

MACHINERY IN BANKING LAW

Controller of Currency Has Doubt It Will Work Satisfactorily

OLIGARCHY DOWNED

States as being new "On Mount surrounded by confusion and agitated possibilities of expansion under Federal Reserve Act.

October 3.—The principal speaker at a Bankers' Association, in convention at Shelton, Conn., in the afternoon, was Mr. Williams called attention to the fact that the present time, "is the time of a universe overwhelmed by a deluge of confusion and raging strife," and that upon the threshold of a great opportunity. He said in part: "The Federal Reserve act is not a measure which banks and their customers, but it is a belief, to exert a powerful influence on the lives and fortunes of all classes of men. It is the instrumentality through which a financial oligarchy, it restores to commerce and industry hundreds of millions of money which was drawn from the big banks in two or three cities, and by those banks largely on demand check market.

A system to meet completely and effectively the expanding or contracting conditions of the seasons and the varying and it accomplishes along the most effective mobilization of the bank reserves, methods by which they can be most effectively utilized.

Removes Fears of Runs

Removes from honesty and capable of all fears of runs or the dread of a panic, by providing the means for quick currency the commercial paper in may have been invested.

Reserve of Credit

in demands first the preservation of that wounded, we would be unable to help; miserably powerless to help and feeble and shamed, while its back on us. If we allowed the to become inadequate for our right inflict the penalties of confidence and remorseless law.

Confidence in Politics

ion has been given full cause to exultingly that, when the general welfare are involved, the United States have no lines of distinction, in social grades or the favors of Fortune. The people have given cordial and cheerful movement and act approved by the for the good of the Republic.

BANK CLEARINGS

\$51,165,230; decrease \$11,520,874. \$12,168,995; decrease \$1,662,878.

REDUCTION IN OIL

October 3.—Standard Oil Company announced reductions in California from 2 1/2 cents to 15 cents.

CONFIDENCE STILL STRONG IN CANADA

Volume of Trade, However, Has Not Increased Materially During Past Week

PROVISION DEMAND SMALL

Gross Earnings of Canadian Railroads for First Three Weeks in September Show a Decrease of 47 Per Cent.—Commercial Failures Less Heavy.

Despatches to Dun's Review from branch offices of B. O. Dun and Company, in leading trade centres of the Dominion of Canada, indicate that well maintained confidence prevails, although the actual volume of business has not increased to any great extent. Retail reports that the movement of seasonable merchandise is rather slow, though satisfaction is generally expressed that sales are in as fair volume considering prevailing conditions. Retail trade is rather quiet, and wholesalers are not especially busy, but some manufacturing lines are more active, especially those engaged in government contracts.

Retail trade at Quebec is in very satisfactory volume for this season, and little complaint is heard from wholesalers regarding conditions. Halifax reports little change in the trade situation, there being still a moderate demand for seasonable commodities, but industrial lines are quiet with most factories working on reduced time.

Numerous manufacturers at Toronto are receiving good orders and in some mercantile lines business has improved. There is a moderate movement of dry goods, and a fair demand for groceries and provisions. Business at Hamilton is quiet, and a conservative feeling prevails in practically all lines. Business in all lines throughout the far west and northwest is fairly well maintained and is reported to be well up to the average for this season. Demand for groceries and provisions has fallen off at Winnipeg, but there is a brisk movement of men's furnishings, clothing and footwear, and the department store trade that sales are well up to those of a year ago in these lines. City trade is quiet at Saskatoon, but country merchants are buying more freely and the outlook is encouraging. Wholesalers at Regina report an active demand for staple lines, especially in food-stuffs. Wholesale trade shows some improvement at Calgary, and there is a better retail demand for seasonable merchandise. Country merchants are buying more freely at Edmonton, and indications on the whole are regarded as favorable. Retail trade is rather quiet at Vancouver, but jobbing lines show improvement and confidence is gradually returning.

