

## ACTUAL CAR SURPLUS MORE THAN STATED

### Car Building Expert Estimates That 10 P. C. More Than Stated Held Against Emergency

Official of American Railway Association Doubts that Conditions in Fall will be Such as to Demand More Cars than Can Be Supplied

Chicago, Ill., Aug. 3.—Regarding the estimate of a car building expert that the surplus of idle cars officially reported is ten per cent more than the actual surplus because the railroads are holding against emergency an unusual number of cars that ordinarily would be scrapped, an official of the American Railway Association says:

"There is something in that theory, although I think 10 per cent is too high. Any such estimate must be a good deal of a guess, but it is plausible to assume from known traffic conditions past and prospective that the percentage is larger than usual. If we assume 10 per cent to be approximately correct, that would bring the actual net surplus below 200,000 cars. There are also around 200,000 cars in bad order, and these are not included in the idle car exhibits, or they are not supposed to be.

"Since June 1 there has been a vast amount of car repairing done in anticipation of a bumper crop movement, which in an ordinary year would spell severe congestion, generally termed car shortage. Usually in so-called car shortage periods the most pronounced shortage is in storage and terminal facilities.

"Business is so slack in many directions that I doubt whether a severe car situation will be experienced the coming fall, even if the crop movement reaches the dimensions predicted. It takes some time for business to revive noticeably in response to a bountiful harvest and business revival is slowest to get under way after a prolonged period of extensive unemployment, which cripples purchasing power for some time after it has been removed and the country's payroll has been restored to anything like normal. The recent light movement of new wheat has been an unfavorable factor for the fall rush.

"Coal trade authorities call attention to exceptionally light buying of coal and predict a fuel famine which would mean sudden and great activity in coal distribution about the time the grain traffic reached the peak of the load, perhaps also just after the first severe cold weather or snow storm. I anticipate nothing serious on this score so far as the carriers are concerned, because there is no shortage of power. The railroads generally have all their idle locomotives white-leaded awaiting employment."

### ORGANIZING NEW BANK

Detroit, Mich., August 3.—The newly organized \$1,000,000 Mercantile National is making every effort to complete arrangements so that the doors may be opened to the public August 17. A meeting to elect officers and directors probably will be held this week. The only officials thus far chosen are John Ballantyne for president and Benjamin G. Verner for cashier. Recently 50 per cent. of the subscribed stock was called and with \$625,000 thus obtained the bank will be ready to start business as soon as the officers are prepared and final papers arrive from Washington.

## TWO THOUSAND ACRES OF TIMBER ARE BURNED

One Hundred Men Unable to Check Flames in Flathead National Forest

Missoula, Mont., Aug. 3.—Two thousand acres of valuable timber has been destroyed by the forest fire which has raged in the Flathead National Forest since last Sunday, according to the word received by District Forester Silcox here to-day.

One hundred men are fighting the flames, but have been unable to check their progress. Other fires in Western Montana are all under control.

### LITTLE TRADING DONE

Practically Every Stock Exchange in the World Has Suspended Operations.

Never before in history has an emergency arisen which has resulted in such a complete cessation of trading in securities and commodities as at the present time. Practically every stock exchange in the world has suspended operations, and with the exception of the Chicago Board of Trade and the Liverpool Cotton Exchange, almost every institution dealing in commodities is also closed. The following is a partial list of the world's exchanges:

- Exchanges closed.
- New York.
- London.
- Paris (practically).
- Berlin.
- Boston.
- Philadelphia.
- Baltimore.
- Chicago.
- Pittsburg.
- Washington.
- Detroit.
- Home.
- Milan.
- Vienna.
- Montreal.
- Toronto.
- Liverpool.
- Bristol.
- Manchester.
- Glasgow.
- Edinburgh.
- Brussels.
- Amsterdam.
- St. Petersburg.
- New York Consolidated.
- New York Coffee.
- New York Cotton.
- New Orleans.
- New York Metal.
- New York & Boston Curb.

