

DUN'S REPORT OF AUGUST FAILURES

Heaviest August Failures for Several Years Back in United States
---Reasons Many

NUMBERED 1,272 IN ALL

Cannot Be Regarded as at all Abnormal in View of the Conditions of Unemployment as a Result of Outbreak of European War.

(From Dun's Review.)

Commercial defaults during August, according to statistics compiled by R. G. Dun & Co., numbered 1,272, with liabilities aggregating \$44,468,116, an increase as compared with the totals of the same month for several years back. In August last year there were 1,145 failures for \$28,848,916, in 1912 1,102 for \$16,153,166, in 1911 928 for \$11,116,631, and in 1910 for \$12,442,062. In number, however, there is some improvement as contrasted with the preceding months this year, except as to May and June, and while the amount involved is much in excess of any month except June, when the Claffin suspension occurred, the returns are very much distorted by comparatively few defaults with exceptionally large indebtedness. These large failures numbered 31 with liabilities of \$32,101,623, a total far in excess of any previous August for many years. Deducting these the amount involved for the month in the remaining 1,241 suspensions was \$11,366,493, or an average for each of \$9,159. While in both instances this is a gain, when compared with the corresponding month in earlier years, it cannot be regarded as at all abnormal in view of the unsettled situation prevailing as a result of the outbreak of hostilities in Europe.

Failures Classified.

Separating these failures into different classes of business shows a slight falling off in number in the manufacturing class from last year, 327 defaults compared with 331 in 1913, but a notable increase over the 284 in 1912, 227 in 1911 and 226 in 1910. Moreover, the liabilities, which amounted to \$16,168,570, would have made quite a satisfactory showing but for a single suspension, the large pumping machinery corporation, involving \$10,000,000, as the 313 small failures, with indebtedness of \$3,610,207, was very little larger than a year ago. Several classes of business displayed some improvement. In cottons, laces and hosiery and paints and oils, no failures were reported. There is a gratifying falling off in iron, foundries and nails, lumber, carpenters and coopers, and in clothing and millinery. These gains more than offset the increases in other lines. The comparison as to liabilities, aside from the large failure in machinery previously mentioned, was even more favorable, only four of the remaining classes reporting a gain—woolens, carpets and knit goods, hats, gloves and furs, chemicals and drugs, and liquors and tobacco, whereas marked contraction appeared in iron, foundries and nails, lumber, carpenters and coopers, millinery and lakers and leather, shoes and harness.

Decrease in Number.

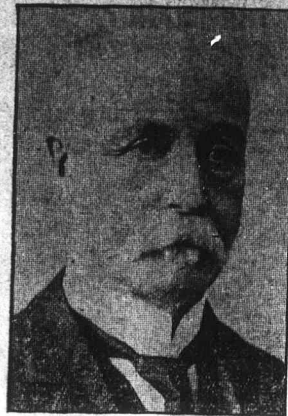
In the trading class, there were 568 defaults with liabilities of \$8,410,833, an increase of \$7 in number and approximately \$900,000 in the amount involved, as compared with 781 for \$7,621,846 of the same month a year ago. The showing is somewhat distorted by an unusual number of large suspensions. In this class there were 11 failures with an aggregate indebtedness of \$2,292,860, which is much greater than for many years. Six out of the 15 classes display more or less decrease in number, while in two there is no change. General stores show improvement, both in number and amount of liabilities, and though there was one less default in groceries, a moderate expansion appears in liabilities. There were also fewer failures in hardware, stoves and tools, books and papers, and in hats, furs and gloves. As regards liabilities, marked contraction was made by liquors and tobacco, and some improvement by shoes, rubbers and trunks, hardware, stoves and tools, paints and oils, jewelry and clocks, and hats, furs and gloves. On the other hand, in only a few classes did there appear much increase, the most notable being clothing and furnishings, and dry goods and carpets; it was mainly owing to the expansion in these that an unfavorable comparison was made with a year ago.

Brokerage Failure Increased.

Both in number and amount, the class embracing brokerage and similar concerns showed marked increase, 7 failures for \$18,888,313, comparing with 33 for \$1,212,300 last year, 53 for \$1,621,515 in 1912. Here, even more than in manufacturing and trading, the increase in liabilities was due to a few suspensions with large indebtedness. In this instance there being six defaults involving no less than \$17,250,000; eliminating which the comparison would have been comparatively satisfactory.

