

BANKERS MADE LOANS ON BONDS AND GOODS

German War Credit Institutions had Been Carefully Prepared During Peace Time

BRANCH SYSTEM IN VOGUE

On December 31 Total Amount of Loans Outstanding Was \$329,287,948, of Which \$317,178,459 Was Secured by Stocks, etc., and \$12,109,489 by Merchandise.

The American Association of Commerce and Trade in Berlin publishes in its regular weekly bulletin under date of May 8 some interesting data relative to the German war credit institutions. On December 31 the total amount of loans outstanding through these banks was \$329,287,948, which was secured to the extent of \$317,178,459 by stocks and bonds, and \$12,109,489 by merchandise. The extension of loans since the beginning of the current year is not shown. These loan institutions, the bulletin points out, are the collateral or loan banks, and the war credit banks. In accordance with the Imperial act of Aug. 4, 1914, the loan banks give credit on legally recognized objects, such as bonds and stocks, merchandise, agricultural products and the like. These loan banks extend credit to reliable citizens of good standing, requiring that the safety of the loan be established by either tangible security or pledge, and furthermore by the debtors' entire property.

Branch offices were established in connection with the branches of the German Imperial Bank. Since their organization and method of operation had been prepared in times of peace, it was a simple matter to inaugurate the service on the same day of its authorization.

The following represents an outline of their activity in the war months of 1914.

The entire turn-over of the loan banks in the months of August to December, 1914, amounts to in Berlin \$509,221,461. At the branches \$68,375,797.

Total \$577,597,258. The following table shows the way the loans were extended by weeks and for what purpose they were used:

	Total Loans	War Loan	Other
September 7	\$60,500,000		
September 15	63,750,000		
September 23	66,250,000		
September 30	119,500,000		
October 7	278,750,000	\$17,500,000	\$101,250,000
October 15	253,500,000	147,250,000	106,250,000
October 23	236,500,000	138,250,000	102,250,000
October 31	277,500,000	194,500,000	83,000,000
November 14	286,000,000	187,500,000	71,500,000
November 23	223,250,000	162,750,000	60,500,000
November 30	265,500,000	201,750,000	63,750,000
December 7	258,000,000	195,000,000	63,000,000
December 15	247,250,000	182,250,000	65,000,000
December 23	287,250,000	226,000,000	67,000,000
December 31	329,250,000	230,250,000	97,750,000

The Imperial act of August 4, 1914, limited the initial issue of loan bank notes to the amount of \$375,000,000, which amount was later increased to \$750,000,000.

As a matter of fact, the demand upon the loan banks has not yet reached this limit, in spite of the fact that the advanced loans of the Reichsbank were taken over by the loan banks and that the final payments of the \$1,115,000,000 of the first war loan took place during that time.

The maximum outstanding accounts or loans of the loan banks in 1914 reached only \$229,250,000.

On the opening day of the loan banks on August 4, 1914, loans to the amount of \$1,050,000 were extended, while in the following weeks the demand was exceedingly small and it was September 7, 1914, when the total loans reached the sum of \$60,500,000, expanding to \$119,500,000 at the end of September.

The rising demand upon the loan banks beginning in October had its cause in the issue of the first war loan. Apart from the subscriptions to the war loan, which increased the demand upon the loan banks, the credit of these banks was encroached upon very little, the same as in the last quarter of 1914.

Credits extended varied between \$105,250,000 (October 15), and \$60,500,000 (November 23). The first weekly return of the loan banks was issued September 7, 1914.

The return of December 31, 1914, shows the following figures:—

	In Berlin	At the branches
Total	\$329,287,948	\$232,901,632
Of these loans were extended on securities, bonds and stocks, book accts.	\$317,178,459	\$226,109,489
Merchandise		
Total	\$329,287,948	

Loans extended on merchandise were therefore only 3.7 per cent. of all loans. Loans were granted on: Sugar, \$5,608,137; grain, \$78,775; lumber, \$2,395,747; kail, \$559,662.