### CITIES SERVICE COMPANY.

New York, August 3.—The Cities Service Company makes the following announcement: The Board has decided to defer payment of dividends, including those due August 1st, on the preferred and common stocks of the Cities Service Company to the end that the best interests of the corporation and its stockholders may be protected during this period of world-wide financial catastrophe.



E. A. ROBERTS, President of the Montreal Tramways Company, whose application for an extension of franchise has evoked no end of discussion.

## PRESENT RATES ARE NOT UNREASONABLE

### Connecticut Public Utilities Commission Refuses to Order Reduction for Gas

#### FAIR MARGIN OF PROFIT

Should be Obtained, Considering Risk Assumed, Increasing Cost of Operation and Better and More Extended Service.

New York, August 3.—Connecticut Public Utilities Commission in a decision refusing to order a reduction in rates for gas charged by Bridgeport Gas Light Co. set forth some facts in regard to utilities which while not new to the companies, probably were new to the parties who had filed the complaint.

The commission denied the application for a reduction in rates on the following general conclusions: "Assuming that a rate allowing a return of 5 per cent. on the value of the company's property is the lowest rate that could be decreed in this case without being subject to reversal on the ground of confiscation, the commission believes that better and more satisfactory service can be furnished the public if the company has a larger margin of profit so that the necessary capital can be procured when needed for extensions and improvements.

#### Charge of Confiscation.

"While there is more or less uniformity as to what is the minimum rate that can be allowed without being subject to the charge of confiscation there is less definiteness as to what should be or may be a maximum rate of return. The greater the hazard the greater the rate of return allowable in order to attract necessary capital and give reasonable security to the investor. The risk and stability of the business conducted by the different public utility companies vary accordingly to the particular line engaged in."

"For illustration, the stability and permanency of furnishing a water supply, one of the nature's unchanging products, cannot be questioned. The necessity of providing transportation and communication along present lines is fairly assured but to what extent the establishment may be limited by the constantly improved devices for augmenting the heating and lighting power of a given quantity of gas, or to what extent the growing development of the uses of electricity may supersede gas for lighting and other purposes, is problematical, yet to some extent seems certain; and the nature of a gas plant, or an abandoned and deserted portion of a gas plant, is such that it cannot be readily utilized for any other purpose.

#### Present Net Income.

"The net income of the company under the present rates for the year ended June 30, 1913, after allowing in the expense account \$48,000 for depreciation, was \$263,242, or approximately 6.75 per cent. on the estimated value of the property of \$3,900,000. Assuming the company's present net income to be \$263,242 a reduction of 10 cents a thousand cubic feet would reduce the gross income, and consequently the net income, approximately \$56,000, based on present sales, leaving the net income of the company but \$147,242, or less than what has been considered necessary to avoid the charge of confiscation. Considering the risk assumed, the increasing cost of operation, the better and more extended service that can fairly be required of and furnished by a company with a fair margin of profit above mere compensation we are of the opinion that the present rates of the company are not unreasonable."

### DEMAND FOR LUMBER

St. Louis Report Shows Shipments in June Were 9,600,000 Feet in Excess of Production.

St. Louis, August 3.—Reports received from 228 lumber mills report a cut of lumber during June of 415,200,000 feet. Shipments from the same mills were 424,800,000 feet, showing an excess of shipment over production of 9,600,000 feet, or 2.31 per cent. Reports from different states mention that shippers have trouble in getting cars in Arkansas, that Louisiana mills have returned orders for lack of stock and that Alabama and Mississippi are doing the best business of the year.

### POWER TO SUSPEND REQUIREMENT.

Washington, Aug. 3.—The Senate Committee on Banking and Currency reported a bill amending as much of the Federal Reserve as re-enacts the Aldrich-Vreeland bill, so as to give the Secretary of the Treasury the power to suspend the requirement that a national bank must have bond secured circulation of 40 per cent. of its capital to be entitled to issue the emergency currency provided by the act.

Twenty-first International peace conference scheduled to be held in Vienna in September has been called off.

