road bonds.

PIERCE COUNTY SCHOOL DISTRICT NO. 69, Wash.—BOND OFFERING.—Proposals will be received until 10 a. m. May 17 by Wm. Turner, County Treasurer (P. O. Tacoma), for \$1,600 5-20-year school bonds at not exceeding 6% interest. Denom. \$100 or any multiple thereof, not exceeding \$500. Interest annual.

PIONEER IRRIGATION DISTRICT (P. O. Caldwell), Canyon County, Ida.—BOND SALE.—On April 30 the Western National Bank of Caldwell was awarded at par and interest \$26,500 6% refunding bonds. Denom. \$500. Date Jan. 1 1917. Int. J. & J. Due yearly from 1927 to 1934, incl.

PITTSBURGH, Pa.—BONDS PROPOSED.—E. S. Morrow, City Comptroller, advises us that the City Council has under consideration propositions to issue \$300,000 boulevard and \$174,000 water-extension and impt. 4 1/2% 1-30-year serial coupon tax-free bonds. Denoms. \$1,000, \$500 and \$100. Date April 1 1919. Semi-ann. int. (A. & O.) payable at the City Treasurer's office.

PLEASANT SCHOOL TOWNSHIP, Grant County, Ind.—BONDS DISAPPROVED.—It is reported that a petition asking for authority to issue \$13,000 school-building bonds has been rejected by the State Board of Tax Commissioners. These are the bonds that were to have been sold on May 1.—V. 108, p. 1744.

POLK COUNTY (P. O. Livingston), Tex.—BOND OFFERING.—E. T. Murphy, ex-Judge of this county, will receive bids until May 15, it is stated, for \$100,000 5% 10-40-year (opt.) road bonds.

PORTLAND, Cumberland County, Me.—LOAN OFFERING.—Proposals will be received until 12 m. May 12 by J. R. Gilmartin, City Treasurer, for a temporary loan of \$300,000, issued in anticipation of taxes, dated May 15 and payable Oct. 2 1919 at the First National Bank of Boston. Bidders must state denominations desired. The notes will be ready for delivery Thursday, May 15 1919, at the First National Bank of Boston, Mass., and will be certified as to genuineness and validity by said bank under advice of Messrs. Ropes, Gray, Boyden & Perkins, and all legal papers incident to the loan will be filed with said bank, where they may be inspected at any time.

PORTLAND, Ore.—BOND ELECTION.—The City Council has called a special election for June 5 to vote upon a bond issue for its reconstruction program. The total amount has not been decided but \$550,000 for comfort stations and community houses, \$200,000 for eight fire houses and two new docks for fire boats, and \$200,000 for trunk line sewers has been definitely decided upon.

PORT OF ASTORIA (P. O. Astoria), Clatsop County, Ore.—BIDS REJECTED.—The following bids submitted for the \$300,000 5% gold improvement bonds offered on April 28 (V. 108, p. 1745), were rejected:

Table with 3 columns: Bidder Name, Rate, and Check. Includes entries for Morris Brothers, Portland; Wm. P. Harper & Son, Seattle; Union National Bank, Seattle; J. E. Price & Co., Seattle; Freeman Smith & Camp Co., Portland; G. B. Miller & Co., Portland.

PORT OF PORTLAND (P. O. Portland), Multnomah County, Ore.—BOND SALE.—The \$1,250,000 4 1/2% 3-30-year serial gold St. John's Municipal Terminal and harbor improvement bonds dated May 1 1919, offered on May 1 (V. 108, p. 1537), were awarded on that day to Ferris & Hargrave of Spokane at 99.59 and int. Other bidders were: Continental & Commercial Trust & Savs. Bank, Harris Trust & Savs. Bank and Lumbermen's Trust Co., 96.41; Freeman, Smith & Camp Co., A. B. Leach & Co., Inc., Halsey, Stuart & Co. and Edmunds Bros., 96.27; Henry Teal, 96.09; Blodgett & Co. and John E. Price & Co., 96.078; R. M. Grant & Co., 95.88; Carstens & Earles, Inc., Guaranty Trust Co. and Wm. R. Compton Co., 95.57; E. H. Rollins & Sons, Kountze Bros. and Redmond & Co., 95.42.

PORTSMOUTH, Scioto County, Ohio.—BONDS AUTHORIZED.—On April 16 the City Council passed an ordinance authorizing the issuance of \$35,000 5 1/2% coupon sewer extension bonds. Denom. \$500. Date June 1 1919. Int. J. & D. Due \$5,000 yearly on June 1 from 1928 to 1934, incl., at the City Treasurer's office.

RANDOLPH COUNTY (P. O. Winchester), Ind.—NO BIDS RECEIVED.—No bids were received for the \$70,500 Wayne Twp. and \$14,500 Nettie Creek Twp. 4 1/2% highway bonds offered on May 3.—V. 108, p. 1745.