Up to December 31, 1914, the following notes of the loan banks were put into circulation:

Notes of 1 Mark, amounting to total	\$19,175,000
Notes of 2 Marks, amounting to total	\$50,000,000
Notes of 5 Marks, amounting to total	\$68,375,000

The following notes were in the vaults of the Reichsbank:

Notes of 1 Mark, amounting to total	\$ 2,789,794
Notes of 2 Marks, amounting to total	\$16,049,692
Notes of 5 Marks, amounting to total	\$ 2,024,672

In free circulation were:

Notes of 1 Mark, amounting to total	\$16,385,206
Notes of 2 Marks, amounting to total	\$33,950,306
Notes of 5 Marks, amounting to total	\$56,350,327

Besides these notes others of a denomination of 20 Marks were in circulation, amounting in all to \$4,712,255.

The interest of the total loans extended in 1914 reached the sum of \$4,119,649.

The operating cost in 1914 was \$182,836, which sum includes the printing of the notes, representing an item of \$64,113.

ROCK ISLAND RECEIVES CERTIFICATES. Chicago, June 29.—Judge Carpenter has granted the petition of Attorney Strawn representing the receivers of Chicago and Western Illinois to issue \$125,000 one-year 6 per cent. receivers' certificates to reimburse the railroad for money advanced to coal properties. The court allowed a commission of one-half per cent. on these certificates and allowed an ad-interim salary of \$5,000.

ALFALFA YIELD IN ALBERTA IS SHOWING SOME RAPID INCREASES

Crops For 1915 Will Approximate a Value of \$661,200, as Compared With Nothing a Few Years Ago—In Irrigated Alberta This Increase is Greatest.

A phenomenal addition to the agricultural wealth of the province has been made in the last few years through the marked increase in the culture of alfalfa, according to figures obtained from the C. P. R. According to these figures, it may be safely calculated that the alfalfa crop in the irrigated districts of southern Alberta, this year will approximate \$661,200, as against nothing a few years ago.

In 1910 there were under cultivation in the province 2,500 acres of alfalfa; last year, according to the government figures, 11,400 acres were under crop; this year, according to the figures mentioned, it may be safely figured that the acreage will amount to 14,500.

In 1913 Lethbridge, the pioneer alfalfa district cultivated 10,000 acres; this year 12,000 acres are under crop, while the acreage in the C. P. R. irrigation block has increased from 700 in 1913 to 1,500 this year, making a total for the two districts this year of 14,500 acres.

The average price for alfalfa was \$11.40 per ton last year. The crop averages four tons to the acre, being cut several times during the summer, so that the total value of the crop this year would approximate, as stated, \$661,200.

As this crop does not, like ordinary ones, have to be planted each year, the value of alfalfa to the farmers in districts where irrigation can be obtained, is apparent, since water is what the crop needs primarily. And that the farmers of southern Alberta are fast coming to recognize this truth may be inferred from the fact that two-thirds of the alfalfa grown in the three prairie provinces is grown in Alberta.

BRADEN COPPER CO. ANNUAL.

New York, June 29.—At Braden Copper annual meeting, President S. R. Guggenheim stated the company had 66,000,000 tons of ore developed with 20,000,000 tons additional probable and 27,000,000 tons more possible, making reserves of 113,000,000 tons.

When Braden property was taken over by the present interests the ore reserve amounted to 6,000,000 tons. Distribution of this ore in the mines is as follows:—

	Tons
Fortuna	17,000,000
Teniente	82,000,000
Regimiento	13,000,000

The ore grades 2 1/2 per cent. copper. President Guggenheim said the work at the property was improving month by month. For instance in the last fortnight 700,000 tons of copper was produced, the recovery being 73.45 per cent. against 69 per cent. There was put through the mill 47,079 tons ore running 2.09 per cent. copper. This ore is being taken from Fortuna mine, whereas better ore is contained in Teniente.

No financial statement has been prepared but Mr. Guggenheim stated Pope Yeatman who had been at the property was now on his way back to New York and that the general statement would be issued thereafter.

BRITISH COLUMBIA TIES HAVE GIVEN SATISFACTION IN INDIA

Victoria, B.C., June 25.—The cargo of 160,000 cross-tied Douglas fir ties, shipped to India to the order of the Bengal and North-Western Railway last fall for the steamship Queen Helena, have arrived, and have given satisfaction.

