UNITED STATES STEEL AND ITS DIVIDEND

Will Not Again Pay 5 Per Cent While Free Trade Tariff Law Exists

MANUFACTURERS PESSIMISTIC

No Industry In America Has So Much To Fear From Germany's Success In Europe As the Steel Industry.

New York, November 2.—Economic conditions are decidedly better. While there is talk of further delay in opening up the stock exchange ,matters which will make re-opening feasible are steadily progressing—for instance, the revival in exports, the improvement in the credit market and the edcline in money.

The War.

These things buoy up those who hope to see the exchange throw open its doors before Christmas. But I find that the larger interests and leaders of finance and industry continue to look upon the European conflagration as the dominant influence. How long will it last? What will be its course in the next few weeks? When will some decisive result in the great theatres of war give the world a line on the latter's outcome? Answers to these questions—the military experts being all at sea—must be left to events. Meanwhile it is gratifying that the plans designed recently to iron out the problems and difficulties resulting from the world war are forging ahead. Not only are they successful—they promise shortly to bring about the return of a normal state of affairs in Wall Street and throughout the country.

Germany.

No industry in America, I venture to say, has so much to fear from Germany's success in Europe's bloody conflict as the steel industry. This feeling, steel circles for many weeks, and is one of the under-I have reason to believe, has obtained covertly in currents which have had much to do with the remarkable depression in the business. "How much would the common stocks of our steel companies be worth," a big steel man recently commented, "if the Germans win out and re-start their tremendously ambitious scheme for giving their industries world-wide scope?" Then he made reply to his own inquiry by pointing out how easy it would be for Germany, should she finally defeat the Allies, to ultimately invade the market with her steel products, now that a Democratic tariff has taken the place of the old protective barrier.

Retrospective.

Of Wall Street's heavy weight capitalists none has been more pessimistic, or so say his friends, than Edmund C. Converse, banker, steel man and financier. For months the former President of the Bankers' Trust Company and the National Tube Company has taken a gloomy view of things, and more than a year ago being asked for his idea of the outlook, replied jocularly, but significantly, "The way matters are shaping I shall be satisfied with three square meals a day." Following which many of his associates and friends adopted one after another his skeptical views. And as the Converse influence reached to Morgan — First National Bank — Reid, Moore, and other important financial circles pessimism in high places soon became general. Plans of moment—marketwise and otherwise—were laid aside. Soon their promoters, among whom not the least active and influential was Converse himself, began to slip off to Europe—and securities to lower levels. Later, a little, the downsweep in general business gained great momentum. Then came the heartbreaking slump in railway securities (before war was thought of),) and a general reduction in railroad dividends. All this, of course, is history, but it bears out the Converse philosophy of 1913 and 1912 and possibly is not unrelated to this year's most important dividend development, namely, the steel cut.

Steel.

A number of Converse's most intimate associates and colleagues in business and enterprise, I need scarcely add, sit with him in the board of that great combine. J. P. Morgan, William H. Moore, George F. Baker, Daniel G. Reid, may be mentioned in this connection. They, not to mention other financiers representing other Wall Street factions, went to last Tuesday's Steel meeting in a sort of blue funk. Not one of them was opposed to reduction in the steel dividend. Some, however, were in favor of 3 per cent. All finally agreed—at the suggestion, I understand, of Judge Gary, representing the Morgan interest—on the 2 per cent basis which is now Steel's status.

The Tariff.

"Steel will not pay 5 per cent again," a director is quoted as remarking, confidentially, after Tuesday's meeting, "while the present free trade tariff law is on the books." He might have added, however, that its increase to 5 per cent was not due so much to protection and good earnings as to exigencies of speculation. There had not been seen, there may not be seen again, such a tremendous speculative movement as carried Steel in 1909 from the 40's to 94⅞. Several of the giant plungers who helped to engineer it have since died—one because of his enormous losses through Steel's subsequent collapse. How could such a colossal exploit have succeeded had the steel dividend policy been different? Where would the market have been found for the reams of stock distributed afterward had not Steel been placed on a 5 per cent basis?