READING, Berks County, Pa.—BOND OFFERING.—Proposals will be received until 10 a. m. June 4 by O. B. Dorward, City Comptroller, for \$100,000 4 1/2% tax-free coupon and registered street-impt. bonds. Date July 1 1919. Int. J. & J. Due July 1 1920. Cert. check for 5% of amount of bonds bid for, payable to "City of Reading," required.

REDONDO BEACH, Los Angeles County, Calif.—BOND ELECTION PROPOSED.—The "Los Angeles Express" of April 23 states that a proposition to issue \$40,000 municipal-pier bonds will be voted upon shortly.

RED WING, Goodhue County, Minn.—BONDS VOTED.—On April 28, it is stated, the voters authorized the issuance of \$350,000 municipal electric-light-plant bonds. The vote was 810 "for" to 478 "against."

RICHLAND SCHOOL DISTRICT, Kern County, Calif.—BOND ELECTION.—The district will vote May 17 on a proposition to issue \$12,000 school bonds, it is stated.

RICHMOND SCHOOL DISTRICT (P. O. Richmond), Wayne County, Ind.—BONDS PROPOSED.—A petition has been filed with the State Board of Tax Commissioners asking for permission to issue \$42,000 site-purchasing bonds, it is reported.

RIDGEWOOD, Bergen County, N. J.—BOND OFFERING.—Geo. U. White, Director of Revenue & Finance, will receive bids until 8 p. m. May 15 for an issue of 5% coupon (with privilege of registration) grade-crossing elimination bonds not to exceed \$29,000. Denom. \$1,000. Date May 1 1919. Prin. and semi-ann. int. (M. & N.) payable at the Ridgewood Trust Co. Due yearly on May 1 as follows: \$3,000, 1920; \$2,000, 1921 to 1923, incl. Cert. check on an incorporated bank or trust company, for 2% of amount of bonds bid for, payable to "Village of Ridgewood," required.

ROCHESTER, N. Y.—NOTE SALE.—On May 8 the following 3 issues of notes, aggregating \$550,000, dated May 13 1919 and payable 8 months from date, at the Central Union Trust Co., New York, were awarded to Salomon Bros. & Hutzler of New York on a 4.57% interest basis: \$200,000 school, \$150,000 conduit-construction and \$200,000 municipal building construction notes. Other bidders, both of New York, were:

Table with 3 columns: Bidder Name, Interest, and Premium. Includes entries for R. W. Pressprich & Co. (4.59%, \$11.00) and S. N. Bond & Co. (4.65%, 6.25).

ROCK HILL SCHOOL DISTRICT (P. O. Rock Hill), York County, So. Caro.—BONDS VOTED.—Reports state that by a vote of 48 to 3 a proposition to issue \$75,000 school bonds carried at an election held Apr. 24.

ST. BERNARD, Hamilton County, Ohio.—BOND OFFERING.—Proposals will be received until 12 m. June 9 by Geo. Schroeder, City Auditor, for \$65,000 5 1/2% coupon fire department bonds. Auth. Sec. 3939, Gen. Code. Denom. \$500. Date March 1 1919. Principal and semi-annual interest (M. & S.) payable at the Citizens' Bank of St. Bernard, or at the City Treasurer's office. Due yearly on Sept. 1 as follows: \$2,000 1920 to 1951 inclusive; and \$1,000 1952. Certified check for 2% of amount of bonds bid for, required. Purchaser to pay accrued interest.

ST. MARYS, Auglaize County, Ohio.—BOND SALE.—The \$1,000 6-7-year (city's share) and \$6,280 2-7-year (special assessment) 5 1/2% coupon street-impt. bonds recently authorized—V. 108, p. 1850—have been purchased by the State Industrial Commission of Ohio at par and int.

SALT LAKE CITY SCHOOL DISTRICT (P. O. Salt Lake City), Salt-Lake County, Utah.—BONDS VOTED.—The issuance of \$2,130,000, scho. of bonds was approved by the voters at an election held April 26, it is reported. The vote was 909 "for" and 83 "against."

SAN BERNARDINO, San Bernardino County, Calif.—BONDS DEFEATED.—The issuance of \$100,000 city-hall bonds has been defeated. It is stated.

**SANDUSKY, Erie County, Ohio.—BOND OFFERING.**—R. D. Kunz, City Treasurer, will receive bids until 12 m. May 19 for the following two issues of 4½% general-refunding bonds:

\$25,500 bonds dated May 1 1919. Due yearly on May 1 as follows: \$4,000 1931 to 1936 incl., and \$2,500 1937.  
8,000 bonds dated June 1 1919. Due yearly on June 1 as follows: \$1,000 1931 to 1936 incl., and \$2,000 1937.

Denom. \$500. Prin. and semi-ann. int. payable at the City Treasurer's office. Cert. (or cashier's) check for 10% of amount of bonds bid for, payable to "City of Sandusky," required. Bonds to be delivered to purchaser at Sandusky. Purchaser to pay accrued interest.

**SANTA MONICA, Los Angeles County, Calif.—BOND ELECTION.**—On May 20 the question of issuing the following two issues of bonds, aggregating \$105,000, will be voted upon, it is stated.