In the following table comparison is made of the number of commercial failures in the United States, covering three years, by leading classes of trade, and the liabilities reported in each class for August this year:

Manfrs.	1914.	1913.	1912.	Liabilities.
Iron & Foundries.....	7	11	4	\$60,360
Machinery.....	23	23	10	10,667,845
Woolens, etc.....	6	4	1	373,816
Cotton & Lace.....	2	3	3
Lumber, etc.....	26	33	28	634,763
Clo. & Millinery.....	53	47	43	536,214
Hats & Gloves.....	7	8	6	91,433
Chem. & Drugs.....	9	2	2	96,189
Paints & Oils.....	9	2	1	64,844
Printing, etc.....	9	25	16	179,188
Millinery & Bk.....	21	19	26	179,188
Leath. & Shoes.....	10	7	5	153,428
Liq. and Tob.....	11	7	8	365,312
Glass, etc.....	14	7	9	493,785
All other.....	131	124	124	2,451,498
Total Manfrs.....	327	331	284	\$16,168,570
Traders:				
General Stores.....	83	87	78	\$55,960
Gro. & Meats.....	213	214	216	1,726,745
Hotels & Rest.....	54	54	48	448,886
Liquors & Tob.....	76	72	60	329,014
Clo. & Furng.....	105	63	61	1,150,555
Dr. G. & Carpets.....	52	47	50	188,449
Shoes & Rub.....	25	25	25	175,390
Furn. & Ckry.....	27	35	28	553,128
H. Ward & Stoves.....	18	25	18	201,379
Chem. & Drugs.....	45	32	25	399,312
Paints & Oils.....	3	2	2	4,500
Jewelry & Ckls.....	31	21	21	168,850
Books & Pprs.....	6	9	7	90,069
Hats & Gloves.....	2	5	6	33,290
All other.....	137	129	110	1,702,125
Total trading.....	781	785	781	\$8,410,833
Brokers & Agents.....	77	33	53	\$18,888,313
Total Commercial.....	1,272	1,145	1,102	\$44,468,116



GEORGE BURN,
General Manager Bank of Ottawa. The bank has given \$25,000 to the Patriotic Fund.

NATIONAL ASSOCIATION OF IMPORTERS ISSUES BULLETIN

This Bulletin Relates to Risk of Capture, the Settlement of Freight Bills, Bills of Lading, Etc.

The National Association of Importers has just issued a second bulletin on the European war situation. It relates to risk of capture, the settlement of freight bills, bills of lading, etc., and reads as follows:

"A number of instances have been referred to the association where steamers flying the German flag have put into neutral ports to avoid capture. 'There do not appear to be any decisions in the United States courts covering the respective rights of the cargo owners and the steamship with reference to the freight monies earned and the transport of the goods to port of destination. The only decisions to which attention has been called are two English decisions growing out of the Franco-Prussian war. In these cases both ships sought neutral ports on the advice of the German Consul and delayed their sailing for a period of three months in the one case and seven months in the other. 'The English Court held that the laws of England and Germany were the same on the point and that the law of Germany applied; the Court saying: 'The apprehension of capture, founded on circumstances calculated to affect the mind of a master of ordinary courage, judgment and expenses, would justify delay.' In another case the Court enunciated the German law as proved by expert testimony in the case to be as follows: 'A master of a North German ship, carrying a neutral cargo, who deviates from his course from fear of capture and enters a neutral port is entitled to remain there without the risk of capture and cannot be compelled to go on, even if the owner of the cargo wishes him to proceed. The shipowner may order the ship to stay or the master may stay without an order. No right is given by the Code to the owner of the cargo except to withdraw from the contract on payment of distance freight, and the owner of the cargo must pay his share of the expense of the detention up to the time of withdrawing. The master must have reasonable cause for his delay.' 'Of course, the particular wording of the bill of lading in each case would govern the rights of the cargo owner and the steamship. It is impossible to say how the courts of the United States would decide in the case for instance of a ship destined for New York putting into Boston. The situation naturally depends upon whether the steamship here sought to retain her cargo and to attempt delivery in New York, or other port of destination in the future, or whether the cargo was actually discharged. If there was no expression in the contract as contained in the bill of lading to the contrary, it would seem that the freight earned from port of loading would be in proportion to entire freight to port of destination. 'A number of bills of lading, examined by counsel, contain the provision that the cost of forwarding to port of destination will be borne by the steamship, while the risk is for the account of the cargo owner. Settlement of Freight Bills. 'Since the first bulletin was issued, several members have presented to the Association the question of the payment of the freight bills tendered at \$5.00 per pound sterling. In each instance where a bill was presented at so many shillings per ton, a slight draft on London was tendered by the importer to the steamship and in each instance the steamship company accepted the payment offered, refraining from exacting payment at the rate of \$5.00 per pound sterling. 'It has been announced by the State Department that citizens of neutral nations owning shipments of goods on vessels, seized by British warships may obtain the possession of their property by applying to the Procurement General, Treasury Chamber, Whitehall, London. As pointed out in the first bulletin, it will be necessary, of course, to make proof of ownership. 'It is doubtful whether these goods will be released without a considerable delay, which, of course, will work a great hardship to the man who has not sufficient goods in store to fill his contracts. Shipments to Countries at War. 'Several instances have come to notice in which members of this association while importing goods into the United States in turn exported some portion of them to one or other of the countries now at war. It may be of interest to the importers generally to know that the Belgian Government is reported to have caused the discharge of merchandise consigned to points in Germany and to have stored the same under the protection of the Belgian customs authorities. Shipments into Germany by way of Holland are reported to be held up for the reason that the Dutch Government has taken possession of the transportation facilities and that such goods are practically in bond under the protection of Holland. 'Ocean bills of lading will be radically changed as a result of the present European war, and it is most desirable that this association should take part, on behalf of the importing interests, in producing a bill of lading which will protect the interests of importers as well as those of the steamship company in a crisis such as the present. It is desirable, therefore, that members call the attention of the association to any features which they consider of importance which should be made. 'Two subjects upon which the association must take a stand are these: The insistence upon the incorporation of an alternative rate of exchange in which freight may be payable and provision made for the disposition of cargo on a ship putting into a port to escape capture. 'A committee to frame such proposed amendments will be organized at the meeting of the board of directors in October."

LEATHER DEMAND ENLARGED BY WAR

Apart From Shoes It Is Used Extensively in Every Branch of The Service.

FOURTEEN MILLIONS HOES

Required Every Month—Each Soldier in War Time Wears Out Twelve Pairs of Shoes a Year—America Needs Wider Export Outlet.

New York, September 3.—In an editorial review of the present conditions prevailing in our domestic leather markets and the boot and shoe trade, the "Shoe and Leather Reporter" offers the following information as to the present and probable future effects of the general European war situation on those lines:

"The total imports of hides and skins for the fiscal year ended June 30 were 517,213,331 pounds, valued at \$110,348,375. This supply is cut off temporarily, but the imports should soon be normal again. In round numbers the imports about equal the domestic take-off, so that statistically the country is 50 per cent. short of raw material for making leather. The following table shows the imports of hides and skins by countries for the fiscal year of the Government.

Imports of Hides and Skins.

