

REOPENING LONDON EXCHANGE MOOTED

Most of Schemes Suggest Government Guarantee For Banks and Other Money Lenders

VOLUME OF OPEN ACCOUNTS

Outline of Some of the Suggestions That Have Been Made for Returning Business—Many Members Owing to Slump are Practically Bankrupt.

The New York Journal of Commerce publishes the following article from its correspondent in London, Eng.:

The committee of the Stock Exchange now has before it statements from all members showing the amount they owe as loans to bankers and other interests outside the Exchange and also the extent of their open speculative account on the long and short side. It will take some time for the committee to analyze these statements, but they will then be in a position to judge to some extent the volume of the financial trouble in the Stock Exchange. They will not get an exact knowledge because the statement demanded from members only relates to about 250 stocks, but the balance of securities, although numerous, are probably not involved to any large extent in speculation and in any case the committee can ask for particulars concerning these securities later on.

As the committee has at last taken a definite move in this direction they are now approaching the time when they will be able to discuss some scheme for clearing up the financial chaos on the Exchange and to take action preparatory to re-opening. Several schemes have been placed before the committee who have appointed a sub-committee to deal with them. Most of the schemes suggest a Government guarantee for the banks and other lenders of money against any loss they may incur as a result of the war and its effect on the Stock Exchange. The precedent for this would be the guarantee of the Government to the Bank of England against loss in respect of bills of exchange discounted.

Many members of the Exchange, however, are opposed to receiving assistance from the Government or any outside institution, and consequently a great deal of attention has been given to a suggested scheme for dealing with the situation without a Government guarantee, by means of the formation of a big trust company to take over the entire speculative situation. To do this it is urged that the Stock Exchange must automatically anticipate itself to the conditions existing at the last settlement at the end of July and ignore all speculative business done since that date, since when very little business has in fact been done, owing to the crisis. This condition is urged because at the date of the last settlement all the members of the Stock Exchange were solvent, the insolvents having been hammered. Since that date the heavy slump in prices has made many members practically bankrupt.

An Unofficial Suggestion. The idea is that a trust should be formed with a sufficient capital to enable it to take up at the last making-up price the whole of the remaining speculative position then carried over. A week's notice would be given by the brokers to their clients (and also between jobbers and brokers) to take up and pay for the stock carried over last time, falling which the stock would be sold to the trust company at the last make-up price. In this way every open account would be closed.

For the sake of argument, it has been assumed that the total amount that would be involved, if many speculators did decide to take up and pay for the stock, would be about £20,000,000. In the opinion of many members of the "House" this figure is an underestimation, but whether the total be £10,000,000 or £100,000,000, the precise figure need not alter the scheme in any detail whatever. The trust company would be formed with a capital equal to that total sum, and the capital would consist of 1/4 per cent. bonds, which bonds would receive an official quotation on the Stock Exchange and become a marketable security. The business of the trust company would be strictly limited to the sale of the securities, acquire at its conception, and the payment of interest and redemption of the capital of the trust would be provided for in the following manner:

Redemption and Interest Payment. It may be assumed that the average rate of interest on the securities which would be sold to and held by the trust company would work out at about 4 per cent. Even if the rate of interest were higher or lower than this amount it would not affect the scheme, but for the purpose of discussion the figure 4 per cent. may be adopted. The redemption of the bonds would be mainly effected by sales of the securities held, and it is suggested that every three months there should be a pro rata allocation to holders by way of redemption of the bonds, to whatever extent the sales of securities would permit. The remaining 1/4 per cent. of interest and any further sum that might be required for the redemption of the bonds would be provided for by means of a fund raised internally on the Stock Exchange upon transactions. This tax could be raised thus:

The committee of the Stock Exchange would pass a rate that every bargain done between members must be checked by the exchange of a slip, stating the nature of the bargain and the total amount involved. On each slip, from both brokers and jobbers a special Stock Exchange stamp would be affixed. The amount of the stamp would be the same, both on the jobber's and the broker's slip, and could be of the value of one-tenth of the minimum scale of commission on each transaction. A Business-like Innovation. The necessity for slips arises from the fact that at the present time jobbers do not issue contract notes, but merely check their bargains verbally in the settling-room. The inauguration of slips for the purpose of checking bargains would at the same time be a much more satisfactory and business-like method of conducting this important part of the clerical work of the Stock Exchange. It is suggested that for the present this special stamp should remain in force for a period of a few years (say five, though the term could be extended, if necessary), and that the amount received by the Stock Exchange by the sale of these stamps would be handed over to the trust company as additional income in consideration for the trust having undertaken to purchase all the stocks and shares carried over at the last settlement.