Gross earnings of all Canadian railroads reporting for three weeks in September show a decrease of 47 per cent., as compared with the earnings for the same weeks for the corresponding period a year ago. Commercial failures in the Dominion of Canada this week numbered 60, as against 71 last week, and 33 the same week last year.

Bradstreet's Report

New York, October 3.—Business in the older sections of Canada is slow, but in the agricultural regions it is picking up. The war tends to stimulate such lines as textiles and leather. Wheat threshing in the Prairie provinces is almost finished and shipments are heavy, but those farmers who are in a position to hold their wheat show no anxiety to sell, expecting as they do, that prices will be higher. Collections in the Northwest display considerable improvement. Bank clearings at sixteen cities for the week ending with Thursday aggregate \$147,087,000, a drop of 27 per cent. from last week, and of 23 per

RAW SILK MARKET IN RATHER UNCERTAIN POSITION NOW

Demand for Silk Cloth is Not Holding Up in Domestic Markets and This is Having Some Influence on the Purchasing of Raw Material by Manufacturers.

The American Wool and Cotton Reporter says of the silk trade:— "The raw silk market is still in a rather uncertain position, with fluctuations occurring at intervals and with prices irregular from many causes. There was a slight advance some time ago, but this has been lost, and prices are somewhat weaker. Figures will vary according to whether the silk is spot, whether it is sold for future delivery and landed in New York, or whether it is sold without any consideration being given to the insurance. In Yokohama it was found that the somewhat higher prices were having an adverse effect upon the scale, and for this reason they were reduced in order that the largest market would not be influenced to hold off silk buying."

In a general way, manufacturers have not been buying silk in any quantities, but rather have been adopting a hand-to-mouth policy. At present there are some instances where it would seem as if silk were being purchased for stock, and it may indicate that prices are getting to a level which manufacturers feel is desirable for purchase.

The Italian market is very uncertain, due to the present conditions in that country, and prices are of a more or less nominal character. It is said that stocks in the domestic market are rather poorly assorted and that some of the higher grades are almost unobtainable.

At Canton, the European situation has upset the market, and, in addition, the fifth crop is likely to be of reduced proportion, which, of course, will tend to hold up prices. At Shanghai some varieties of silk are being offered at attractive prices, due largely to the needs of the reeliners in regard to finances.

The demand for silk cloth is not holding up in the domestic market as well as many expected, and this is having some influence upon the purchasing of raw silk by manufacturers. Some varieties of silk are being held at relatively high prices, because importers feel that it may be difficult to obtain more of such materials for some time, and they believe that higher prices will undoubtedly be secured. Possibly at no previous time has there been such a variation in the ideas regarding silk prices.

GERMANS IN TEXTILE MARKETS.

As illustrative of the foothold in the markets of Greater Britain obtained by the German textile manufacturers may be given the figures of exports of German textiles into Australia, New Zealand and South Africa for the year 1912, as follows:—

Article—	Australia, New Zealand, South Africa.		
	Marks.	Marks.	Marks.
Cotton goods	7,775,000	492,000	4,994,000
Woolen goods	2,124,000	371,000	550,000
Silk goods	1,555,000	80,000	74,000

Germany also sends to these countries a large amount of miscellaneous textiles, dry goods and fancy goods, the exact figures of which it is difficult to ascertain from the German returns on account of the ambiguous classification adopted.

COTTON IMPORTS.

New York, October 3.—Liverpool cables that during the past week imports of cotton have been 22,000 bales including 4,000 and exports have been 2,000. In stock at end of the week \$15,000 bales, including 511,000 American and amount forwarded during week was 34,000 bales, including 23,000 American.

cent. from the like week in 1913. Business failures for the week ended Thursday last, 68 in number, contrast with 66 last week, and 43 in the corresponding week last year.

INDUSTRY WORKING ON 70 PER CENT BASIS

Some Companies Operating Far Above 70 per Cent. and Others Below That Figure

SITUATION IS SERIOUS

Production of Steel and Iron Has Been Drifting Downward—Equipment Obsolescence Running From 30 to 40 Per Cent.—Petroleum Has Recovered a Great Deal of Its Loss.