Cattle Hides.	1914.	Value.
Belgium.....	7,313,906	\$1,602,241
France.....	19,036,552	3,319,989
Germany.....	4,989,795	848,989
Italy.....	1,967,552	338,307
Netherlands.....	4,099,899	680,939
United Kingdom.....	9,043,103	1,713,179
Other Europe.....	11,204,957	2,076,838
Canada.....	735,933	126,583
Mexico.....	46,585,543	7,127,744
Cuba.....	33,194,289	5,478,901
Argentina.....	5,528,502	889,638
Brazil.....	79,787,332	16,165,676
Colombia.....	3,259,873	580,780
Uruguay.....	5,098,244	1,042,174
Venezuela.....	13,403,443	2,627,553
East Indies.....	5,149,328	1,353,778
Other countries.....	4,474,768	893,045
Total.....	215,907,741	4,336,495
Calfskins.	1914.	Value.
Belgium.....	5,187,640	\$1,373,096
France.....	5,589,673	1,434,335
Germany.....	16,569,316	3,390,453
Russia in Europe.....	19,747,462	7,283,970
Other Europe.....	12,073,561	2,806,602
Canada.....	5,734,207	1,068,387
South America.....	2,036,364	554,313
Other countries.....	3,281,441	828,311
Total.....	82,402,590	\$23,381,953
Goatskins.	1914.	Value.
France.....	2,171,224	\$728,762
Russia in Europe.....	5,131,075	1,133,242
United Kingdom.....	5,281,468	1,261,025
Other Europe.....	5,068,968	1,383,929
Mexico.....	1,001,150	1,298,039
Argentina.....	3,476,013	1,190,166
Brazil.....	4,191,124	2,177,849
Aden.....	3,595,909	1,120,170
China.....	7,204,761	1,216,706
East Indies.....	36,831,857	7,550,777
Africa.....	2,817,948	678,252
Other countries.....	5,884,931	1,541,446
Total.....	84,759,428	\$22,191,261
Sheepskins.	1914.	Value.
France.....	2,221,769	\$560,152
Russia in Europe.....	9,158,287	1,782,569
United Kingdom.....	36,384,892	7,483,845
Other Europe.....	3,872,164	603,449
Canada.....	2,678,117	402,038
Argentina.....	3,874,944	529,625
Brazil.....	1,582,833	459,772
Asia.....	6,028,206	1,262,050
British Oceania.....	5,848,498	1,499,761
Other countries.....	3,427,615	639,955
Total.....	70,076,825	\$12,593,217

War Demand for Leather.

"Leather is one of the most important munitions of war. Apart from shoes it is used extensively in every branch of the service. The artillery, cavalry and quarter-masters' departments use immense quantities separate and distinct from shoes. The infantry requires straps for canteens, blankets, etc., and every officer above subordinate rank rides a horse. The call for harness and strap leather will be great. Turning to shoes, it is interesting to consider that there are 1,000,000 soldiers under arms in the allied armies of England, France and Belgium, while Austria has 2,300,000 and Germany 4,000,000. Here we have a total of 14,000,000 troops on a war basis. 'The experience of military experts is that each soldier in war time wears out a pair of shoes a month. This would call for new shoes to be provided at the rate of 14,000,000 a month. From this should be deducted the normal shoe requirements of the men in time of peace, as only the excess wear caused by war should properly be considered as strictly new demand. 'On the other hand, 14,000,000 soldiers is far from being the limit of the military strength of the countries involved. There are millions more of reserves ready to be called to the colors, and shoes, harness and other leather articles will be required to equip them. The addition of Japan and Italy to the belligerent forces should also be considered. It is a fair assumption that there are substantial stores of army shoes and other leather supplies on hand at the various military headquarters, but the surplus melts like snow in May when the men are marching and fighting. In the interest of moderation and conservation liberal reductions may be made from these estimates without greatly affecting the situation. 'The advances thus far obtained in the markets do not on the surface reflect the actual conditions of affairs. Trade customs are difficult to change, and tanners are averse to demanding their pound of flesh from good customers. While the leather on hand lasts the disposition will probably be to take care of old buyers, but it is a long lane that has no turning, and this promises to be a short lane. Some of the larger tanners have only enough hides and skins to last them from thirty to sixty days, and in some instances tanneries will have to shut down within a month, if not sooner. The situation is incredible and



MAJOR E. G. HANSON,
of the firm of Hanson, Bros. and Ferguson, Brokers and Bond Dealers. Major Hanson is in charge of the 21st Battery.

PROSPERITY IN STORE FOR PRINCE EDWARD ISLAND FARMERS

Crop Report For July Shows That Conditions in Little Island Province Are Most Satisfactory.