\$30,000 bonds for the erection of Greek Theater in memoriam to Santa Monica soldiers.  
75,000 bonds for grammar and intermediate high school improvements.

**SEWARD, Seward County, Neb.—BOND ELECTION.**—The voters will decide whether or not they favor the issuance of \$85,000 10-40-year (opt.) fire-protection bonds, bearing interest not exceeding 6%, at an election to be held May 20. Denom. \$500. Date June 1 1919. Interest semi-annual.

**SHELBY COUNTY (P. O. Memphis), Tenn.—CORRECTION.**—The \$375,000 5% coupon joint auditorium and market house bonds awarded on March 25 to I. B. Tigrett & Co. of Jackson and the Guaranty Bank & Trust Co. of Memphis, jointly, for \$379,002 50 (101.067) and interest are dated March 1 1919 and mature March 1 1949 (not Jan. 1 1919 and Jan. 1 1949, as reported in V. 108, p. 1433).

**BONDS PROPOSED.**—Reports state that by a unanimous vote the County Court on April 21 passed a resolution authorizing the County Attorney to draw a resolution to issue \$150,000 bonds for the Oakville memorial sanitarium. The resolution will be presented at the July term of the court.

**SHELBY SCHOOL DISTRICT (P. O. Shelby), Toot County, Mont.—BOND ELECTION PROPOSED.**—The school authorities are planning to call an election for the people to pass upon a new school building bond issue of \$30,000.

**SHELL BLUFF SPECIAL ROAD AND BRIDGE DISTRICT, Flagler County, Fla.—CORRECTION.**—On April 3 G. B. Sawyers & Co. of Jacksonville were awarded \$99,500 6% 25-year serial road bonds at 97 (not 95.355 as reported in V. 108, p. 1850).

**SNOW CREEK TOWNSHIP, Stokes County, No. Caro.—BOND OFFERING.**—Proposals will be received until 2 p. m. May 17 by W. T. Shelton, member of the Permanent Road Commission (P. O. Sandy Ridge), for \$35,000 6% 30-year road bonds. Denom. \$500. Int. semi-ann. Certified check or cash for \$500 required. Assessed value for taxes, 1918, \$667,767. Population 1910 (Census), 2,375.

**SOUTH AMHERST, Lorain County, Ohio.—BOND SALE.**—On April 7 the \$10,000 6% town-hall and street-improvement bonds offered on that date—V. 108, p. 1090—were awarded to W. L. Slayton & Co. of Toledo at 105.50 and interest. Due \$500 yearly on Mar. 1 from 1920 to 1939, incl. Other bidders were:

Nat. Bk. of Comm., Colum. \$10,465 30 | Tillotson & Wole Co., Clev. \$10,431 50  
Seasongood & Mayer, Cin. 10,452 50 | A. T. Bell & Co., Toledo. 10,413 00  
Otis & Co., Cleveland. 10,450 00 | Spitzer, Rorick & Co., Tol. 10,412 50  
Durflee, Niles & Co., Tol. 10,431 80 | Breed, Ell't & Har., Cin. 10,355 00

**SPARTANBURG SCHOOL DISTRICT (P. O. Spartanburg), Spartanburg County, So. Caro.—BONDS VOTED.**—It is stated that the people of this district recently authorized the issuance of \$200,000 school bonds.

**SPOKANE COUNTY (P. O. Spokane), Wash.—BOND ELECTION.**—It is reported that the County Commissioners on April 28 decided to call a special election for the people to vote on \$3,500,000 road-construction bonds—6 to 20 serial—\$500,000 to be issued in 1920 and increased each year by \$100,000 until maximum of \$900,000 is reached.

**STORM LAKE INDEPENDENT SCHOOL DISTRICT (P. O. Storm Lake), Buena Vista County, Iowa.—BOND SALE.**—The \$40,000 school bonds recently voted (V. 108, p. 1746) have been awarded, according to reports, to Schanke & Co. of Mason City at 101.89.

**SUGAR CREEK TOWNSHIP SCHOOL DISTRICT (P. O. New Palestine), Hancock County, Ind.—BOND ELECTION.**—The State Board of Tax Commissioners, it is reported, has fixed May 31 as the day

on which the citizens will vote on a proposition to issue \$57,000 school-building bonds.

**SULLIVAN COUNTY (P. O. Bristol), Tenn.—BOND OFFERING.**—Proposals will be received until 12 m. May 20 by W. D. Lyon, Chairman of Road Commission (care of First National Bank, Bristol), for \$235,000 5% road bonds, it is stated.

**SUTTON COUNTY (P. O. Sonora), Tex.—BOND ELECTION.**—The "Dallas News" of May 2 states that the voters of this county will vote on an issue of \$300,000 road impt. bonds May 24, according to an order that has been passed by the County Commissioners.

**TARRANT COUNTY (P. O. Fort Worth), Tex.—BOND ELECTION PROPOSED.**—Petition is to be filed with Hugh L. Small, County Judge, asking him to call an election in June to vote \$3,500,000 road-impt. bonds to do away with dangerous grade crossings.