The ties are described, in the words of the agents in India, as being "an all-round good lot, well cut, of full dimensions and well cross-tied."

The agent-general has been requested to convey the thanks of the Railway Board, London to the Government in British Columbia for undertaking the inspection and despatch of the ties.

This order was secured for the province as a result of efforts on the part of the Minister of Lands, and the agent-general in co-operation with the Canadian Trade Commissioner, in London, the railway company stipulating that the B. C. Government should undertake the inspection of the ties before shipment.

Further orders for the Indian railways were in prospect, but the lack of tonnage has caused them to be held in abeyance.

FLOWING OIL WELL DISCOVERED.

Calgary, Alta., June 29.—A flowing well has been discovered on the property of the Southern Alberta Oil Company, according to the company's president, William Livingstone.

The rising oil has burst the safety valve which is attached to the top of the hole, and is flowing over the surrounding country.

Attempts will be made at once to control the flow. The depth of the well is 3,527 feet, and the pressure when the valve was blown off was 250 pounds to the square inch.

DEMAND FOR MOTOR CYCLES.

New York, June 29.—An enormous demand has developed for the American Motor Cycle. One company recently closed a contract for 3,000 machines involving an outlay of more than \$600,000 for shipment abroad and other large contracts are pending.

The 3,000 machines will be shipped to Russia. One or more motor cycle companies are operating day and night largely on foreign business, and it is believed that all companies will soon be operating full.

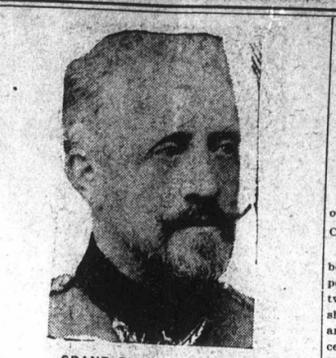
OPERATING AT FULL CAPACITY.

Chicago, June 29.—President Dunley, of Chicago Pneumatic Tool Company, says:— "Our plants are operating at capacity and in some places are running night shifts. Foreign business is large, domestic business is increasing. We have extensive orders from automobile and car companies, and from European and Japanese governments. The company is in excellent condition and dividends will be paid as usual this year."

SELLS HIS STOCK HOLDINGS.

New York, June 29.—A. J. Moxham, president Aetna Explosives Company, has sold his holdings of Giant Powder Consolidated Company, amounting to 2,725 shares, to the Atlas Powder Company, which recently took over control of the Giant Company.

Moxham's stock represents about 10 per cent. of Giant Company's capital and was largest individual holder.



GRAND DUKE NICHOLAS, Who will shortly be forced to meet a new attack on Warsaw.

BONDS OF AMERICAN RAILROADS ABROAD

President of Delaware and Hudson Secures Information Regarding 136 Systems

SOME VALUABLE STATISTICS

Answer to Requests Sent to 145 Rail Lines in U. S. Reveal Financial Status of Corporations Favorable to Investors—No Income Tax on Securities if Interest is Unpaid.

New York, June 29.—The Delaware and Hudson Co., by L. E. Loree, its president, recently sent requests to the headquarters of every railroad of importance in the Union relative to American railway securities held abroad.

Requests were sent to 145 railroad corporations, being all the railroads in the United States above 100 miles in length.

Replies were received from 136 companies. One hundred companies furnished statements of securities held abroad, while 37 replied that none of their securities was so owned. Eight companies have not yet replied. Seven are minor and one of medium importance, the combined mileage being 3,725 miles. They cannot materially affect the result.

The stocks were identified by entries in the transfer books of the issuing companies. To the extent that they may be carried in the names of domestic bankers, brokers, or institutions, for foreign holders, the amount would be understood. The inquiries indicate that such holdings will not exceed one hundred and fifty million dollars par value.

The bonds were in the main identified by the "slips" filed by the payee under the requirements of the Federal Income Tax Law. Where interest is in default there would be no income tax certificate.