Charlottetown, P. E. I., September 2.—The July crop report for Prince Edward Island shows that agriculture on the island is prosperous. Rains have been frequent and the weather favorable for the growth of grass, so that up to the present there has been no shortage of grass pasture for the stock. Clover in general was killed out by the severe weather during the later part of the winter, but the timothy came on, and during the month of July grew very rapidly, so the yield of hay is very good in most districts. There has been considerable wet weather during haying which will lessen to some degree the quality of the hay made. The chief grain crop grown is oats. They are somewhat later than usual on account of the late spring, but they have made a strong, healthy, vigorous growth, and promise to yield well above the average. Spring wheat and barley where sown have also done well. The acreage devoted to potatoes is large. Turnips in a good many sections were sown rather late, but with an abundance of moisture in the soil they germinated quickly and have grown rapidly. There is a very little corn grown on the island, and the season thus far has not been favorable for this crop. Strawberries were a fair crop. In a few sections the crop was large, but as a rule the yield was below the average, due to winter killing of the plants. Bush fruits are very good. Cherries and plums will only be a medium crop. Many plum trees have been destroyed by the black knot. Early and fall apples promise to be fairly abundant. Winter varieties, however, except in a few places, will be a light crop. Spring frosts in some districts injured the bloom and reduced the yield to some extent. Injuries from insects up to the present have been rather light. The joint worm has been working in a few wheat fields, but the damage has been slight. Potato beetles are quite numerous as usual. The cut worm and the turnip flea beetle have done a little damage to the root crop. The bud moth and canker worm appeared in some orchards in small numbers, but did not do any extensive injury. Aphids have been noticed at work lately in a few places. Root maggots have been quite destructive in some vegetable gardens, attack onions, cabbage, parsnips and carrots. The weed problem is becoming quite a serious one on the island. The ox-eye daisy is common all over and on some farms is very abundant. Orange hawkweed is gradually spreading over the central part of the island, while in the western end perennial sow thistle is causing a good deal of trouble. Wild mustard is another weed which has come in lately and is spreading rather rapidly. Horses, especially the draft type, are in good condition, are much in demand and bring good prices. Cattle are gradually improving in quality, due to the use of better bred sires. Both milk and beef cattle are eagerly sought after, and fairly high prices are paid for both classes. Cows are milking well, and the amount delivered to the factories is above that of last year in several districts. Sheep are increasing in numbers, and the lambs came strong and have done well. The number of pigs on the island is below that of last year. Losses amongst spring litters were quite large. More attention is being given to poultry than was the case a few years ago. The number of hens kept on the farms is increasing, and the quality is much improved. The hens have laid well so far this season and the egg circles where they have been organized form a very satisfactory method of marketing. Not very many geese or turkeys are kept and they have not given great results this season.

EXPECT SETTLEMENT WHEN WAR IS OVER.

Washington, September 3.—Americans whose automobiles were commandeered by military authorities in some of the European countries began filing claims with the State Department to-day. Most of the tourists were given receipts for their cars, with the promise that they would be reimbursed. In most cases settlements are not expected before the end of the war. 'Outstanding all landmarks are swept away and the most astute members of the trade are unable to see their way clearly. 'The leather making and consuming industries in the United States will profit greatly from the war. The demand for beef to feed the armies will induce a resumption of activity in the saladeros of South America. The hides will come to the United States and the domestic and export demand for leather and leather merchandise will be active. The quantity of heavy leather made in the world is determined by the number of hides taken off the cattle killed for beef. The tanneries and shoe factories of Europe are crippled by the calling out of the reserves, and the United States during the continuance of the war must become to a large extent the workshop as well as the granary of the world. South American hides which formerly were shipped to Europe must be diverted to our ports. 'Our capacity to produce leather, shoes, harness and other leather goods has been developed beyond the normal consumption of the people. A wider export outlet is needed to keep our plants running full. All indications point to a consummation of our desires in this respect. Our opportunity is at hand to capture a larger share of the export trade of the world. There appears to be no possible way of escape from higher prices, but with cotton, wheat and corn in export demand, and the people well employed in manufacturing merchandise for the domestic and foreign markets, the country should experience the most wonderful industrial and commercial expansion."

SURPLUS WAS ABOUT SAME AS IN 1912

Gross Revenue of Northern Pacific in 1913-14 Was, However, \$5,000,000 Larger

OPERATING EXPENSES HIGH

Company Had 322 More Miles of Road in 1914—In Last Half of Fiscal Year Expenses Were Very Greatly Curtailed.

New York, September 3.—Earning 7.9 per cent. on stock in the fiscal year ended June 30, Northern Pacific had a surplus after dividends of \$2,200,247, as compared with \$4,800,515 in 1913. That the difference, \$1,998,276, was not considerably larger was due to operating economies. The company, in addition to having had to face a loss of \$413,136, gross revenue, net taxes that were \$1,000,000 larger than the year previous. This tax increase was rather remarkable, representing an advance of over 25 per cent. Increased charges were just about offset by larger other income. 'The short crop in North Dakota last fall, and the decrease in the shipments of construction materials were the principal causes for the decline in gross revenues. Northern Pacific lost 10,000 cars of grain in North Dakota alone.