**TEHAMA COUNTY (P. O. Red Bluff), Calif.—BOND ELECTION.**—Reports state that on July 1 a proposition to issue \$807,000 bonds will be submitted to the voters.

**TERRELL-ELMO ROAD DISTRICT (P. O. Terrell), Kaufman County, Tex.—BONDS VOTED.**—At the election held April 26 it is reported, the proposition to issue the \$500,000 road bonds mentioned in V. 108, p. 1746, carried by a substantial majority.

**THOMAS COUNTY (P. O. Thomasville), Ga.—BONDS VOTED.**—The issuance of \$700,000 road bonds carried, according to reports, at a recent election.

**TIVERTON TOWNSHIP SCHOOL DISTRICT, Coshocton County, Ohio.—BOND SALE.**—On May 3 the \$1,600 5½% school-building-equipment bonds, offered on that date (V. 108, p. 1638) were awarded to the Farmers & Merchants Bank of Warsaw, at 100.625 and interest. Due \$400 yearly on April 1 from 1920 to 1923, incl. W. L. Slayton & Co. of Toledo bid \$1,604.

**TOM BEAN ROAD DISTRICT (P. O. Sherman), Grayson County, Tex.—BONDS VOTED.**—At a recent election the people favored the issuance of \$75,000 road bonds by a vote of 120 to 15, it is reported.

**TUDOR SCHOOL DISTRICT (P. O. Tudor), Sutter County, Calif.—BONDS VOTED.**—At a recent election \$10,000 school bonds were unanimously voted.

**TYLER COUNTY (P. O. Woodville), Tex.—BONDS VOTED.**—At a recent election, it is reported, a proposition to issue \$800,000 road bonds carried by a vote of 4 to 1.

**VAN WERT COUNTY (P. O. Van Wert), Ohio.—BOND OFFERING.**—Proposals will be received until 12 m. May 24 by Nolan E. Stuckey, Clerk Board of County Commissioners, for \$154,500 5% inter-county highway impt. bonds. Auth. Sec. 1223 Gen. Code. Denom. 153 for \$1,000, a for \$1,500. Date May 1 1919. Prin. and semi-ann. int. (M. & S.) payable at the County Treasurer's office. Due \$8,000 on Mar. 1 and Sept. 1 in each of the years from 1920 to 1928, incl.; and \$10,500, Mar. 1 1929. Cert. check on a solvent Ohio bank, for 5% of amount of bonds bid for, payable to the Board of County Commissioners, required. Purchaser to pay accrued interest.

**VIGO COUNTY (P. O. Terre Haute), Ind.—BONDS PROPOSED.**—It is reported that the County Commissioners have petitioned the State Board of Tax Commissioners for authority to issue \$11,400 road bonds.

**VILLE PLATE SCHOOL DISTRICT (P. O. Ville Platte), Evangeline Parish, La.—BONDS VOTED.**—According to reports, an election for the issuance \$70,000 school bonds carried by a large vote.

**VIRGINIA BEACH, Princess Anne County, Va.—BONDS VOTED.**—Newspaper reports state that at an election held April 24 a proposition providing for the issuance of \$25,000 5% 30-year sewer and water-system bonds carried by a vote of 25 "for" to 4 "against."

**VIROQUA, Vernon County, Tex.—BONDS VOTED.**—By a vote of 328 "for" to 99 "against," the people decided to issue the \$50,000 hospital bonds mentioned in V. 108, p. 1197.

**WALLA WALLA COUNTY SCHOOL DISTRICT NO. 23, Wash.—BOND OFFERING.**—Reports state that proposals will be received until May 12 by E. S. Buggan, County Treasurer (P. O. Walla Walla), for \$7,000 school-building bonds.

**WALTON COUNTY (P. O. Monroe), Ga.—BONDS VOTED.**—According to reports, a proposition to issue \$200,000 road bonds carried at an election held April 17. The approximate vote was 1,780 "for" to 139 "against."

## NEW LOANS

\$200,000

## BEE COUNTY, TEXAS

## 5½% SERIAL ROAD BONDS

Sealed bids will be received by the Commissioners' Court of Bee County until  
MAY 12

for \$200,000 5½% 1-30-year serial road bonds, being part of an authorized issue of \$600,000. Int. semi-ann.

Bids must be accompanied by cashier's check for \$3,000.

Total Bonded Debt.....\$258,605 47

Assessed valuation of Bee County.....\$8,080,686

Actual value (estimated).....\$20,000,000

T. M. COX,  
County Judge,  
Beville, Tex.

## S. N. BOND &amp; CO.

Commercial Paper  
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of New York

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Capital, Surplus and Undivided  
Profits, \$30,000,000

## FINANCIAL

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**WARREN, Trumbull County, Ohio.—BOND SALE.**—On May 3 the \$11,000 6% coupon paying (city's share) bonds (V. 108, p. 1433) were awarded to W. L. Slayton & Co. of Toledo at 103.07. Due yearly on April 15 as follows: \$3,000, 1922; \$4,000, 1923 and 1924.