It may be pointed out, in passing, that the tax of 10 per cent. on the minimum scale of commissions in each transaction would be a relatively very small amount, and that the idea has the advantage of relieving such members as are unable to carry on business...

UNREST NOW PREVAILS IN SOUTH AMERICA

Money Tie-up Has Upset Affairs in Argentina, Letter States

EMISSION OF PAPER MONEY

Orders Cannot be Got for Over \$50—War Stopped Transactions with Europe—Cannot Ship Food Products to France and England.

New York, September 21.—The following letter, which has been received by Paul F. Gerhard and Co., agents of the Prince Line, from Buenos Ayres, dated August 5, clearly describes the unrest which prevails in South America:

"We are in the midst of great troubles here, consequent on the stoppage of all financial transactions with Europe. The moratoriums decreed at London and Paris have put a stop to all drafts, so much so that one cannot get an order for over \$50.

"The Government here decreed a moratorium of eight days, which expires on Monday next, and the Cabinet and Congress are studying the matter to see what can be done to relieve the situation. Projects innumerable are presented. Every projector thinks he has found the best remedy. Meanwhile opinions are divided between a moratorium of 90 or 180 days and an emission of paper money.

Present Monetary Difficulties. "There are many arguments for and against both measures, which on principle are bad and in opposition to existing laws, but it certainly looks as if something must be done to tide us over the present monetary difficulties and enable merchants to resume business.

"Cereals, meat and other produce that is badly wanted in France and England, cannot be shipped because there are no means of getting funds to pay for them, even supposing that the risks of ships being held up by enemies of their flag are somewhat minimized by France and England having more men of war to protect their merchant shipping than the German have.

"No doubt your markets are upset as well as others, each one feeling that his own situation is as bad, if not worse than his neighbors. So I will not discuss the pros and cons now, though I cannot help the conviction that the financial difficulties cannot last long; their magnitude is so huge that it must come to a solution. What that will or may be I do not venture to predict."

FALLING AWAY IN PROFITS OF GENERAL MOTORS COMPANY

Decrease in Net of \$336,727—Gross Sales for Year Ended July 31st Were \$85,373,303—War and Foreign Business.

New York, September 21.—The annual report of the General Motors Company for the fiscal year ended July 31st last shows a decrease in net profits of \$336,727. The gross sales of all companies amounted to \$85,373,303, compared with \$85,603,320 for 1913. The 1914 sales (while approximately the same in value as for 1913) represent the sale of 10 per cent. more cars at correspondingly lower prices.

The report adds: "The export business continues to make satisfactory progress, several new and promising avenues of business having been opened up during the past year. The financial disturbances abroad will undoubtedly postpone the development of export business, the volume of which does not yet, however, constitute an important part of the total sales.

"The business of your companies for the fiscal year beginning August 1, 1914, so far has been a million dollars ahead of the corresponding period of the preceding year, but if the present disturbed financial conditions continue it is too much to expect that they will not be felt during the current year.

"The policy of simplifying the corporate organization has been continued and several unnecessary subsidiary corporations have been wound up during the past year."

Table with 2 columns: Description and Amount. Includes items like Net profits after manufacturing and selling expenses, insurance, etc., and Total.

PROFIT FROM CITY UTILITIES

Net at Fort William For Six Months Was \$20,954.

Table with 2 columns: Description and Amount. Includes Revenue, Maintenance and fixed charges, Surplus, Light, Telephone, etc.

AN ALL NIGHT SESSION IN ROME

At the conclusion of the meeting no statement was issued, but it is generally believed the subject of Italy's future attitude had been under discussion.

During the past six years, the branch of the Royal Mint at Ottawa has coined for issue 7,421,976 moneys, with a total value of \$11,397,961.65.

BUSINESS MEN AT THE FRONT



MAJOR E. C. NORSWORTH, Elected to the Board of the Canada Cement Company.

MARITIME PROVINCE SECURITIES

Quotations furnished by J. C. Mackintosh & Co., Members Montreal Stock Exchange, Exchange Building, Halifax.

Table with 3 columns: Description, Asked, Bid. Lists various securities like Acadia Sugar, Do, ordinary, etc.