## MEXICO OIL LANDS ARE IN DISPUTE

### Island of 40,000 Acres Has Been in Coleman Family for Thirty-Eight Years

#### TAXES PAID REGULARLY

New Claimants Say Land is Worthless, but Present Owners Assert that it is Exceedingly Fertile and Very Valuable.

New York, August 3.—In connection with the dispute over the occupation of a part of Potreritos Island off Tuxamp, Mexico, by the Oil Fields of Mexico Co. and the Mexican Eagle Co., Thomas A. Coleman of San Antonio, one of the family that is disputing ownership of the property with the present occupants, says:

"This island contains about 40,000 acres and has been in the possession of the Coleman family for 38 years. We have paid taxes on it regularly, including 1914. There has never been any question of the title, except in the present controversy.

"The Oil Fields of Mexico Co. got on this land without the knowledge or consent of the owners, but when they found the owners were taking steps to put them off they commenced under the alleged rights of their concession ex-appropriation proceedings in an effort to secure about 350 acres on the south end adjoining the Tuxamp river. The concessionary under which this company operates expressly stipulated certain conditions that must be complied with before private lands can be ex-appropriated.

#### Condition Never Observed.

"First, the owners of the land must be consulted and if possible a purchase made from them. In the event of no agreement the company must file with the secretary of Fomento a plan of the land desired and the owners must be cited to appear and show cause why the secretary of Fomento should not approve the plans. This condition was never complied with and the owners were never cited and knew nothing about these condemnation proceedings until they were under way in the Special District Court at Vera Cruz.

"The matter never was in the state courts, being from the beginning in the federal courts. The proceedings were begun under the Diaz administration. The Oil Fields got a decision practically giving them 250 acres of land. During the Madero administration we got an injunction restraining them from having this court order placed on the Tuxamp records. We then instituted proceedings through a substitute federal judge, who rendered in our favor on every point in order that the property be turned back to us.

#### Reversed the Decision.

"The case was appealed to the Supreme Court of the nation and that tribunal upon what I am informed was the direct order of Huerta reversed the decision of the District Court and rendered in favor of the oil company."

"The Mexican Eagle Oil Company, Limited, attempted to denounce the entire island immediately after the District Court had rendered in our favor alleging it was vacant and abandoned land and the Vera Cruz Supreme Court (State Court) held that it was not vacant or abandoned and ordered it turned over to the rightful owners. The land is exceedingly fertile, well above the sea level and very valuable."

"The oil companies involved insist that the land is worthless, being principally sand waste and mangrove swamps. It is the oil port of the great Pearson oil interests of Mexico.

## JUNE EARNINGS OF THE PENNSYLVANIA RAILWAY

Pennsylvania Railroad.—June—Gross \$14,261,297, decrease \$1,298,637, net \$3,568,021, decrease \$296,875. Six months gross \$82,816,156, decrease \$6,437,263, net \$14,893,632, decrease \$2,416,713.

Pennsylvania Lines, East of Pittsburg and Erie.—June—Gross \$5,653,211, decrease \$1,191,567, net \$1,540,162, decrease \$15,319. Six months gross \$26,066,954, decrease \$5,055,694, net \$3,945,689, decrease \$408,867.

Pennsylvania Lines, West of Pittsburg and Erie.—June—Gross \$21,072,188, decrease \$1,290,358, net \$5,119,608, decrease \$146,125. Six months gross \$116,568,232, decrease \$8,253,274, net \$18,762,562, decrease \$2,869,621.

Lines West of Pittsburg and Erie.—June—Gross \$8,895,911, decrease \$1,457,933, net \$2,303,873, decrease \$432,952. Six months gross \$33,915,218, decrease \$7,141,582, net \$7,895,642, increase \$528,412.

Total Lines East and West.—June—Gross \$39,697,199, decrease \$2,747,561, net \$7,243,481, increase \$276,967. Six months gross \$170,483,561, decrease \$15,667,850, net \$26,659,204, decrease \$2,332,128.