New York, October 3.—It is estimated that taken as a whole the manufacturing business of the country is on about a 70 per cent operating basis. Some branches are operating far below 70 per cent and others considerably above that figure.

The steel and equipment companies seem to be about the hardest hit of all lines. This is due as much to the inability of railroads to increase their revenue as it is to the European war. The eastern railroads claim the small increase in freight rates granted by the Interstate Commerce Commission was not sufficient to allow for extensive improvements and new construction. Even on a peace basis, the steel companies would not expect any abnormal demand on the part of the railroads. The war has simply aggravated a serious situation so far as applied to the railroads of the country.

One steel manufacturer holds that a favorable reconsideration of the freight rate case by the Interstate Commerce Commission, would result in good railroad buying, even under present war conditions. He points out that unless the railroads get some relief there will be great deterioration of railroad property, and that with new construction work suspended the railroads will experience great difficulty in handling the country's freight when normal conditions again prevail.

"The railroads," he added, "are going backwards. A forward movement is absolutely necessary to facilitate the growth of this country's commerce and industry which is bound to occur in due time. We cannot without the help of the railroads. But they must not encourage or handle a big increase in export business first get help from the Interstate Commerce Commission in order to help general business."

The extent to which the equipment companies are suffering as a result of suspended railroad buying is evident from the fact that the car manufacturing companies are operating about 40 per cent of capacity. The locomotive companies are in a worse position, as they are turning out scarcely 30 per cent of their normal product.

The steel companies, which depend largely upon the railroads to take their heavier classes of steel such as rails and structural material, and the car and locomotive companies for plates, have felt this lack of buying power on the part of railroads for two years or more past.

It is estimated that the steel companies are operating less than 50 per cent of their capacity, and the belief is general that 40 per cent operations will prevail within the next few weeks. One western steel mill says his plant is running on a 50 per cent basis at present and that before the winter is over operations will reach 35 per cent. He bases this prediction on the small amount of business now in sight.

The following table showing the percentage operations of certain industries, gives one an idea of the present state of business throughout the country:

Industry	*P.C. Oper. to capacity.
Car manufacturing	40
Locomotive works	30
Copper mining industry	50
Steel industry	50
Electrical industry	70
Can manufacturing industry	75
Sugar refineries	100
Corn products	100
Air Brake companies	85
Tobacco manufacturing	65
*Estimated. x Close to 100 per cent of normal on domestic business, but there is little if any foreign business.	

While the copper producers claim to be operating their mines on a basis of 50 per cent of normal, consumers of copper are running their plants considerably above that figure. One manufacturer figures that including brass, electric, and other consumers, operations are between 65 and 70 per cent of normal. As this country's exports of copper since war was declared have averaged about 50 per cent of normal, it would seem that copper consumption is running in excess of the 50 per cent production of the mines. However, copper refinery output must be somewhat before the curtailment policy was inaugurated is still being shipped to the refineries.

There has been practically a cessation of shipbuilding all over the world, due to the war. In the war zone shipbuilding is being confined to completing warships and other sea craft to be used against the enemy.

According to representatives of the trade itself, the automobile industry, except in isolated cases, has not been hit hard by the war. Many manufacturers of popular cars say they are selling more automobiles than a year ago.

With exports of raw sugar from Germany suspended, the present activity of the sugar refining companies of this country is not surprising. With exports from Germany cut off, the ability of the refineries to operate full for any great length of time is questioned.

Tobacco manufacturing is an industry which in the past has suffered little in periods of depression. At the beginning of the European war the petroleum industry suffered severely, due to the falling off in exports. This came on top of a several months period of declining prices. But within the last few weeks there has been an improvement in exports and gains have been made in the production of petroleum and by-products thereof. The fact that gasoline is being sold in New Jersey at 10 cents a gallon, gives one a good idea of the slump in the petroleum industry over the last few months. The benefit of this reduction has gone to the consumer, particularly to owners of automobiles. Manufacturers who have adopted automobile trucks as a means of transportation, regard this as one ray of sunshine in a gray sky.