**WARREN COUNTY (P. O. Williamsport), Ind.—BOND OFFERING.**—Proposals will be received by Frank Hildenbrand, County Treasurer, until 2 p. m. May 12 for \$15,600 4½% coupon tax-free Liberty Township (special assessment) gravel road bonds, Denom. \$780. Date Apr. 7 1919. Int. M. & N. Due \$780 each six months from May 15 1920 to Nov. 15 1929, incl. Purchaser to pay accrued interest.

**WASHINGTON COUNTY (P. O. Brenham), Tex.—BOND ELECTION.**—Newspaper reports state that an election will be held June 1 (date changed from May 31 V. 108, p. 1851) for the voters to approve or disapprove the issuance of \$1,500,000 road bonds.

**WAVERLY, Pike County, Ohio.—BONDS VOTED.**—By a vote of 166 "for" to 4 "against," the people on April 22 decided to issue \$11,000 electric-light-plant bonds, it is stated.

**WELLINGTON, Lorain County, Ohio.—BOND ELECTION.**—According to local papers the Council has decided to ask the voters for their approval of a \$50,000 bond issue to be used in improving the village's power plant. May 26 is the date set for the election.

**WELLSTON, Jackson County, Ohio.—BOND OFFERING.**—F. W. Harrison, City Auditor, will receive bids until 12 m. June 4 for \$4,500 5% water bonds. Auth. Sec. 3916, Gen. Code. Denom. \$500. Date Jan. 1 1919. Interest semi-annual. Due \$500 yearly on Jan. 1 from 1921 to 1929, inclusive, at the First National Bank, of Wellston. Certified check for 5% of amount of bonds bid for, payable to the "City of Wellston" required. Bonds to be delivered and paid for within ten days from date of award. Purchaser to pay accrued interest.

**WESTERLY, Washington County, R. I.—LOAN OFFERING.**—It is reported that the Treasurer will receive bids until 2:30 p. m. May 14 for a temporary loan of \$85,000, dated May 15 and maturing Nov. 15 1919.

**WEYMOUTH, Norfolk County, Mass.—TEMPORARY LOAN.**—On May 2 a temporary loan of \$150,000 maturing \$100,000 Nov. 12 and \$50,000 Dec. 24 1919, was awarded to the Old Colony Trust Co. of Boston, on a 4.42% discount basis.

**WHEATLAND, Mercer County, Pa.—BONDS VOTED.**—It is reported that a proposition to issue \$25,000 street-improvement bonds carried by a majority of 55 at a recent election.

**WHEELING, Ohio County, W. Va.—BONDS DEFEATED.**—At the election held April 17 the proposition to issue the \$1,620,000 filtration bonds mentioned in V. 108, p. 1538, was voted down by 1,209 "for" to 2,087 "against," it is reported.

**WILLIAMS COUNTY (P. O. Bryan), Ohio.—BOND OFFERING.**—Proposals will be received until 10 a. m. May 16 by C. K. Lowe, County Auditor, for \$39,000 5% Bryan-Wauseon Road (I. C. H. No. 297) bonds. Auth. Secs. 1223 and 2294 Gen. Code. Denom. \$500. Date May 10 1919. Int. semi-ann. Due \$2,000 on Mar. 10 and Sept. 10 in each of the years from 1920 to 1928, incl.; and \$3,000 Mar. 10 1929. Cert. check for 5% of amount of bonds bid for, payable to the County Treasurer, required. Bonds to be delivered and paid for within 10 days from date of award. Purchaser to pay accrued interest.

**YAKIMA COUNTY (P. O. Yakima), Wash.—BOND SALE.**—On April 29 the \$250,000 4-15-year (opt.) coupon bonds (V. 108, p. 1746) were awarded to the Yakima National Bank.

**YORK, York County, So. Caro.—BOND OFFERING.**—According to reports, I. W. Johnson, Mayor, will receive bids until 12 m. May 15, for \$50,000 20-40-year (opt.) street bonds at not exceeding 5% interest. Int. ann. Cert. check for \$500 required.

**CANADA, its Provinces and Municipalities.**

**BEAMSVILLE, Ont.—DEBENTURE OFFERING.**—The town will receive bids until May 15 for \$6,000 6% 10-installment debentures, it is stated.

**BINBROOK TOWNSHIP, Ont.—DEBENTURE ELECTION.**—According to newspaper reports, a by-law to issue \$14,000 5½% 10-installment debentures for the erection of a soldiers' memorial hall will be submitted to the voters at an election to be held May 19.

**CHARLOTTETOWN, Prince Edward Island.—DEBENTURES AUTHORIZED.**—The city has been authorized to issue \$100,000 street debentures, it is reported.

**COTTER SCHOOL DISTRICT, Alta.—DEBENTURE SALE.**—An issue of \$2,000 7% 10-installment school debentures has been purchased, it is reported, by H. J. Birkett & Co., of Toronto.

