

LESSON TAUGHT BY THE PARIS BOURSE IN 1870

Public in Time of Panic apt to Throw Away Good as Well as Bad Securities

ECONOMIC RECUPERATION

Enabled Frenchmen to Participate in Recovery Which France Astonished the World After Conclusion of Franco-Prussian War.

Paris, August 28.—A very timely exhortation to French investors not to lose their heads even in the face of the great European war is addressed to its readers by "L'Information," and the lesson it teaches by showing what befell the Paris Bourse in 1870 is so useful a one that the investors of other countries might well lay it to heart as well.

France that year was defeated in the biggest war imaginable and so the history of the Bourse for that year ought to be able to let us know pretty well the worst that might happen in any country.

In time of war, though it is quite true that there are certain securities which cannot be sold at any price, there are always an imposing number of solid investments whose intrinsic merits are above all caption, and which can always be dealt in even at the worst of times.

And the unfortunate thing is that in a time of panic the public are apt to throw away good as well as bad and indifferent, selling all three classes at anything they will fetch.

Paris Bourse Prices in 1870.

The following table of highest and lowest prices in Paris during France's "annee terrible" shows that things were not so bad, perhaps, as might be imagined:

	Highest.	Lowest.
French rente 3 per cent.	75.10	50.80
Consols 3 per cent.	95.75	50.80
Austrian 1852 5 per cent.	68	61.50
Belgian 4 1/2 per cent.	106	95
Spanish 3 per cent.	33	22.5
Dutch 2 1/2 per cent.	58.75	57.50
Italian 5 per cent.	60.90	42.50
Portuguese 3 per cent.	33	29.50
Russian 1859 4 1/2 per cent.	88	86.50
Turkish 1865 5 per cent.	65	35
Banque de France	3,940	2,260
Credit Foncier	1,805	1,720
Credit Lyonnais	569	400
Banque Ottomane	635	490
Nord	1,235	930
Est	620	370
P. L. M.	1,047	770
Ville de Paris 1860 3 per cent.	472	320
Ville de Paris 1869 3 per cent.	368	240
Crenaut 5 per cent.	300	260

The lowest prices in the above table were quoted during the last months of the year—that is to say, when France, overwhelmed with disasters, was actually occupied by hostile troops.

Those who sold during the most evil days undoubtedly suffered great losses, but those who kept their heads and did not sell unless compelled by absolute necessity were in a position to participate with great profit in the wonderful economic recuperation with which France astonished Europe a year later.

ELECTED TREASURER OF WESTINGHOUSE ELECTRIC.

New York, August 28.—H. D. Shute has been elected treasurer of Westinghouse Electric and Manufacturing Co., succeeding T. W. Siemon, resigned to become secretary and treasurer of Union Switch & Signal Co., of which he has also been elected a director and member of executive committee. J. J. Hanauer was elected a director, to succeed Paul M. Warburg, resigned. T. P. Gaylord was elected acting vice-president, to succeed H. D. Shute, resigned.

HOLLINGER DIVIDEND.

Hollinger has declared its regular four weekly 3 per cent. dividend payable September 9, to shareholders of record September 2.

NOTES ON PUBLIC UTILITIES

Operation of the Collinwood, Ohio, municipal light plant during the first six months of this year resulted in a loss of \$1314, according to figures given out by the division of light and heat. Revenues from the South Brooklyn and Collinwood plants have been cut \$3,000 per month since the three-cent light ordinance went into effect. Profits of \$41,400 were shown by the South Brooklyn and the new \$3,000,000 E. 53rd street plant up until August 1, according to F. W. Ballard, Commissioner of Light and Heat. Payrolls of the division amount to approximately \$1,000 per day, Ballard's figures show. Although the new municipal plant was opened in July, receipts from power consumers increased but \$1,000 during the month, vouchers showing that \$9,459.78 was taken in from this source.