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ITS GOLD OUTPUT WAS LARGEST SINCE 1864

California Last Year Saw a Production of Precious Metal Valued at \$20,406,958

OLD METHODS SUPERCEDED

Most of This Large Yield Was Derived From Ground Which Could Not Have Been Produced Profitably Through Any Method of Gravel Mining.

Charles G. Yale of the United States Geological Survey, reports that the production of gold in California, in 1913 exceeded that of any year except one since 1864 when the boom days of the rush of 49 were still prevailing.

The value of the output of recoverable, gold, silver, copper, lead and zinc, from mines in California in 1913, was \$26,812,489, an increase of \$428,548 over the 1912 production. All the metals except zinc showed an increased yield, although the ore treated was less in quantity and there were fewer mines reporting a production than in 1912.

The total recoverable value of gold from California in 1913 was \$20,406,958, of which the deep mines produced \$11,570,781, or 56.7 per cent. The total increase in the gold production was \$92,486, of which \$92,986 was in the yield from deep mines. The gold production was larger than in any other year except one since 1864. The great output was due entirely to the operations of the dredging companies and the larger deep mines, as the number of mines operated in 1913 was 245 less than in 1912.

From Placer mines. Of the gold recovered from placer mines the gold dredges reported \$8,090,294, which was nearly 92 per cent of the placer gold and nearly 40 per cent of the total gold yield in 1913. Since the commencement of gold dredging in California, 15 years ago the gold recovered from this source has amounted to \$63,505,485. Most of this large yield has been derived from ground which could not have been mined profitably under any of the old methods of gravel mining.

The 419 deep mines sold or treated 2,490,458 tons of ore, a decrease of 145,539 tons, compared with 1912. Most of the siliceous ore, which amounted to 2,081,429 tons, was treated at gold and silver mills, yielding an average recovery of \$5.61 a ton in gold and silver. The 448,429 tons of copper had a recoverable value of \$1.84 a ton in gold and silver and \$11.74 in copper. The 14,267 tons of lead ore treated had a recoverable value of \$11.24 in gold and silver and of \$23.11 for all metals. The zinc ore shipped in 1913 amounted to 1,823 tons, which was considerably less than in 1912.

The recoverable silver in 1913 amounted to 1,378,295 fine ounces, valued at \$32,553, an increase of 78,253 fine ounces in quantity and of \$23,699 in value. The copper ores from Shasta county contained about 60 per cent of the 1913 production of silver from California.

Silver Actually Recovered.

The above figures for gold and silver represent the output of recoverable metals at the mines as distinguished from the gold and silver actually recovered in 1913, the final official figures for which, by totals for all states and for the whole country, are determined and published as joint statistics of the Bureau of the Mint and the United States Geological Survey.

Similarly the production of copper, lead, and zinc, as stated below is based on ore tonnage sold or treated in 1913, whereas the final official statistics for actual recovery of these metals by millers add refineries are given in the general reports (as distinguished from the mine reports) on these subjects by the United States Geological Survey.

The recoverable copper from California ores in 1913 was 24,575,007 pounds, valued at \$5,359,126, a decrease of \$160,440 in value. The decreased value was due to the lower price of copper in 1913. The largest yield of copper was as usual, derived from the mines in Shasta county which produced 27,044,297 pounds, or 2,425,747 more than 1912. The other important copper producing county was Calaveras, which yielded 5,523,226 pounds.

RECOVERABLE LEAD OUTPUT.

The recoverable lead output in 1913 from California mines amounted to \$5,514,342 pounds, valued at \$154,481, an increase of 2,369,611 pounds in quantity and of \$19,119 in value. Of the 1913 production Inyo county yielded 2,256,432 pounds.

Only two counties reported any production of zinc. These were Inyo county with a recoverable zinc yield of 963,571 pounds, and Shasta county, with an output of 93,914 pounds. The total value of the 1913 zinc production was \$69,219, which was a decrease of \$20,637, compared with the value in 1912.

CANADA'S TRADE OPPORTUNITIES.

The Trade and Commerce Department at Ottawa has issued another bulletin to Canadian manufacturers dealing with Germany's trade with the United Kingdom. German export to Great Britain in 1912 amounted to \$58,571,964. The following is a list of German exports for that period:

Table with 2 columns: Description and Amount. Includes Carriages and motors, Corn Grains, Cotton Goods, Dyeing and tanning stuffs, etc.