The Ridiculous.

An old client who had been missed for several years visited his brokers—one of the most prominent houses in Wall Street, by the way—and asked the head of the firm to cash a check. "Certainly," replied the broker, and without looking at the amount called for, went off to the cashier to get the money. The latter handed him 75 cents. The partner returned with both the check and the silver. The former he showed to James Buchanan Brady, the latter he gave to its owner. "That bit of paper," Diamond Jim remarked, "goes from the sublime to the ridiculous. It is drawn on the biggest bank in the country for a handful of nickels. I'll give you 75 cents for it for a curiosity." And he did, the check referred to being a dividend on one share of Anaconda.

If some of Wall Street's big men of a couple of decades ago could come to life, would they gasp at the new units? Maybe. In these times people think not in millions but in tens of millions. Secretary McAdoo says (and perhaps he is right) that the starting up of the Federal reserve banks will release $400,000,000 now held in National Bank reserves. Over $300,000,000 of Aldrich-Vreeland notes are outstanding. A $100,000,000 gold pool to meet the exchange crisis was formed so quickly everybody wondered. A $150,000,000 bankers' syndicate to finance the cotton industry is about to get down to business. Abroad 20,000,000 men are under arms, the war is costing $25,000,000 to $35,000,000 a day and war loans are mounting to $250,000,000 to $500,000,000 at a crack.

CONSUMPTION OF WINES AND LIQUORS IN UNITED STATES

Total Consumption in That Country Since 1896 is Estimated at 30,558,254 Gallons.

Consumption of wines and liquors in the United States since 1896 shows an increase from an average of 17.2 gallons per capita in that year to 22.68 gallons in 1913. Below are the returns for the intervening series of years:—

	Quantity, gallons.	Per capita, gallons.
1913	2,233,420,461	22.68
1912	2,128,452,226	22.98
1911	2,119,356,975	22.79
1910	2,045,353,420	22.19
1909	1,935,544,011	21.06
1908	2,006,233,408	22.22
1907	2,020,136,809	22.79
1906	1,874,755,027	21.55
1905	1,694,455,976	19.85
1904	1,663,776,829	19.87
1903	1,606,217,122	19.57
1902	1,539,859,237	19.14
1901	1,390,912,302	17.65
1900	1,349,732,435	17.76
1899	1,250,174,849	16.82
1898	1,266,662,417	17.37
1897	1,180,941,634	16.50
1896	1,202,893,116	17.12

Total consumption since 1896 is estimated at 30,558,254 gallons. Total consumption per capita of all liquors and wines includes the three main classes of distilled spirits, wines and malt liquors. Of these three the last-named included 2,030,347,372 gallons in 1913.

GERMANY'S TEN COMMANDMENTS

English papers have been quoting what they call "Germany's Ten Commandments," which were read by Sir George Pragnell at a recent meeting of English manufacturers. Sir George stated that within the last three years hundreds of thousands of the "commandments" have been circulated in Germany, and that in many offices they are framed and hung on the walls.

They read as follows:

1. In all expenses, keep in mind the interest of your own compatriots.
2. Never forget that when you buy a foreign article your own country is the poorer.
3. Your money should profit no one but Germans.
4. Never profane German factories by using foreign machinery.
5. Never allow foreign eatables to be served at your table.
6. Write on German paper, with a German pen, and use German blotting paper.
7. German flour, German fruit, and Germans beer can alone give your body the true German energy.
8. If you do not like German malt coffee, drink coffee from German colonies.
9. Use only German clothes for your dress and German hats for your head.
10. Let not foreign flattery distract you from these precepts; and be firmly convinced, whatever other say, that German products are the only ones worthy of citizens of the German Fatherland.

Such aggregates would have been deemed fantastical twenty years back. To-day, staggering though they are, people are beginning to take them as a matter of course.

Cotton.