The City Council of Beaumont, Texas, has awarded the contract for laying about 18,000 feet of six-inch and eight-inch water mains extensions in various parts of the city. Bash & Gray, of Joplin, Mo., was given the contract at figures which will total about \$5,000 for the entire job. The Columbia Iron Works of Chattanooga, Tenn., received the contract for furnishing the hydrants, valves and fittings, the amount being approximately \$1,000. The extensions are to be made in various parts of the city and are in keeping with the original purpose of the \$500,000 bond issue to give the city a thoroughly complete water-works system. Contract for the pipe was let several days ago.

Total gross earnings of the Pacific Gas and Electric Company for July, 1914, were \$1,359,322, an increase of \$140,730. Expenses were reduced \$72,004 and net revenue was \$618,184, or \$212,734 more than for July, 1913. The surplus after bond interest and dividend amounted to \$276,611, a gain of \$205,114. For the first seven months of this year gross earnings aggregated \$9,238,313, an expansion of \$681,443. Operating expenses were lower by \$282,527 and net revenue was \$4,801,222, an increase of \$942,970. There was a surplus for the seven months of \$2,444,482, or \$807,068 more than for the corresponding period of 1913.

The Texas Power and Light Company, a subsidiary of the Southwestern Power and Light Company, reports gross earnings for July, 1914, of \$130,081, an increase of \$40,379, or 45 per cent. Expenses and taxes were 53 per cent. heavier and net earnings were \$45,078, or 32 per cent. more than for July, 1913. Income after charges was \$26,528, an increase of 55 per cent. For the twelve months ended July 31, 1914, gross earnings amounted to \$1,543,040, a gain of \$365,556, or 34 per cent. Expenses and taxes rose 43 per cent., and net earnings were \$503,905, an increase of 19 per cent. Interest charges were 58 per cent. larger, so that after preferred dividend payments the balance of \$119,004 was \$44,382, or 27 per cent. less than for the preceding twelve months.

The Ohio Electric Securities Company, financed by English capital, has been organized to build a central generating station at Floodwood, in the Hocking Valley coal district, with transmission systems extending through the surrounding territory. The new company is incorporated under the laws of Maine and has a capitalization of \$2,500,000 common stock and \$1,500,000 7 per cent. preferred stock. No bonds are to be issued. Fuel for the generation of power will be obtained from adjacent mines, and it is planned to sell power at wholesale to utilities operating in central Ohio. Initial installation will be 4,500 kilowatts, other units to be added as required.

MOLSON'S BANK.

Molson's Bank has declared its regular 2 1/2 per cent. quarterly dividend payable October 1, to shareholders of record September 15th.

MILLS AFFECTED BY DYE SHORTAGE.

Charlotte, N. C., August 28.—Reports from mills in Charlotte, in Greenville, S. C., and other manufacturing centres indicate serious shortage of dyes in prospect. Mills here using German dye have stocks to run only a few months.

Henry C. Frick, reported seriously ill at his summer home, Beverley, Mass.

McAdoo's plan laid before bankers contemplates acceptance of cotton warehouse receipts at 75 per cent. of face value.

GREAT DEMAND FOR SALMON EXPECTED

Canners are Now Looking for a Repetition of Their Experience in the 1904 Conflict

FIRMER TONE IN MARKET

Big Bull Factor is Certainty That This Year's Pack Will be Some Two Million Cases Less Than in 1913—Shortage in Cheaper Grade.

Seattle, August 27.—The dawn of a brighter day seems to be breaking for the salmon cannery on this coast, and as in 1914, it is due to war. For the past two seasons those whose packs have comprised mainly the cheaper grades have either operated at a loss or have barely made expenses. As a result of this condition of affairs a number of the Alaska plants did not operate at all in 1913, and even with the somewhat better outlook last spring a few of them decided to remain closed this year also.

As the season advanced the market took a firmer tone, and when pink salmon advanced to 70c it assured the cannery a little profit at least. But the climax came late in July when war broke out between the leading powers of Europe, and the cannery, judging from their experience during the Russia-Japanese war in 1904, when the demand for all grades of salmon became so insistent that all surplus stocks were cleaned up at a greatly enhanced price, feel sure that this experience will be repeated once more.