### G. T. RAILWAY APPOINTMENTS

Mr. Frank Scott, Vice-President and Treasurer of the Grand Trunk and Grand Trunk Pacific Railways, announces to-day the following appointments which have been approved by the President, Mr. E. J. Chamberlin.

Mr. William C. Tomkins to be Assistant to Vice-President, effective August 1st.

Mr. James A. Yates to be Assistant Treasurer, effective August 1st.

Mr. William C. Tomkins, Assistant to the Vice-President, entered the Grand Trunk service September 1st, 1885, in the office of Auditor of Pay Rolls. Two years later he went over to the office of the General Manager, which afterwards became the President's office. In May, 1908, he became Secretary to the late Vice-President, Mr. M. M. Reynolds, remaining in charge of that office during Mr. Reynolds' service with the Company.

Mr. James A. Yates entered the service of the Grand Trunk in 1891 as junior clerk in the Audit Department but was transferred to the Treasurer's office in the same year and has had continuous service there. When the Grand Trunk Pacific Railway was organized in 1907 he was appointed Chief Clerk to the Treasurer and since January 1st, 1912, has been Chief Clerk to the Treasurer of both the Grand Trunk and Grand Trunk Pacific Railways.



J. W. MCCONNEL, Vice-President of the Montreal Tramways Company, a concern which last year earned over 30 per cent. on its stock.

## REFUSING BANK NOTES IN ENGLAND TODAY

### Suspension of Bank Act May Be Expected as Result of Today's Cabinet Meeting

#### NATIONAL PENNY BANK CLOSED

Institution Which Has Branches all Over England Patronized by Thousands of Small Depositors, Unable to Stand the Strain.

London, August 3.—The Premier and the Chancellor of the Exchequer had a prolonged interview with several prominent bankers Saturday, and as a result the Government will ask Parliament to-day to take action to "deal with the financial situation." This doubtless means that the Banking Act will be suspended so that the Bank of England need not be compelled to maintain a 100 per cent. of gold for the redemption of its notes.

The scene witnessed at the bank on Friday and Saturday during the rush to obtain gold in exchange for bank notes were repeated this morning, but on a larger scale. A few persons who had been too late to get currency Saturday spent the night near the bank, and reached the quadrangle at daybreak, so as to be first in line to-day. They might have spent the night more comfortably, for few followed their example in the early hours. Most of the people came to the city in their usual leisurely manner and went to the bank at the opening hour.

The crowd increased in the course of the morning, and an hour after the opening about 500 persons were lined up, while the streets near by were filled with curious onlookers.

The bank porters had been sworn in as special policemen so that they could more easily handle the crowd, and in case of necessity, arrest anybody causing a disturbance.

A strong force of the city police also was on duty to deal with the crowd outside the bank premises. Although some people were a little restless, as they wanted to get their money so as to go to country and seaside resorts for their usual holiday at the beginning of August, the first Monday of which is a national holiday, there was nothing that could be described as excitement.

It was noticeable to-day that the line of people was largely made up of clerks, and included many women, who wanted to change them into gold, as they realized that with a continuance of the crisis notes would become unchangeable.

At holiday resorts notes are usually refused, and, in fact, in London restaurants and theatres notes are changed at the best of times only for customers and persons who are known personally, so that many with pockets full of paper money often find themselves unable to buy anything.

The National Penny Bank, an institution with many branches where small deposits are received was closed to-day.

In announcing their decision to close the doors, the directors said that, owing to the serious financial situation at home and abroad, which had caused all Stock Exchange securities to suffer enormous depreciation, so that they could not be easily realized upon and because of the further difficulty in obtaining gold coins, the directors felt compelled, in the interest of depositors, to suspend business for a time.

The closing of the bank, the customers of which are mostly working people, caused no excitement. Not a person appeared in front of the head office.

Thornorton Street, where stock brokers usually assemble, was deserted to-day, the brokers having gone away for the holiday. In fact, the traffic to the holiday resorts was heavier to-day than it had ever been, many who had intended to take short trips to the Continent having decided to remain in the British Isles.