**DUNNVILLE, Ont.—DEBENTURES AUTHORIZED.**—On April 4, it is reported, the Council passed a by-law authorizing the issuance of \$2,407 street and road debentures.

**GRIMSBY, Ont.—DEBENTURE SALE.**—G. A. Stimson & Co. of Toronto have purchased an issue of \$15,000 6% 10-installment debentures at 102.51, it is stated.

**KINGSTON, Ont.—DEBENTURES PROPOSED.**—The Finance Committee, it is reported, has passed two by-laws for issuing \$35,000 patriotic and \$30,000 water-works electric pump debentures.

**MARQUETTE SCHOOL DISTRICT, Man.—DEBENTURE SALE.**—It is reported that H. J. Birkett & Co., of Toronto, have purchased \$3,000 7% 20-installment school debentures.

**MOOSE JAW, Sask.—DEBENTURE OFFERING.**—Geo. D. Mackie, City Commissioner, will receive tenders until 12 m. May 19 for \$210,000 electric-light-system-extension debentures. Tenders will be received for either 5½% 20-installment debentures or 5½% 20-year Sinking Fund debentures.

**NEW BRUNSWICK (Province of).—DEBENTURE OFFERING.**—The Comptroller General will receive bids until 12 m. May 14 for \$1,000,000 5½% tax-free coupon (with privilege of registration) gold road and bridge debentures. Denoms. \$1,000 and \$500. Date May 15 1919. Prin. and semi-ann. int. (M. & N.) payable at the office of the Provincial Secretary-Treasurer, at Fredericton, or at the Bank of Montreal in St. John, Montreal, Toronto, or New York, at option of holder. Cert. check for \$20,000 required. Full payment for debentures with accrued interest to date of payment to be made at the Bank of Montreal, Fredericton, or delivery of interim certificates at said bank. (Interim certificates will be supplied, to be exchanged for definite debentures on completion by the engravers.)

**OSHAWA, Ont.—DEBENTURE ELECTION.**—At an election to be held to-day (May 10), the ratepayers will vote on a by-law to issue \$25,000 5½% 20-installment town-hall site-purchasing debentures, it is stated.

**ROSTHERN SCHOOL DISTRICT NO. 474 (P. O. Rosthern), Sask.—DEBENTURE SALE.**—On May 1 the \$35,000 6½% 25-year school addition and remodeling debentures, offered on April 30 (V. 108, p. 1640), were awarded to the Sinking Fund Trustees of the City of Regina at 104.84. Date June 1 1919. Int. payable annually on Dec. 1. Other bidders were: Harris, Read & Co., Reg. \$36,645 00 G. A. Stimson & Co., Tor. \$35,535 50 W. L. McKinnon & Co., Regina 36,158 50 Wood, Gundy Co., Tor. 35,451 50 Bond & Debenture Corp., Toronto 35,245 00 McNeil, Graham & Co., Tor. 36,050 00 Noy & James, Regina 35,861 00 Burgess & Co., Toronto 35,182 00 The Sterling Bank, Tor. 35,800 00

**ST. JOHN COUNTY (P. O. St. John), N. B.—DEBENTURE OFFERING.**—J. K. Kelley, County Secretary, will receive bids until 12 m. July 1 for \$100,000 5% 20-year tax-free debentures. Denom. \$500. Date July 1 1919. Int. J. & J. Bonded debt May 6 1919, \$328,300; Floating debt, \$120,000. Sinking fund, \$73,806 37. Assessed valuation, \$46,437,105.

**ST. THOMAS, Ont.—DEBENTURE ELECTION.**—An election will be held May 27 when, it is reported, the voters will decide whether or not to issue \$45,000 railway and \$8,000 pavilion debentures.

**SASKATOON, Sask.—DEBENTURES PROPOSED.**—It is reported that the city is seeking the consent of the local government board to issue \$500,000 debentures.

**SCARBORO TOWNSHIP, Ont.—DEBENTURES AUTHORIZED.**—According to newspaper reports, the Township Council on April 14 passed a by-law to issue \$40,000 School Section No. 13 debentures.

**THOROLD, Ont.—DEBENTURE SALE.**—J. F. Stewart & Co. have been awarded an issue of \$40,000 6% 10-installment debentures at 102.58, it is stated.

**TRENTON, Ont.—DEBENTURE ELECTION.**—A proposition to issue \$30,000 5½% 20-installment cement sidewalk debentures will be voted upon May 26, it is stated.

**WALKERVILLE, Ont.—DEBENTURE SALE.**—The \$30,000 15-installment Walker Road paving and \$15,000 coupon (with privilege of registration) 10-installment Canadian Patriotic Fund 6% debentures, for which bids were rejected on March 31—V. 108, p. 1434—have been awarded, it is stated, to J. F. Stewart & Co. at 103.77.

**WEYBURN, Sask.—DEBENTURES AUTHORIZED.**—A by-law to issue \$10,000 debentures to reimburse current account for capital expenditures was passed by the Council on April 8, according to newspaper reports.