RAILWAY EARNINGS.

Toledo, Peoria and Western—Second week September, \$23,923, increase, \$4,766. From July 1st, \$280,303; decrease, \$4,428.

Southern Railway—Second week September, \$1,254,816, decrease, 73,082. From July 1st, \$13,851,076; decrease, \$96,113.

NEW CABLE RATES.

On October 1st the following rates will come into effect: For telegrams between the United Kingdom and the West Indies two shillings and sixpence per word will be charged; between Newfoundland, Cape Breton, New Brunswick, Nova Scotia, Ontario, Prince Edward Island or Quebec and the West Indies one shilling and sixpence per word, and the usual telegraph rates chargeable from places in Canada to any of the provinces mentioned above. These rates are in most cases less than half the former rates.

WALL STREET FEARS DOUBLE TAXATION

Consolidated Exchange Undertakes to Protest Against War Stamp Tax

SENDS FORMAL LETTER

War Revenue Act Imposing Such a Tax of Two Cents Per \$100 on the Face Value on Transfers or Sales in 1898 Was Repealed in 1902.

New York, September 19.—Immediate action has been taken by the Legislative Committee of the Consolidated Stock Exchange, because of the possibility that the proposed war revenue tax bill will involve a feature of "double taxation" so far as Wall Street is concerned. The financial district is always ready in times of crisis to bear its share of the burden. Wall Street men, however, feel that the present state tax is all that sales of stocks can bear.

The Legislative Committee of the Consolidated Stock Exchange, which consists of W. L. S. Weber, F. A. Farnsworth, W. T. Marsh, C. C. Parpell and M. E. de Aguiro, president of the Exchange, authorized the sending of the following letter to Representative Oscar W. Underwood, chairman of the House Ways and Means Committee, who, the Washington advices state, is drafting the proposed war tax bill: "It is reported in the daily press that Congress is about to pass a bill restoring the war revenue taxes as imposed in 1898 and repealed from time to time thereafter.

Imposing Stamp Tax.

"I beg to call your attention to the fact that the war revenue act imposing a stamp tax of two cents per \$100 face value on transfers on sales, or assignments to sell, of stocks, imposed in 1898 and repealed in 1902 on the realization by Congress of the inequitable and onerous character of the tax, especially as regards its workings when applied to the operations of the floor or room traders on the stock exchanges, was in 1905 made a part of the tax law of New York State, and has since that time played a large part in the decline in the business of trading in stocks in New York, so great has been this loss of business, that the revenue derived from this source has declined from \$65,000,000 in 1906 to less than \$2,000,000 in 1913.

"If Congress should now restore the revenue laws of 1898 and impose an additional tax of two cents per \$100 face value on transfers and sales of stock, it would mean double taxation and the result would be most disastrous to the business of New York City.

Two Arguments Propounded.

"I am inclosing copies of two arguments laid before committees of the New York legislatures when arguing for the repeal or modification of the law in this State.

"I am also inclosing a suggestion for an occupation tax to be imposed upon every person engaged in business for their own account. This moderate tax would be so widespread that it would be burdensome to none, it would produce more revenue than the stamp tax on stocks and could not be designated as class legislation through the invidious selection of certain occupations for onerous taxation on sales, and the absolute freedom of all other occupations from any such tax.

"If your honorable committee will give a committee representing this Exchange a hearing, we will be pleased to appear and lay facts and figures before you.

"Yours respectfully, M. E. de Aguiro, president."

AMERICAN LOCOMOTIVE WILL EXPERIENCE SOME NEW POLICIES

Election of S. T. Schoonmaker Chairman of Board, and A. W. Mellon Director, Will Bring to an End all Thought of Strife.

New York, September 21.—The changes made in the board of directors of the American Locomotive Co. this week when S. T. Schoonmaker was elected a director and Chairman of the board, and A. W. Mellon, of Pittsburgh, was elected as a director, the two taking the places of J. McNaughton and Flyn Fliske resigned, have ended all strife between Isaac M. Cate of Baltimore, a stockholder, and the management. Mr. Cate has for the past three years or more been active in making charges against the management, and has issued a number of circulars to the stockholders and directors advocating certain changes in the board and in the management.

The election of Mr. Schoonmaker to the chairmanship of the board does not necessarily mean that changes in the operating organization will follow. It is probable, however, that the company will have its own policies followed out. The new chairman will no doubt put into effect certain policies of economy and management used by him in other industrial lines.