Flood of Inquiries.

That this belief is prevalent among the domestic buyers is evidenced by the flood of inquiries for quotations from all sections of the country which have poured into the offices of the packers during the past week. Last year many of the buyers, thinking that the product would remain at the then low prices prevailing, or even get lower, allowed their stocks to dwindle to almost nothing, and now, when it is absolute imperative for them to renew their stocks they face a steadily advancing market with plenty of buyers but no sellers in sight. It is not surprising that they should be in a frantic condition, and ready to pay almost anything in order to get spot salmon.

A few people have charged that this buying movement is largely speculative, but the character of the prospective buyers and the present state of the money market are sufficient justification for the belief that it is an honest, substantial demand for the goods. As matter now stand in Eastern and foreign money markets, banks would absolutely refuse to advance money to be used in speculative enterprises, especially those in foodstuffs.

A few small lots have been sold lately by small packers who had to realize upon the goods at once, and these went out at the rate of 80 cents for pinks and 75 cents for ketas.

Delivered on Contract.

Owing to the uncertainty as to the length of the war, the question of being able to deliver salmon ordered from foreign countries, and the possibility of its costing the packers more to pack their fish, owing to the increased prices on tin plate, solder, etc., as a result of the war, practically all of the leading factors in the trade have temporarily withdrawn their spot and features from the market. What little is being delivered now is on contract. It is extremely probable that these factors will not enter the market again until the opening prices have been fixed. It is the universal opinion in the trade that these prices will show substantial advances over the opening prices quoted in 1913. Usually the figures are announced about August 20, but owing to the extraordinary conditions which now prevail, it may be September 1 before they appear.

A big bull factor in the market is the certainty that this year's pack will be some two million cases less than 1913. This shortage will occur mainly in the cheaper grades, and will be due to the light run of hicks, in southeast Alaska and the fact that pink salmon run in Puget Sound only every other year, and this is the year when they do not appear.

SHORTAGE OF PAPER SUPPLIES IN GREAT BRITAIN IMMINENT

Total Supply at Present is Far Short of the Demand.—Stock Being Used at Rate of 19,000 Tons a Week.

Discussing the paper trade situation in England, the London Times says:

"A problem of great public interest and importance is how far and how long paper manufacturers and newspaper proprietors will be able to provide the amount of paper necessary to satisfy the unprecedented demand for war news.

"In this country there is ordinarily consumed and exported about 15,000 tons weekly of news and white paper in reel made from wood pulp. This includes paper used for magazines and the like. The consumption has risen 25 per cent., owing to the demand for war news, and the increase would have been much greater but for the fact that the size of the newspapers has been rigorously cut down. A large percentage of this paper comes from Newfoundland and the Continent. From Newfoundland we get about 500 tons weekly, and from the Continent 2,600 tons. The Continent supply comes from Scandinavia, Germany, Belgium and Holland. The Scandinavian supplies, though interrupted, have not been seriously interfered with, and it is hoped that this will continue to be the case. But the Continental commitments have for the moment ceased so that the available supplies are diminished to that extent. One immediate result has been to raise the price of paper. A fortnight ago the price was about 1d. a pound; now it is 1 1/4d. Some 11,500 tons of paper are being manufactured in this country at the present time, and to this amount has to be added the supply from Newfoundland.

"It is obvious that the total supply is at present far short of the demand. The increase of 75 per cent. in the cost of paper is a serious matter for the printing trade generally, and for newspaper proprietors in particular, but a question of even more vital moment is the continued supply, now that the Continental shipments of wood pulp have been stopped. According to the best informed sources of information, stocks are being drawn upon to the extent of 19,000 tons a week instead of the normal 15,000 tons. It is estimated that the reserves are normally equivalent to ten weeks' supply, but that at the present rate of consumption these will only last for about six weeks."