The information was determined from data collected from October, 1914, to April, 1915, and during that period there have been large sales of these securities for foreign account in the American markets, and to that extent the amount would be overstated.

There are held in France several hundred million dollars worth of American Railroad securities that are not repayable except in francs and that cannot in any likely contingency come upon this market, unless as a result of action by the French Government. Where such bonds are in default it may be that there will be issued in place thereof, when reorganization is carried through, bonds payable in dollars. The amount of such bonds in default is not great.

There are held in Great Britain many of these securities by life and fire insurance companies that are likely to be held against calamities. There are also large amounts held by trustees and people of large means in that and other countries likely to be retained as insuring an income against any possibility of disaster.

It is believed that this information is of such general importance as well as of such particular importance to the railroads as to warrant a continuance of this investigation, especially in view of the large amount of these securities that have since the beginning of the European war been returned to this market. Banks will therefore be sent later in the year to the 100 companies as above, with the request that information be reported for the six months, July 1 to Dec. 31, as to bonds and other evidences of indebtedness, and for July as to stocks.

Satisfactory earnings are indicated for June with a large increase promised from July operations.

UTAH COPPERS OUTPUT.

New York, June 29.—Utah coppers output of 14,053,765 pounds of copper in May was a new high record, exceeding previous high in June, 1914, by 755,469 pounds. Yearly output is at the rate of approximately 165,000,000 pounds.

On the basis of the present copper prices Utah should be earning nearly \$20,000,000 a year, equal to \$12.50 a share not including the company's participation in earnings of Nevada Consolidated.

RAILROAD SECURITIES HELD ABROAD.

Security.	Jan. 1, '20	Jan. 1, '25	Jan. 1, '30	On and to after	Grand Total.
First preferred stock	34,921,000	56,428,640	16,000		61,375,640
Second preferred stock	1,322,000	1,129,700			2,451,700
Common stock	3,821,000	1,129,700	14,902,589		19,853,289
Notes	98,000				98,000
Receivers' certificates	5,696,000	71,060,567	10,982,000	\$8,408,800	\$132,453,848
Collateral trust bonds	3,210,000	2,828,000			6,038,000
Equipment bonds	33,210,000	928,000			34,138,000
Car trusts	161,294,400	62,365,367			223,659,767
Debtenture bonds			85,941,500	82,693,160	168,634,660
Mortgage bonds			182,978,300	180,952,216	363,930,516
Total	\$112,988,400	\$141,938,724	\$293,920,389	\$272,058,376	\$960,317,941

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"Has Been a Success"

The Montreal Journal of Commerce has completed its first year as a daily journal, under the presidency and editorship of Hon. W. S. Fielding, and the managing editorship of Mr. J. C. Ross, and it is gratifying that under discouraging conditions the venture has been a success. In addition to full reports of the different markets, and special articles relative to the business and industries of the country, it gives in condensed form the news of the world, and many able articles on general questions, which make it desirable for every business man to be a subscriber. The Beacon hopes that the Journal will be able to make the improvement which the management says the outlook warrants, and thus make it a still more valuable factor in the commercial world.

—Stratford Beacon.

"IT IS CERTAINLY FUNNY HOW THIS WAR GETS AT SOME MEN'S NERVES"

Only Trouble is That Canadians Have Not Got Enough Machine Guns—Going to Bring His Rifle Home.

Private W. M. Bates, of the Machine Gun Section of the 18th Battalion, in a letter to the Editor of the Canadian Textile Journal, says:—

"At the time you were writing your letter I had been through an experience that few men wish to repeat often. We had been in the reserve trenches for two days, and moved on May 20th under heavy shrapnel fire, and lost almost half our battalion, among them our esteemed Captain J. G. Ross. He certainly was a hero among the Machine Gun men. He was right behind me when he got hit, watching that all his men got out. After he fell a couple of men went to him, but he waved them on—only his bat-man stayed, and one man went for the stretcher bearers. He was hit by a large piece of shrapnel somewhere about the knee, and will probably lose part of his leg. The first time I spoke to Mr. Ross was when I was taking my fire lesson on the Machine Gun, and he came along and asked me several questions, which I answered as well as I could. He seemed well enough pleased and went on. He was not like most officers, but more like a 'man,' and I am sure they can never replace him.

