INTERESTING INFORMATION FOR Earners, Savers and Investors

Industry, Thrift, Banking, Insurance, Investments

MAINTENANCE OF EFFICIENCY AND CREDIT OF UNITED STATES PUBLIC UTILITY COMPANIES ESSENTIAL.

Hon. John Skelton Williams, U.S. comptroller of the currency, in his annual report, states that if the public utilities are allowed to sink into inefficiency, much of the most important war work of the Government will be crippled or paralyzed.

"The work of war has thrown upon many of these corporations strains which they are unable to endure without prompt help. The costs of their labor and of all material for operation, betterment and upkeep have increased heavily and suddenly. They are required to increase radically and quickly their service and facilities. Industries manufacturing war munitions and materials demand of the public utilities corporations constantly greater supplies of power and light. At the industrial centres, car lines are being rushed and overburdened by new armies of workers. The gas companies are called upon for gas for cooking and heating in quantities beyond all normal calculations and far beyond their present capacities. They are urged continually to furnish more coke and coal by-products, toluol and other elements absolutely essential in modern warfare. Where cantonments have been established, the demands on the resources of water, lighting and transportation companies are especially severe; ability to comply with such demands is necessary for the safety and comfort of the fighting men in training.

"A committee representing the four leading associations, which include all the principal electric light and power companies, street railway companies, and the most important gas companies of the country, recently submitted to this office a report in which attention was asked to the increase within the last two years in the cost of materials they must use for the maintenance of their properties. They gave a list of percentages of additional cost, showing among others the following items:

INCREASE FROM 1915 TO 1917.

	Per Cent.		Per Cent.
Copper wire	180	Castings, malleable	198
Pipe, cast-iron	100	Copper, bar and sheet	147
Axles	272	Lead, pig and sheet	127
Acids	162	Nails	110
Brass	300	Steel, tool	400
Car forgings	216	Tie plates	276

The continued and increasing efficiency of these corporations is important for the successful conduct of the war. This efficiency is not possible with present conditions. Corporations proved by their own figures to be approaching bankruptcy cannot obtain money for improvements or maintenance. On the other hand, banks and citizens suffering severe losses from investments in the securities of these entirely legitimate and once promising enterprises will be discouraged from lending money to the Government or deprived of the means to lend.

"The first and most direct relief to the public utilities corporations can be given by the State public utilitites, commissions and municipal and local authorities, with the broad-minded co-operation of the people generally, understanding the necessities of war and realizing that the more promptly its burdens are accepted the sooner they will be lifted. It is essential that forbearance and consideration be exercised by the State commission and municipal authoritites, and that the corporations also be permitted to make such additions to their charges for service as will keep in them the breath of solvency, protect their owners against unjust loss, and give them a basis of credit, on which they may obtain the funds with which to meet the strain put on them by the Government's needs. The breaking-down of these corporations would be a national calamity.

"Because of the gravity of the situation in this regard, I am moved to ask for it the careful attention of the Congress and the public. I am impressed with the importance of early consideration by the Congress of some measure to provide directly or indirectly for advance of funds on some conservative basis to such of these corporations as need help most urgently, so that they can give adequate service to the Government. The remedy would be unusual, but the times are unusual.

"The amount of railroad and other public service bonds owned by the national banks June 30, 1917, was reported at $763,000,000. This is equal to approximately 70 per cent of the capital stock of the banks.

"With appropriate aid from the Government through the Congress; with liberal recognition by local authorities of the present acute conditions, and with some practical provision to enable the corporations to meet their own needs and those of the country, the danger now pressing and becoming more serious with each day will be removed, the general business interest of the country will be fostered, the ability and readiness of the public to respond to calls for money will be maintained, and urgent requirements for the defence of the country's life and assurance of our freedom and peace will be met."

WANTED—A NEW BREAD.