Floating mines set adrift by the Germans have sunk a Danish trawler and a Norwegian steamer.

GLEANED FROM MANY SOURCES

Secretary of State Bryan has issued a warning to all Americans to leave Europe without delay.

The Germans have imposed a fine of \$300,000 on the Belgian town of Charleroi.

British marines have occupied Ostend to prevent the Germans from getting a foothold on the English Channel.

The attack on Antwerp by a Zeppelin dirigible balloon has aroused some anxiety regarding the possibility of a similar attack on London.

Germany has no fewer than three million men in arms, of which 2,000,000 are in Belgium, Lorraine and Alsace.

The situation between Japan and Austria is described in Tokio as "a rupture of diplomatic relations, not war."

The public in Berlin is growing suspicious owing to the fact that only victories are admitted by the authorities.

American and Canadian soldiers marched side by side at the peace centenary celebration at Prescott, Ont., yesterday.

Large war map studded with pins to indicate opposing armies has been hung in Cabinet room of the White House.

Republic of Liberia has appealed to United States for advice as to enforcing neutrality at its wireless and cable stations.

The old United States battleship Mississippi, renamed the Kilikis, recently sold to the Greek Government, has arrived in Grecian waters.

Mrs. Sarah Smith, the oldest postmistress in New England, died at South Sandfield, Mass., aged 82 years.

A stock farm at Lafayette, Ind., has started to secure horses to fill an order for 15,000 head ordered by the French Government.

To facilitate commerce in France it has been announced officially that waterways in interior of republic are to be re-opened.

The Belgian town of Hainaut has been compelled by the Germans to pay an indemnity of \$400,000 within an hour, the burgomaster being held as a hostage until the money was paid.

Citizens of Winnipeg have requested the Government to increase the Northwest Mounted Police to at least 3,000 men for service between the Great Lakes and the Pacific Coast.

An Austrian and a Russian got into a fight at Ingersoll, Ont., over the European war. Subsequently in the Police Court the Austrian paid the Russian's fine as well as his own.

Baltimore & Ohio has asked for bids on bridge to be constructed at Pittsburgh, on the line to Chicago, requiring between 10,000 and 12,000 tons of structural steel.

France, Italy, and to certain extent, Germany, have opened their frontiers to allow food to enter Switzerland. Cost of living there has risen about 20%.

Federal receivership of Kansas Natural Gas Co., created in 1912, has been dissolved by order filed in the Circuit Court of Appeals in St. Louis, turning company's affairs over to state receivers.

John Barrett, director of Pan-American Union, says that after severe test of several days, Panama Canal has proved itself a success in every way, working as if it had been in constant use for a generation.

Despite the falling off in the foreign demand for typewriters, the demand in the United States coupled with the demand from non-belligerent countries, has been strong enough to enable the Remington plants to re-open.

Dr. Alex. Carrel, of the Rockefeller Institute, New York, who is in charge of the hospital at Lyons, writes: "It seems certain that the German method of dressing wounds is not so good as the French method, because most of their wounds are infected."

Mayor Hocken, of Toronto, has asked all mayors and presidents of boards of trade in Ontario to meet on Tuesday next to discuss thorough and systematic organization for the solution of the unemployed problem.

Antwerp dispatch to London Morning Post says Germans have levied on Province of Brabant, in which Brussels is situated, \$90,000,000 fine, to be paid by Sept. 14, in addition to \$40,000,000 levy on Brussels. Dispatch says German officers at Brussels are living riotously.

The New York World says tentative arrangements have been made for paying first \$3,000,000 of New York city's revenue bonds maturing abroad in September by shipments of gold to Ottawa for account of Bank of England, which will undertake to ship specie or credit to France, where most of these maturities occur.

Colts Patent Fire Arms Manufacturing Co. of Hartford, is filling \$40,000 order from Canadian syndicate for twenty rapid-fire guns. State Department rules only restriction upon such transactions is that munitions must not be used for fitting out military expedition in United States for purpose of invading country with which this Government is on friendly terms.