PROGRESS MADE TO SOLVE THE RIDDLE OF COTTON SPREADS

Reduction Came as a Surprise to the New York Committee—Exports Are Growing Weekly, Although Less Than Last Year, Value is a Record-breaker.

(Exclusive Leased Wire to The Journal of Commerce.) New York, October 3.—There occurred during the week no distinct indications pointing to an early reopening of the New York Cotton Exchange. However, the trade is optimistic and progress is being made.

Among the favorable features is the day-to-day increase in cotton bills and improvement in the export situation. Exports to August 31 while not as large in number of bales as in years previous, in point of value exceed all records met with a surprise when Liverpool announced that the price of Jan.-Feb. contracts would be reduced to 54, the equivalent of 8.50 cents for December contracts in New York. It was understood that 9 cents would be the minimum price in under the Liverpool straddles.

Together with the adoption of the new Lever law on resumption of trading, is also the suggestion that the present archaic method of clearing cotton transactions be reformed. With a modern clearing house system in operation the ramifications which resulted because of the Fall failure, involving other houses, would not have occurred.

New York banking interests attach little importance to the "buy-and-sell" movement, saying it is neither business nor yet practical charity. Whether rightly or wrongly the propaganda has brought a more optimistic feeling to the South and has also assumed large proportions. Many concerns are now using cotton bags instead of jute in an endeavor to create channels for cotton consumption.

Between 4,000 and 5,000 October notices were issued, most of which were stopped in a leading spot interest. It is understood that these notices cover all outstanding October contracts and that the only contracts still out are in the December position. It is intimated that the settlement price was 8.55 cents. The break during the week in December on the cash to 7.55 was the lowest since 1914, when it sold to 7 cents.

BUSINESS IN FAIR VOLUME

Gradually the world of commerce and business is freeing itself from the fetters imposed by the present crisis—a crisis unparalleled in extent, seriousness and severity—says Spencer, Trook and Company, New York.

It will be recalled that when war seemed certain the first step toward preventing a panic was taken when the Stock Exchanges throughout the country were made to close. This measure was only followed by modification in the Aldrich-Vreeland Act, permitting an immediate expansion of National Banking Currency and thereby helping to still the fears of a money panic such as had accompanied the difficulties of the days of stress in 1907.

With these two highly important measures as a basis on which to stand the leaders of the financial community, particularly here in New York, directed their efforts toward untangling the intricate network of Stock Exchange operations. Brokers were advised to clear up each and every transaction where that could be done without crippling the client, and in the meantime new business was strictly limited to purchases and sales at or above the closing prices of July 30th, the last day on which the Exchange was open. It has since been announced that the slate has been cleaned off (with the exception of the affairs of three houses which had failed in the existing housekeeping, the closing of our Exchange). The result is that restrictions in trading are being modified little by little and thus a fair volume of business is already being done.

A Copenhagen dispatch says the German dockyards are rushing work on E-bo sub-marines.

HEAVY SELLING IN WEEK'S GRAIN PITS

Many Smaller Longs were Eliminated by Reaching Stop Loss Orders --War Less a Factor

SELLING ON THE BULGES

Canada's Outturn of Wheat Now Expected to Eclipse Early Estimates by at Least 60,000,000 Bushels—France Will Have Big Yield Next Year.

(Exclusive Leased Wire to The Journal of Commerce.) Chicago, October 3.—Even the war appeared to lose some of its effect as a bull card in the grain market during the past week. Every price bulge in wheat encountered heavy selling from various sources, and the market appeared to respond more readily to the selling than to the buying. Some prominent operators are understood to have materially reduced their holdings in spite of their possessed strongly bullish ideas. The buying has not professed to be the snap that characterized the trading operations of a month ago. Many of the smaller longs were eliminated by the reaching of their stop loss orders.