**FINANCIAL**

**BOND CALL**

**BOND CALL.**

**TOWN OF ANTONITO, COLORADO WATER BONDS**

The Town of Antonito, Colorado, hereby calls in for payment \$25,000 water bonds, issued by the Town of Antonito, dated June 1, 1909, optional June 1, 1919, due June 1, 1924, consisting of bonds numbered from 1 to 50, inclusive, in the denomination of \$500 each; said bonds will be paid upon presentation at the office of the Town Treasurer in Antonito, Colorado, at the banking house of Kountze Brothers in the City of New York, or at the office of Baywell, Phillips, Este & Company, Colorado National Bank Building, Denver, Colorado, on and after June 1, 1919. Interest will cease on the above described bonds sixty days after date of the first publication of this call.

JAS. G. MAIR,  
City Treasurer.

**Government, Municipal, Railroad  
Public Utility Industrial  
INVESTMENT BONDS**

**A. B. Leach & Co., Inc.**

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Baltimore Scranton Pittsburgh Detroit Milwaukee

**Illinois Trust & Savings Bank**

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Financial

# Atlantic Mutual Insurance Company

New York, January 24th, 1919.  
The Trustees, in conformity with the Charter of the Company, submit the following statement of its affairs on the 31st of December, 1918.

Premiums on Marine and Inland Transportation Insurances from the 1st January, 1918, to the 31st December, 1918.....	\$5,684,891.55
Premiums on Policies not terminated 1st January, 1918.....	1,072,550.99
Total Premiums.....	\$7,757,442.51
Premiums marked off as terminated from 1st January, 1918, to 31st December, 1918.....	\$6,758,508.18
Interest on the investments of the Company received during the year \$418,106.66	
Interest on Deposits in Banks, Trust Companies, etc.....	120,010.84
Rent received less Taxes and Expenses.....	97,634.51
Less: Salvages.....	\$239,186.51
Re-insurances.....	1,947,733.08
	\$1,105,973.04
	\$1,919,054.05
Re-insurance Premiums and Returns of Premiums.....	\$1,756,937.01
Expenses, including compensation of officers and clerks, taxes, stationary, advertisements, etc.....	\$ 996,019.98

A dividend of interest of Six per cent. on the outstanding certificates of profits will be paid to the holders thereof, or their legal representatives, on and after Tuesday the fourth of February next. The outstanding certificates of the issue of 1917 will be redeemed and paid to the holders thereof, or their legal representatives, on and after Tuesday the fourth of February next, from which date all interest thereon will cease. The certificates to be produced at the time of payment and canceled.

A dividend of Forty-five per cent. is declared on the earned premiums of the Company for the year ending 31st December, 1918, which are entitled to participate in dividend, for which, upon application, certificates will be issued on and after Tuesday the sixth of May next.

By order of the Board, G. STANTON FLOYD-JONES, Secretary.

TRUSTEES.

- |                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EDMUND L. BAYLIES,<br>JOHN N. BEACH,<br>NICHOLAS RIDDLE,<br>JAMES BROWN,<br>JOHN CLAFLIN,<br>GEORGE C. CLARK,<br>J. WILLIAM CLARK,<br>FREDERIC A. DALLETT,<br>CLEVELAND H. DODGE,<br>CORNELIUS ELDERT,<br>G. STANTON FLOYD-JONES. | PHILIP A. S. FRANKLIN,<br>HERBERT L. GRIGGS,<br>SAMUEL T. HUBBARD,<br>WILLIAM H. LEFFERTS,<br>CHARLES D. LEVERICH,<br>HENRY FORBES MCCREERY,<br>NICHOLAS F. PALMER,<br>WALTER WOOD PARSONS,<br>CHARLES A. PEABODY,<br>WILLIAM R. PETERS,<br>JAMES H. POST,<br>CHARLES M. PRATT, | DALLAS B. PRATT,<br>JOHN J. RIKER,<br>JUSTUS RUPERTI,<br>WILLIAM JOY SCHIEFFELIN,<br>SAMUEL SLOAN,<br>WILLIAM SLOANE,<br>LOUIS STERN,<br>WILLIAM A. STREET,<br>GEORGE E. TURNURE,<br>GEORGE C. VAN TUYL, Jr.,<br>RICHARD H. WILLIAMS. |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

CORNELIUS ELDERT, President.  
WALTER WOOD PARSONS, Vice-President.  
CHARLES E. FAY, 2d Vice-President.  
WILLIAM D. WINTER, 3rd Vice-President.