Similar quiet prevailed at other banks and there was not a sign of any run.

### LUMBER AND PANAMA CANAL

Opening of the Big Ditch to Result in Large Increase in North Pacific Coast Trade.

New York, August 3.—Shipping interests here state that the opening of the Panama Canal will result in a large increase of the lumber trade of the North Pacific Coast, and particularly that of British Columbia. So far, tonnage has been chartered for the transportation of 15,000,000 feet from Vancouver to the St. Lawrence via the canal, which will be opened about August 15, and inquiries for more tonnage continue active.

Steamship people believe that shipments to ports on the Atlantic seaboard of the United States will also assume much larger dimensions once the Panama Canal is opened. An average of about 4,000,000,000 feet of lumber is now delivered annually to these ports by way of the Straits of Magellan. The opening of the Canal should expand this business greatly. At any rate, the prospects are inviting enough to attract even at this time a considerable amount of new capital for development purposes.

## LITTLE INFORMATION IN CLAFLIN REPORTS

### Stockholders Had No Insight Into Organization or Financing of Parent Company

#### CONTINGENT LIABILITIES

Operations Were Conducted by John Claflin Under Name of United Mercantile Companies and H. B. Claflin Co. Discounted Notes.

New York, August 3.—A comparison of the last balance sheet put out by the H. B. Claflin Co. and the one recently issued by the receivers of that company furnishes a rather remarkable illustration of what one does not learn about a company by examining its annual reports.

The balance sheet of the H. B. Claflin Co. as of Dec. 31 last showed total assets of \$15,716,715, whereas the balance sheet of the receivers place total assets at \$55,259,524. The explanation of this is simple enough. The company's balance sheet included none of the investments in controlled companies which were recorded only in the books of John Claflin under the name of the United Mercantile Companies. On the liabilities side of the company's balance sheet the only current accounts payable shown were \$4,501,487 open accounts of the H. B. Claflin Co. No mention was made of the contingent liability of \$31,266,209 in discounted notes payable of controlled companies.

#### Indorsements of Paper.

The accountants who prepared the receivers balance sheet made the following comment in regard to contingent liabilities and the security behind them: "We have included in this balance sheet the liability represented by indorsements of paper of the controlled companies and have set forth on the other side the investments in those and other companies recorded in the books of John Claflin kept by him under the name of the United Mercantile Companies without determining any question of ownership as between Mr. Claflin and the H. B. Claflin Co., but assuming for the purpose of this report that the investments in question have been turned over to the H. B. Claflin Co."

What had become the more important end of the business of the H. B. Claflin Co., the organization and financing of stores through which to market its products, was entirely hidden from the public view in spite of the fact that the securities of the company were listed on the New York Stock Exchange, which required the publication of an annual report setting forth the earnings of the company and a "true" statement of its financial condition.

The company's balance sheet showed a profit and loss surplus as of December 31, 1913, of \$1,945,728, whereas the receiver's balance sheet as of June 24, 1914, showed a profit and loss deficit of \$965,300 after charging the capital stock liability of \$9,000,000.

#### Reasonably Definite Estimate.

The accountants who made up the receiver's balance sheet explain that it was practically impossible at the time to give a reasonably definite estimate of the value of the assets of the company in liquidation which were therefore set down for the most part at book value. However, current and working assets were subjected to such deductions as were considered necessary to bring them to a conservative going-concern basis, which deductions would probably be enough to explain the profit and loss deficit reported.

As to what the liquidating value of H. B. Claflin's assets is, those in touch with the situation express a wide difference of opinion, especially as to the value of the real estate holdings of the company. The accountants will shortly make another report in which they will endeavor to get closer to the real value of the assets of the company, than they were able to in the limited time they had in which to prepare the last balance sheet.

### LUMBER TRADE AT STANDSTILL

Perhaps Never Before Has This Business in Maine Been So Utterly Hopeless.