"But I have written to several of the family about what has happened in the other engagements I have been in, so there is not much news. At present we are in the reserve trenches, and expect to move up to the first at any time. I had a walk up to the first line to-day. I have a lot of friends up there, and was glad to see them all. In the same engagement that we lost Mr. Ross we also lost two of my own particular chums—one was shot through the head and the other was reported missing, and has not been heard of since. The last couple of engagements we have lost very few men, but we have done no attacking, having only been in holding trenches, warding off attacks. The only trouble is that we have not got enough machine guns. Imagine a gun which can shoot 450 shots a minute taking two men to run it and fire, and six carrying ammunition, which also carry rifles which they use in the firing line. If I can I am going to bring my rifle home. It was hit by a piece of shrapnel the other day while I was going into the firing line.

"The men of the Battalion always call this the suicide section, but so far I like it, and would have no other. Of course, it is dangerous, but so it all is, so you run the odds. The men all hate to see us set our foot to go, but when they make a charge they are the last to go, if we go at all. Out of fifty-three at Ypres, only twelve men came out. But we should worry! It is certainly funny how this war gets at some men's nerves, and it certainly is too bad, too. It will get the best of them, I guess I have no nerve, but I always watch myself."

NEW RAILROAD BOND ISSUE.

Chicago, June 29.—Burlington has asked Illinois Public Utilities Commission for authority to issue \$15,850,000 general mortgage 4 per cent. bonds.

Counsel Davies said the entire amount is to reimburse the company's treasury for improvements and betterments made out of the income.

LACKAWANNA STEEL COMPANY RECEIVES MORE WAR ORDERS

New York, June 29.—Lackawanna Steel Company has closed another contract with French interests for 25,000 tons of shrapnel steel. The same concern previously bought 47,000 tons shrapnel bars from the Lackawanna Company. The total shrapnel orders taken by Lackawanna so far amount to slightly over 100,000 tons.

An order for 9,000 tons of rails and track material for Vladivostok road placed with the company by the Russian Government has been shipped and about 12,000 tons of the 40,000 ton order for the Archangel line.

Satisfactory earnings are indicated for June with a large increase promised from July operations.

GERMAN STEEL CONDITIONS.

New York, June 29.—Berlin correspondent of the Iron Age writes: The iron market continues in the same shape within the restricted scale of production necessitated by the war. All works are running full speed as laborers are concerned but could increase output considerably if more workmen could be had. The price tendency has remained very strong and large advances have been made since the last report about three months ago.

In second week of April various kinds of finished goods were marked up by agreement \$2.25 to \$4.75 per ton, and since that time the upward movement has continued. Thus the price agreed upon for soft steel bars was \$32.13, but sales are now mostly made between \$33.32 and \$35.70—the highest prices in many years. Open-heart steel bars cost \$3.57 to \$4.75 more than prices just quoted. The convention price for heavy plates is \$33.32 to \$34.51, but actual selling is somewhat higher. Thin plates range around \$24.40 to \$41.65. Similar conditions prevail for finished wire and wire rods. The price of the latter was fixed by agreement at \$32.13, but sales now are at \$33.32 to \$35.10. There is a very big demand for drawn wire, chiefly for military uses and where prompt delivery is stipulated the highest prices are demanded. Prices for tubing are firmly held, although there is not much new buying.

TRAFFIC FROM CROPS THIS YEAR.

New York, June 29.—B. F. Bush, president of the Erie Railroad, who is in New York, says: "Wheat has suffered some damage but crops and hay, fodder, etc., will be heavy so that the aggregate traffic that resulted from this year's crops promises to be a breaker."

LONDON METAL MARKET.

London, June 29.—Spot copper £2 2s. 6d. futures £23 7s. 6d. up 2s. 6d.; electrum spot 11s. 11d. up 1s. 11d.; futures £17 15s. up 15s.; futures £17 15s. up 15s. Sales spot £17 15s. 12 tons.

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