But for Europe's catastrophe the 1914 cotton crop and by-products would have been worth an unprecedented sum, or more than a billion dollars. For the season's out-turn, if not up to the record yield of 1911 (16,100,000 bales) is so close to it that the difference is unimportant. But values are wanting. While exports of cotton are looking up sharply and will continue to increase, it is not to be expected that they will reach the average of recent years. British is our big cotton customer. She will not buy in the next twelve months, according to some expert calculators, one-third of her purchases in normal times. It seems certain, by the way, that the cotton exchange will resume before the Stock Exchange does, though some bankers tell me that re-opening of the former will mean a speedy resumption by the stock board. This appears to be a sensible view since only a few weeks ago resumption by the cotton exchange was supposed to be more remote, by several moons, than the re-opening of the stock exchange.

Taxes.

Uncle Sam's war taxes will include a $2.00 levy on every 100 shares of stock sold. To the man who plays for big profits this is not a serious thing. Room traders, however, are kicking. The man who is in and out of the market a dozen times a day protests that the additional $2 tax, which with the $2.00 state tax makes a charge of $4 on every hundred shares he turns, thinks the Government's proposal a big handicap. He made the same complaint about the State tax. Yet floor trading continued as before.

ADAMS.

FIRST GRADE RAILWAY BONDS ON 5 P.C. BASIS

Ten Years Ago Railway Credit Was on a 4 Per Cent Basis

DIFFICULTY IN FINANCING

Railways Still Have A Higher Credit Than Either Industrial or Public Utility Companies.

New York, November 2.—First grade railroad bonds are selling on approximately a 5 per cent. basis, an advance of nearly half a point in yield since the war began. As it is now believed the natural investment market will be resumed around present price levels, it seems fair to assume this yield will be about the measure of railroad credit for a time. It is certainly not bigger at present.

Ten years ago railroad credit was on a 4 per cent. basis. It has declined one point, or 25 per cent., in ten years. If the roads have to refund all of $500,000,000 maturities in the next 12 months on present basis of credit, it will cost $25,000,000 a year interest, where ten years ago it would have cost only $20,000,000. Nearly half the increase, or approximately $2,000,000 would be directly traceable to the war.

However, most roads, partly because they have no more first-grade bonds available, will sell notes to refund these maturities, and interest, for a time at least, may very likely be substantially more than $25,000,000 annually.

In cross examination in the rate case Clifford Thorne left his hearers to assume he had proved something against the roads when he drew acknowledgment that railroads still have higher credit than industrial and public utility companies. On that basis there is no need for municipalities, railroads or public utility corporations to be apprehensive until they have to pay as much as industrial companies, or well over 5 per cent. in normal times, for new capital.

Here has been one great difficulty in railroad financing. For more than a decade there has been a tendency in government credit and that of different classes of corporations, to approach the same level. With exception of industrials, the movement has been steadily to a lower level of credit. Since 1904 it shows this result:

	Yield. 1914.	Yield. 1904.	Chgs.	
Gov. and municipal bonds	4.03	3.30	Inc.	.73
Public utility bonds	4.99	4.60	Inc.	.39
Railroad bonds	4.52	4.05	Inc.	.47
Industrial bonds	5.37	5.81	Dec.	.44

The figures are compiled from average price of ten (in case of railroads, 12), bonds of each class taken at first of each month during the year, and for July 30 this year—the last price used for 1914. The 1904 figures are from the statement of Vice.-Pres. Williams, of Delaware and Hudson, presented in the rate case last year.

It can readily be inferred that railroads have been forced to pay more for capital, because states and cities have been willing to spend more of the taxpayers' money in higher interest to secure funds for their use. This, coupled with poorer earnings on capital, which have the same effect, has been piling one straw after another on the railroads' backs.

July 30 yields for 20 railroad issues give a basis of 4.65 per cent., or .13 below the seven months' average. Since then the readjustment of bond prices allowed by the committees which pass on transactions has placed railroad bonds of this grade on approximately a 5 per cent. basis. Present yield on the government issues is probably about 4.25 per cent. No information is available on which to base an estimate of change in public utility and industrial bonds.