Crop wise the week's developments have been mixed with possibly more of a bearish trend than otherwise. It seems assured that every wheat growing country will increase its area to the limit next season. Even in Germany and France, where the availability of man for work is likely to prove a serious problem for some time to come, increased acreage with resultant greater yields are looked for next year. There has been no let up in foreign buying, notwithstanding Liverpool reports of increasing reserve of wheat both in Great Britain and France. Flour business for export has also been heavy. One transaction having been closed at St. Louis involving 110,000 barrels.

Canada's outturn of wheat is now expected to eclipse early estimates by at least 60,000,000 bushels. Weather in Argentina is favorable, and an exportable surplus of over 150,000,000 bushels is predicted. European business Argentine grain shipments. For many reasons the foreigner prefers, under existing conditions, to purchase the American article. This week witnessed the largest trading in grain bills since the deadlock.

Oats speculation was unseasonal, and prices worked to lower levels under selling by the professional and elevator interests. Export buying was of moderate proportions.

NEW RULE REGARDING DEFAULTERS.

London, October 3.—The Committee of the Stock Exchange has issued an important new rule regarding defaulters. The committee takes the power during the war and six months thereafter to suspend all existing rules on failures. Under the substitute rule adopted defaulters affairs may be placed in liquidation in the hands of official assignees supervised by a creditors' committee.

Liquidating members will be suspended from entering the Exchange or dealing until the suspension is withdrawn. Notice of suspension will be posted in the Exchange when opened, but will not be sent to the press. The committee, if it thinks it desirable may cause the membership to cease.

In such cases public announcement will be made. The committee will also give notice of further postponement of settlement days and fix dates on which interest must be paid.

LIVERPOOL CLOSE.

Liverpool, October 3.—Wheat closed off 1/4 from Friday, Oct. 28 1/4; Dec. 8 3/4. Corn closed unchanged from Friday, Oct. 28 7/4.

Occupying a Trade Vacuum

The withdrawal from the Canadian market of much merchandise that prior to the war came from Continental Europe left, as it were, a trade vacuum, and a vacuum is abhorrent alike to Nature and to business.

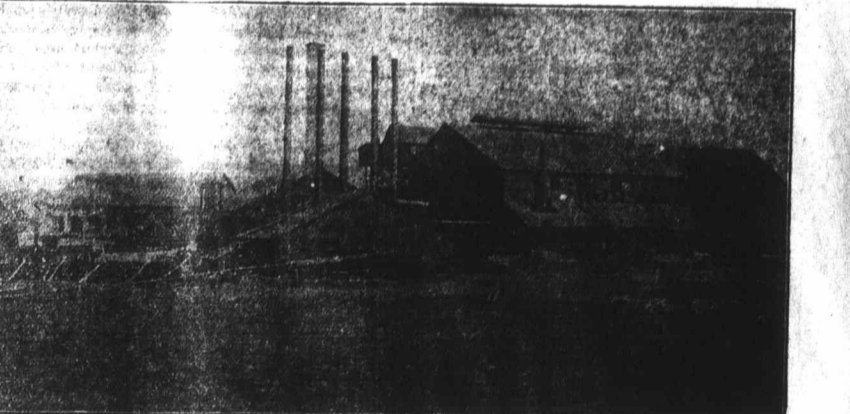
The ceaseless effort on the part of business to expand itself has already led many a Canadian manufacturer to attempt to fill the void caused by the stoppage of imports from the countries at war.

The spinners and weavers of cotton are finding new and surprising uses for cotton as a substitute for jute. Manufacturers of electrical equipment are fast finding substitutes for materials and parts hitherto obtained from abroad. The growing of sugar beets and the making of beet sugar will be stimulated in Canada as a consequence of war. Yarns, hosiery, underwear, gloves, and garments for women and children, aforesaid imported, will now be produced in Canada. And so one could go on illustrating the triumph of human energy and genius over disabilities and disorders.

Watch the advertising columns of the public press for proofs that Canadian manufacturers are making efforts to fill the trade vacuum.

TO VOTE ON ISSUE.

Chicago, October 3.—Cook County Board has voted to place the question of \$2,000,000 bond issue for road improvements before the voters at the November election.



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