In these parlous times of submarines, aeroplanes, and various other scientifically designed agencies of destruction, there is one fact that stands out with glaring pre-eminence—and that fact is that the world needs more bread. Not many of us realized the supreme importance of the role played by the humble loaf of wheat bread—until the price doubled, and threatened to go even higher. Not only has the price gone up, but now we are being urged by Governmental and other food-conservation organizations to have at least one "wheatless" meal a day, and yards of newspaper space are being devoted to the demonstration of the value of the dry crust that erstwhile found its daily way into the garbage can. Statisticians are presenting amazing figures to show how much flour would be saved to help feed the European Allies if every bread-eater in the United States would save but a single slice of bread a day. In fact, a great many people seem to be busy telling us how valuable is the loaf of bread, and how scarce it is going to be, but very few apparently are giving any thought to improving conditions by giving us practical suggestions as to how we may bake two loaves of bread, where, but one was baked before. The logical and practical way to meet the situation, when the demand for a product exceeds the supply is to increase the supply. To do this in the present instance seems to be rather difficult. The world in its present state of belligerency cannot possibly double itse production of wheat and rye, the great bread-making grains, so to double or materially increase the supply of wheat or rye is out of the question. But there is an alternative,

"Wheat on the whole is no more nutritious than the other grains. In any other form than bread its taste is no better and to most people is not as good as the taste of corn, or buckwheat, or oats. Yet as a bread-making material wheat, at a higher price, does win its way against all the substitute grains, corn included. The answer unquestionably to this apparent conundrum is that man has not learned in bread-making to bring out all the inherent good qualities of wheat and has not learned this lesson as to any other grain except perhaps rye. In other words, man has learned how to utilize wheat and has not yet learned how properly to utilize other grains. Furthermore, he has neglected the bread-making possibilities of thousands of fruits and vegetables apparently better economically suited for bread-making than any of the grains. . . . .

"Since he first found out how to use fire to cook his food, man has made but two other really important food discoveries. These are the preserving of meats and other perishables by salt, smoking, or drying, and the use of leaven in bread-making. These two discoveries are, both pre-historic. The importance of leaven in bread-making cannot be overestimated, because without leaven wheat and rye would never have become leading food grains. Without leaven the cultivation of wheat and rye would practically cease. Without leaven wheat is the most stubborn and intractable of possible foods. Even an amateur cook can make an edible bread from Indian corn, or barley flour and water without leaven, but a professional would be stumped to make anything edible from wheat flour and water alone. But with leaven, yeast or baking powder, wheat becomes the supreme bread-making grain. In other words, wheat, the least suitable of all the grains for use as a human food, with leaven becomes the most suited. This is because it is best suited for making that kind of food, bread, which is the base food of all civilized peoples. Here we are at the root of one of the most significant facts of present-day civilization. Man by the discovery of leaven has been able to raise one grain, and that in its natural state the least promising of all grains, to be not the prime grain but the prime food as well. This marvel was wrought by pre-historic man. Can it be possible that chemists of this age cannot work an equal marvel with corn? Or, if not chemists, the mechanical inventors? It may be a problem of chemistry, or it may be a problem of mechanics."

In short, what is wanted is a new bread, a bread made of corn, potato, banana, manioca, or some other kind of flour, that will be as palatable, as cheap, as nourishing, and as acceptable to all the world as the bread made of wheat flour with the aid of leaven. Given such a substance, the food problem of the world would be solved, and we could easily make two loaves of bread where now we can make but one.

WALL STREET CONDITIONS.

The Railroad Control bill has not yet been completed and passed, but its general provisions may be pretty well relied upon. They will, if about as surmised,. be favorable to railroad security holders, for the continuance of the war and for a period after. If the war lasts and the Government, through rate increases, makes the roads earn their keep, advanced rates thus established will constitute an assurance to investors. The Government will have probably worked out its plans by that time, so that all the roads under one control will be treated as one great enterprise and a measure of efficiency and economy established far beyond anything possible under the old regime, with expensive competition and expensive routing. It will be a great thing for security holders if the unified control can be properly arranged to continue, after the war, with all the roads as one great corporation.

But this is a long look ahead. The present situation of the railroad security holder has been brightened by the action of Union Pacific in shifting from a regular distribution of 8 per cent and 2 per cent extra, to a regular 10 per cent dividend-payer. Returns to the stockholders are not increased, but the action shows confidence in railroad futures and has had a cheering effect upon the stock market, as has also the action of Canadian Pacific on the same lines.

The market shows signs of strength. Stocks are selling at prices below real values and yield large returns on investment. Prices would probably advance materially if it were not for contemplation of what effect payment of a great annual tax and the issue of a large Government loan may have upon the financial and business situation.—Bache Review.