DETROIT LOSES THROUGH LINE

Michigan Central's Divorce from New York Central Has This Result.

Detroit, Mich., November 2.—The way having been cleared for the purchase of the Lake Shore Railroad by the New York Central, Detroit is about to find herself in an embarrassing position.

One of the conditions to the purchase of the Lake Shore, in order to avoid the Interstate Commerce Commission's objection to the merging of competing lines was the dropping of the Michigan by the New York Central.

As the suit brought by the minority stockholders of the Lake Shore road, in which the interestate law was invoked, has just been settled out of court and the purchase deal is understood to be agreed upon, the ownership of the Lake Shore by the New York Central is assured.

"This embarrassing development is believed to have for its unavoidable result the divorcing of the Michigan Cenrtal from the New York Central forthwith and the elimination of Detroit from the through line to New York," Andrew H. Green, says, "Detroit is going to be without a through line to New York. The Michigan Central ends at Buffalo. The Wabash ends at Buffalo. Where through line rights are absent trains are sidetracked for through line trains."

Detroit may in great part redeem itself from the threatened misfortune by getting the Pennsylvania Railroad to come in. This would give Detroit shippers direct connection, not only with New York, but also with Philadelphia. two seaboard points. These developments in the New York Central situation may accelerate the movement of the Pennsylvania line in this direction.

GOOD FOX CROP.

In Prince Edward Island 312 ranches are in operation this year, as compared with 277 last year. The number of young foxes born and reared this year, was 2,082, of which 1,239 are silver foxes, 565 cross foxes, 276 red foxes and 2 blue foxes.

The sworn value of young silver foxes this year is $6,056,190, and of all the less valuable kinds, $521,396, making a total value for this year's crop of $6,577,586. The sworn value for purpose of taxation is considerably under the selling price. The total number of foxes of all kinds, old and young, in the ranches of Prince Edward Island is now 4,550, of which 2,644 are silvers and 1,096 of less valuable varieties.

The present value of foxes, ranches and ranch properties is estimated at $20,000,000, as compared with $15,000,000. Dividend emetings of fox companies are mostly held in October and November.

The interned German sailors at Boston who have received permission to study English at the public schools doubtless realize that that is destined to become the world language.—Boston Transcript.

THE FRUIT MARKET

A fair business is still doing in the fruit mar
and steadiness marks all prices. Apples come f
ward in good volume but prices continue high. Fa
euse No. 1's quoting $3.75 to $4.50 per barrel. Ca
fornia fruits are coming in good volume and suppl
of figs and dates are good.

The following list shows prevailing prices:—

California Deciduous Fruits.

Pears, per box	3
Tokay, per box	2
Oranges.	
California "Sunkist" Late Valencias 176, 200, 216 and 250 size	3.
California "Sunkist" Valencias 126 and 150 size.	4.
Lemons.	
Extra Fancy, 300 size	5.
Grape Fruit.	
Finest selected 46 and 54 size, the famous "Gray" Brand	3.
Finest selected 64 and 80 size	3.
Apples.	
McIntosh Reds, No. 1's	4.
McIntosh Reds, No. 2's	3.
Fameuse No. 1's	3.75 to 4.
Fameuse No. 2's	3.75 to 3.
Spies, Baldwins, Greenings and Russets No. 1's	3.00 to 3.
Spies, Baldwins, Greenings and Russets No. 2's	2.5
Other varieties—winter varieties No. 1's	2.50 to 3.0
Other varieties—winter varieties No. 2s	2.5
Box Apples.	
Special boxes fancy Greenings, per box	1.0
Cranberries.	
Finest Cape Cods, per barrel	6.2
Onions.	
Red Onions, 100 lb. to bag, per bag	1.7
Spanish Onions, in cases	3.2
Canadian Fruit in Baskets.	
Pears	75
Blue Grapes, small basket	20c to 25
Niagara and Red Grapes	25c to 30
Tomatoes	60
Sweet Potatoes.	
Kiln dried, best quality, per basket	1.7
Bananas.	
Limon Jumbo, per bunch	2.00 to 2.5
Dates.	
Hallowees, very fine quality, per lb.	5½c
"Dromedary" package stock, thirty packages to case	10c
"Anchor" package stock, thirty packages to case	8c
Figs.	
Extra Fancy "Camel" brand 2 inch 10 lb. bzs.	13c
Extra Fancy "Camel" brand 1¾ inch -0 lb. bxs.	12½c
Extra Fancy "Camel" brand, glove bxs., each	13½c
Nuts.	
Peanuts Bon Tons	13c
Canadian Chestnuts, per lb.	12c