ASSETS.		LIABILITIES.	
United States and State of New York Bonds.....	\$ 3,463,000.00	Estimated Losses and Losses Unsettled in process of Adjustment.....	\$ 4,557,029.00
Stocks of the City of New York and Stocks of Trust Companies & Banks.....	1,385,500.00	Premiums on Terminated Risks.....	1,000,934.33
Stocks and Bonds of Railroads.....	3,069,879.85	Certificates of Profits and Interest Unpaid.....	316,702.75
Other Securities.....	285,410.00	Return Premiums Unpaid.....	129,017.66
Special Deposits in Banks and Trust Companies.....	1,000,000.00	Taxes Unpaid.....	400,000.00
Real Estate cor. Wall Street, William Street and Exchange Place.....	3,900,000.00	Re-insurance Premiums on Terminated Risks.....	288,508.92
Real Estate on Staten Island (held under provisions of Chapter 481, Laws of 1887).....	75,000.00	Claims not Settled, including Compensation, etc.....	139,296.10
Premium Notes.....	663,439.52	Certificates of Profits Ordered Redeemed, Withheld for Unpaid Premiums.....	22,592.54
Bills Receivable.....	716,783.36	Income Tax Withheld at the Source.....	6,140,100.00
Cash in hands of European Bankers to pay losses under policies payable in foreign countries.....	280,904.00	Certificates of Profits Outstanding.....	3,825,570.11
Cash in Bank and in Office.....	1,972,809.61	Balance.....	
Statutory Deposit with the State of Queensland, Australia.....	4,765.00		
	\$16,823,491.34		\$16,823,491.34
Balance brought down.....	\$3,825,570.11		
Accrued Interest on the 31st day of December, 1918, amounted to.....	95,890.45		
Rents due and accrued on the 31st day of December, 1918, amount to.....	23,106.40		
Re-insurances due or accrued, in companies authorized in New York, on the 31st day of December, 1918, amounted to.....	462,184.31		
Note: The Insurance Department has estimated the value of the Real Estate on Staten Island in excess of the Book Value given above, at.....	63,700.00		
The Insurance Department's valuation of Stocks, Bonds and other Securities exceeds the Company's valuation by.....	2,411,384.11		
On the basis of these increased valuations the balance would be.....	\$6,881,835.38		

Financial

## Foreign Exchange Department Letters of Credit Negotiated

Arrangements can be made for the importation of merchandise through the use of dollar acceptances.

Capital - \$2,250,000

OFFICES

- |                                                            |                                                               |
|------------------------------------------------------------|---------------------------------------------------------------|
| <b>Market &amp; Fulton</b><br>81-83 Fulton St.<br>New York | <b>Flatbush</b><br>839 Flatbush Ave.<br>Brooklyn              |
| <b>Eighth Street</b><br>B'way & 8th St.<br>New York        | <b>New Utrecht</b><br>New Utrecht Ave. & 54th St.<br>Brooklyn |
| <b>Aetna</b><br>92 West B'way<br>New York                  | <b>Long Island City</b><br>Bridge Plaza<br>Long Island City   |

## Irving Trust Company

FREDERIC G. LEE, President.

Woolworth Building  
New York

## High Grade Investment Bonds

Municipal and Corporation  
Issues Underwritten

We specialize in securities of  
the Mississippi Valley and the  
South

BOND DEPARTMENT  
**Mississippi Valley Trust Co.**  
ST. LOUIS

## MELLON NATIONAL BANK PITTSBURGH

STATEMENT OF CONDITION AT THE CLOSE OF BUSINESS MARCH 4, 1919

RESOURCES		LIABILITIES	
Loans and Discounts.....	\$46,760,625 68	Capital.....	\$6,000,000 00
United States Obligations.....	33,332,255 93	Surplus and Undivided Profits.....	4,533,807 79
Other Bonds and Investments.....	28,233,714 78	Reserves.....	2,666,364 89
Overdrafts.....	48	Borrowed from Federal Reserve Bank.....	8,300,000 00
Cash and due from Banks.....	22,268,585 21	Circulating Notes.....	5,120,000 00
	\$130,595,183 03	(Individuals.....)	\$61,080,985 48
		Deposits: Banks.....	36,311,835 52
		(Government.....)	6,632,088 38
			103,975,009 35
			\$130,595,183 03

Acts as  
Executor,  
Trustee,  
Administrator,  
Guardian,  
Receiver,  
Registrar and  
Transfer Agent

Interest allowed  
on deposits.

## Girard Trust Company

PHILADELPHIA  
Chartered 1836  
CAPITAL and SURPLUS, \$10,000,000

Member of Federal Reserve System  
E. B. Morris, President

H. M. CHANCE & CO.  
Mining Engineers and Geologists  
COAL AND MINERAL PROPERTIES  
Examined, Managed, Appraised  
Dressel Bldg. PHILADELPHIA

F. WM. KRAFT, Lawyer  
Specializing in Examination & Preparation  
County, Municipal and Corporation  
Bonds, Warrants and Securities and  
Proceedings Authorizing Same.  
Rooms 817-820, 111 W. Monroe St.,  
Harris Trust Building  
CHICAGO, ILLINOIS

## If There Is A Market We Can Find It

We hold sales of stocks  
and bonds every Wednesday,  
charging \$1 50 entrance fee  
for each item. Our weekly  
catalogues and postal card service  
reach every market. We take  
pleasure in furnishing quotations.

**Barnes & Lofland**  
Stock Brokers & Auctioneers  
147 S. 4th St., Philadelphia