The American Locomotive Co. has eight plants in this country, and one in Canada, the latter owned by the Montreal Locomotive Works, which is in turn owned by the American Company. The American factories are located one each in Schenectady and Dunkirk, New York, Richmond, Virginia, Pittsburgh, New Jersey, and in Manchester, New Hampshire, and two in Paterson, New Jersey. Most of the plants are of the most modern type and can be run profitably even in periods of only fair business.

The farthest west the company has a plant is Pittsburgh. The Baldwin Locomotive Co., the chief competitor of the American has a plot of about 40 acres near Chicago upon which it plans to build a plant to take care of western business. Whether or not the American company will invade the west is not known.

The company builds locomotives of any size or type and does a good export business in prosperous times. Its annual gross business is the largest of any similar company in the country, although a large margin of profit has not been as large as that of some of its competitors. With the present unrest on the board of directors, together with the present unrest in the new management, however, the company is expected to show improvement in its ratio of net to gross. The company's automobile business which was started before the time of President Marshall was a cause of continued loss, and it is understood that it was on the advice of President Marshall that that department was discontinued about a year ago. The \$2,300,000 written off by the company to provide for any losses in liquidating the automobile company proved to be more than ample to meet the liquidation and a considerable sum will revert to the Locomotive company.

JAPAN IS BUYING CANNED SALMON

Government is Negotiating with Salmon Packers Interests in San Francisco For 1914 Pack

NO DETAILS OBTAINED

It is significant that representatives of Canned Salmon Packers have been instructed to accept no business unless subject to Packers' Commission—Indicates Desire to Carry Fish.

The Japanese Government is negotiating with salmon packing interests in San Francisco and Seattle for the purchase of a large block of 1914 pack Alaska and pink salmon for its army and navy commissariat. The reports from the Pacific Coast indicate that agents of the Japanese Government are negotiating with the Alaska Packers' Association in San Francisco and with Griffith Durney & Co. in San Francisco, for a block of upwards of 100,000 cases.

No details of the deal are obtainable, but in the event of a consummation of such a purchase New York factors here believe a marked gain in strength will be noted. It is significant in the light of the coast report that representatives of coast packers here have been instructed to accept no business from buyers except on a basis of subject to packers' commission. This authorization is regarded as indicating a desire on the part of the big factors to carry some fish in Alaska red and pink grades over for eventualities.

The future market on salmon red Alaska talls a pink talls opened at 1.45 and 90c. per dozen, respectively, on a total salmon pack of approximately 100,000 cases all grades and descriptions. The prices were the highest in the history of the business since 1911 and trade took hold rather readily than was expected. The big sellers have red Alaska talls and pink talls. Both these grades are in very moderate supply on spot and in the case of red Alaska talls, sales in a jobbing way, are made at \$1.50 per dozen with \$1 to \$1.05 per dozen asked for pink talls. It is said the available supply of descriptions in salmon for the season of 1914-15 is 2,000,000 cases less than in the previous season.

Commenting on the reported Japanese negotiation a prominent factor in New York said:

"We have no details in hand, but it would not surprise us if the Japanese Government should buy good deal of salmon. They appreciate the value of fish—especially salmon—as an artery in addition to its being one of the cheapest commodities on the meat line. Prices are not high when the supply situation is considered from all angles, and we take into account the rapid rise in values of all other food products.

"The European war will no doubt add considerably to the volume of movement in salmon to the countries where it is possible to ship. In the period...

The Trade Was

SOME BENEFITS THAT EUROPE'S WAR ARE DENIED EMPIRE PATRIOTISM. THE MAN WOULD NOT WILLINGLY TION THAT HANDICAPS THE

But in the field of commerce manufacturers, there are now various opportunities for us, with Germany.

Much of the trade that was become our own. Who but should now make the hosiery, the silver, and much of the che Germany has supplied us?

All this additional business Canadian concerns, will be depending upon the aggressiveness go after such business.

And in that aggressiveness, ing, ADVERTISING must be

Doubly important right now Germany's is going to be applied. Our people must have or a year hence—they are running low, and the firms that share are going to get it—

It will be a test.

Advertising will soon reveal prizes are most worthy and many's set-back. The firms that that was Germany's will be to profit most largely when the

Who, among our Canadian left out in the cold? Who, advertise?