Faces Better Prospect.

This year the company faces a better prospect, unless the war knocks all calculations awry. The crop will be better than last fall, and the farmer of the Northwest stands a good chance of realizing highly profitable prices on his harvest yields. 'Taken over a series of years, Northern Pacific's gross revenues were not so hard hit in the last fiscal year. The total of \$68,544,891 was only exceeded in 1913 and 1910. In 1912, two years ago, the surplus after all charges was just about the same as this year's total, despite the fact that gross revenues this year were \$5,000,000 better. In other words, it cost the company \$5,000,000 more to earn the same surplus than it did in 1912. How this happened is explained by the following table:

1914.	1912.	Changes.
Gross revenues.....	\$68,544,891	\$68,428,946 Inc.
Maintenance of way.....	9,859,823	7,861,490 Inc.
Mt. of equipment.....	8,063,101	7,207,716 Inc.
Transportation costs.....	21,710,989	20,756,386 Inc.
Total operating exp.....	41,472,052	38,158,517 Inc.
Taxes.....	6,030,584	3,739,079 Inc.
Other income.....	5,639,673	6,021,803 Inc.
Charges.....	8,331,411	7,207,130 Inc.
Surplus after div.....	2,295,247	2,303,814 Dec.

High Operating Expenses.

The surplus after dividends in 1914 represented 3.3 per cent. of gross revenues, as compared with 4.3 per cent. in 1912. 'Higher operating expenses, taxes, and charges, in 1914, absorbed the difference between the gross revenues of that year and 1912. The company operated 322 more miles of road in 1914. 'In the last half of the fiscal year ended June 30 last, Northern Pacific curtailed expenses, as compared with the year previous, and total maintenance charges were \$1,400,000 lower than in 1913. Transportation costs were \$1,800,000 less, but the fact that the gross volume of business was considerably smaller would account for much of the difference in the cost of conducting that business.

SMALL PACK AND NOT WAR BLAMED FOR HIGH PRICES

With a Shortage of 2,000,000 Cases of Salmon, Prices Advance and Others are Expected to Follow Shortly.

New York, September 3.—Commenting on the salmon outlook with special reference to the movement and prospects based on opening prices announced in the trade yesterday by packers. 'Frank A. Apin, vice-president of the J. K. Armsby & Co., said: "Opening prices on Alaska salmon have been looked for with more interest than usual on account of the known falling off in quantity available as compared with a year ago. In this connection it may be said that the markets have shown such material advances as to specially attract the attention of merchants in all sections of the country. 'The pack of Alaska red salmon is about the same as a year ago. The total pack of salmon is more than 2,000,000 cases short, and we are carrying comparatively nothing over, as against a carryover of 1,000,000 cases last year. Prices named by packers are logical and reasonably based upon all the facts involved. 'There has been no time for months that the trade has resisted the idea that prices would not open at a higher level than on the 1913 pack. The result is that the merchants generally are confirming, and it would not surprise me if, before the roundup is completed, that some of the packers will advance their prices from the opening. 'That the stocks in distributors' hands are depleted and that the pack of low grades of salmon is materially less than last year are accepted as facts, but the one real feature that appeals to all is that the price named of \$1.45 for Alaska red by the Alaska Packers' Association is based not upon war scars but upon cleaner business principles. 'Not a pack came out of Alaska last year with profit enough to buy a straw hat and, of course, a vast industry of this kind cannot be carried on unless the source of supply is kept in funds. This year's prices will pay the packer a reasonable profit and every case will have gone into consumption before we have to face a greater problem, and that is what salmon will cost to pack in 1915. We know that every element of cost will be greater and today's prices will, unless something extraordinary happens, appear by comparison very cheap."

TO SELL FOREIGN BALANCES.

New York, September 2.—Certain Standard Oil interests which have large foreign balances in England, France and other European countries and in South American countries are taking steps to sell these balances in New York. It is understood that officers have been made to the City Comptroller to help out in the matter of the \$82,000,000 maturities which the city had due abroad between now and January 1.

DIVIDENDS DECLARED.