MORE WHEAT CAME THROUGH LACHINE CANAL UP TO OCT. 31

Flour Exceeds Amount During Corresponding Period Last Year By Amount of Dominion's Gift.—Less Coal.

Up to the end of October over fifteen million bushels more grain has been brought through the Lachine Canal this season from the lakes than was the case during the same period last year. The increase in wheat during that period has been 18,275,428 bushels, but a decrease of 2,850,502 bushels in other grains leaves the total net increase for all grains just 15,424,926 bushels. The actual amount of grain going through the canal this season until October 31 was 61,811,340 bushels, as against 46,386,414 bushels last year. Last month 10,574,568 bushels came through the canal, and in October last year 8,810,080. The amount of wheat which came through last month was 8,429,038, as against 6,807,873 in October, 1913. Barley and flaxseed show the usual decreases, but oats show an increase over the same month of last year of 449,898 bushels. Flaxseed shows a decrease of 5,653,586 bushels this season as compared with the amount received last year to the same date.

There was a decrease of 202,151 tons in the coal brought down to the harbor, into the canal, and taken up into the canal from the harbor. The total amount was 1,046,399 tons this year. The great decrease was in the amount brought into the harbor, 555,204 tons being brought on this year as against 767,710 tons last year. In the canal there was an increase this year, 407,562 tons being taken where 389,324 tons were taken in the same time last year. There were 80,633 tons taken up into the canal this year, as compared with 91,516 tons last year.

There has been an increase in the amount of flour brought down this season of 47,786 tons, the amount last year being only 28,233 tons, and this year between two and three times as much. The increase coming down the Lachine Canal this year is only a few thousand tons under the amount which the Dominion of Canada has given to the British Government as a special war gift.

The record of the boats passing through the canal during the last month shows 280 fewer trips, an operating tonnage of 30,651 tons greater and a cargo tonnage 3,278 tons less. The figures, therefore, show that the boats coming this year are fewer but much larger, and that the latter carry much smaller cargoes than they did at the same time last year. The actual figures for October are as follows: Trips, 1,164 in 1914, and 1,444 in 1913; tonnage operated, 704,811 tons in 1914, and 674,160 tons in 1913; passengers carried, 1,311 in 1914 and 1,085 in 1913; cargo tonnage, 602,964 tons in 1914, and 611,242 tons in 1913. This is the first month that the cargo tonnage has been less. There has been a decrease in the amount of building material usually brought up in the barges.

INCREASED OIL RUNS.

New York, November 2.—The Texas Company has increased its crude oil runs in Oklahoma fields from 50 to 60 per cent, following the recent action of the Prairie Oil and Gas Company.

SUGAR DECLINES.

New York, November 2.—All refiners quote standard granulated sugar at 5.40 cents with sellers at 5.30 cents.

Spot quotation for raws declined 7 points to 3.51 cents.

NEW MONTREAL COMPANIES.

Ottawa, November 2.—Four new Montreal companies were incorporated during the past week: Uptown Land Company of Montreal, Limited, $100,000; Lloyn's Cut Rate Drug Store, Ltd., $50,000; Dominion Equity and Securities Company, Ltd., $500,000; The Canadian Underwriters Electrical Inspection Bureau, Ltd., $25,000.