Bangor, Me., Aug. 3.—Never within the memory of the oldest riverman, not even in the panic years and dull times of 1876-78, 1901-02, 1908 and 1912 and 1913, has the lumber trade on the Penobscot River been so utterly lifeless as it has been this far this season, or the port of Bangor so bare of sailing tonnage. Time as when the Bangor steam mills began sawing as soon as the ice was out of the river and kept busy until freezing weather forced them to close, the last vessels being towed out through fast-forming ice. Now the mills are late in beginning operations, and for years there has been no inducement for them to continue sawing past Thanksgiving, while for some years one of them has been idle continuously, and this year another, that of William Engel and Co., did not start, and several others have been closed for weeks at a time.

This summer there have been many days when no sailing vessels either arrived or sailed, and neither the stevedores, the tug boats or the ship news reporters have had much to do, while few sailors are seen in the streets, and long ago the lumber offices of Exchange street gave way to clothing stores and other establishments, and only one or two of the brokers and chandlers remain in business. From Sish Head to Bangor bridge, where in former times there were forests of masts, scarcely a sailing vessel is to be seen. The lumber survey of the port, which in 1913 exceeded 246,000,000 feet, had fallen in 1913 to less than that. Thirty years ago, of the vessels that came to Bangor, about 1,200 passed through the draw-bridge to load or discharge cargoes in the Kennebec stream. In 1913 the number had dwindled to 102.

Competition of Canadian and Southern lumber and the introduction of other materials for construction have done much to displace Eastern spruce in the big markets, but a great deal of spruce, hemlock and other Maine woods is still used, and neither Bangor nor any other Maine manufacturing centre is getting its share of the business. Various explanations are offered for the almost complete collapse of the once great lumber trade of this port, but they are neither convincing nor consoling to the men along the river, who continue to wonder and lament at the passing of the good and busy old days.

## EUROPEAN CRISIS HURTS GROC

### and Coffee are Staple Affected--Dried Fruits Also Being Somewhat from Ne

#### BUYERS SOLICITING OR

That Dried Fruit Shipment Will... Buyers' Efforts to Stir Up Into... Indifferent Success--Prices Ra...

War Crisis Lined Wire to The Journal of... New York, Aug. 3.—The European crisi... considerable effect on the grocery ar... such staples as sugar and coffee... coffee has been at a virtual stand... week with commitments being w... of the market... have been barely nominal and... very depressed.

The war scare caused holders of re... from the market as far as imbu... was concerned and this led to an... in the refined quotations. In... etc, the war developments hav... effects. In these lines busine... proportion with green fruits lea... for the week Sicily lea... demand at higher price levels. A... a large percentage of Verdell... was sound, fresh and of good q... was generally strong and acti... under freely. Prices were irreg... whole higher.

Reference was given to 300's. The ran... to \$5.37 1/2 on first and \$5.37 3/4 on... choice 200's; \$3.87 1/2 to \$4.37 1/2 on... \$2.87 1/2 to \$3.75 for seconds in... in shipping condition, the rang... to \$1.75 down to 50 cents. ... brands offered were putties a... which sold at \$5.25 to \$5.27 1/2 for 30... and \$3.75 for 360's in the latter.

Quality Was Excellent.

The quality and condition of this fru... even finer than previous offerings... dried fruits were dull, buyers continui... Italy. The foreign situation is v... and a little because of the possibi... to Europe on purchases already r... Whatever efforts are being mad... stimulate buying interest in eastern... find little response.

#### Brokers Solicit Bids.

Brokers have solicited bids of 1914 cro... as far as could be l... follow a 5 1/2 cent f.o.b. four size bu... 80's for October shipment was of... big buyers asserted that they had... that in some quarters at least bu... accepted. In Apricots or Peaches... quiet and prices are nominal.

Business in the staple lines of canned... improvement. ... in good demand late... basis of 75 cents for strictly stan... 2's of similar grade... from packing centres indicat... in other sections are placing... for both spot and future goods i... able to obtain in New York and vicin...

#### LIVERPOOL COTTON ASSOCIATION

August 3.—The directors of t... Association have resolved that the... be closed indefinitely.

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