H. M. Peers, cotton specialist for J. R. Williston & Co., suggests Cotton Exchange re-open for trade in new contracts only. In this way, he says, normal trading would soon be established without any unusual financial risk, and as soon as practicable it would be possible to establish set difference at which holders of old contracts could transfer into different months of new contracts.

United States Geological Survey expert says California mines in 1913 produced \$26,612,459 value of recoverable gold, silver, copper, lead and zinc, against \$26,385,946 in 1912, and \$28,174,877 in 1911. There was increase in output of all metals except zinc. Gold output totalling \$20,408,958 was largest in thirty-one years and output has exceeded \$20,000,000 only three times in forty-nine years.

HIGH FLOUR VALUES OF WIDE IMPORT

May Detrimentially Affect Coming Output of the National Biscuit Company

FLOUR BOUGHT MONTHS AHEAD

Company is Understood to Use 1,500,000 to 2,000,000 Barrels Yearly—Advance of \$1 per Barrel Would Greatly Reduce Net Profits.

Boston, August 28.—So far as actual operation is concerned the war has produced practically no effect upon the earnings of the National Biscuit Co., the country's largest biscuit enterprise. Since this summer have been breaking all previous records, the gain in gross running at the rate of nearly \$2,500,000 per annum.

The jump in flour and prospects for higher flour values as the war drags on are, of course, matters of wider import and the influence of these factors and prolonged enough.

National Biscuit is understood to use between 1,500,000 and 2,000,000 barrels of flour yearly. An increase of \$1 per barrel would take \$1,500,000 from net profits, a sum equal to 5% on the common stock, leaving a surplus on the basis of results for the year to Jan. 31 last of less than the 7% dividend on the \$29,236,000 common stock. But no human authority can at this juncture make any kind of estimate of how much more the company's flour will cost it for the next year or so.

Covered Months Ahead.

But National Biscuit is always covered months ahead with flour. It never takes undue risks in falling to cover its requirements of this essential raw material. In fact, some authorities have claimed that since the company was started there has never been not several cents per barrel below the general market average quotation. Time and again the company with its ready cash has jumped in and bought big cargoes of flour under the actual cost of production.

It would take months before the company began to feel an increase in the cost of flour. If it were to mark the company could raise its selling prices slightly. The retailer selling at a "customary price" of 5 or 10 cents per carton could not raise his price to the public.

But the Biscuit Co. is a huge wholesaler and as such a fraction of a cent advance per carton would meet any likely advance in flour quotations.

Prove More Burdensome.

The company also uses large quantities of sugar, and chocolate, and the increased cost of these is likely to prove relatively more burdensome than in the case of flour.

One immediate effect of the war has been a gain to National Biscuit. It has cut off importation of fancy foreign crackers, particularly the high-priced English crackers, such as Huntley & Palmer. The American biscuit companies, if they have enough English baking machinery installed have a chance to jump into this situation and permanently corner the "American market." American biscuit producers have been so intent upon quantity output that they have tended to neglect the profitable high-grade biscuit market.

Germany's Commercial Credit Now Under Serious Menace

Exigencies of Warfare Have Induced the Adoption of Practices That May Result in the Issuing of Much Doubtful, if Not Irredeemable, Paper.

New York, August 29.—It has been reported that Germany did not at first declare a moratorium, but this statement seems to have grown out of the fact that German law of bills of exchange made no provision for obstacles and delays in presentation on date required by law. The law was promptly amended at the outbreak of the war so as to protect holders of bills from the consequences of war, and especially interruption of postal and other communications.

Amendments to the law governing circulation and discount policy of the Reichsbank were what might have been expected. Notes of the bank, already legal tender, were relieved from any obligation of the bank to redeem them in gold or other lawful money. The provisions which has attracted so much attention in banking discussions here and elsewhere, for a special tax of 5% on emergency circulation, has been suspended during the war.

This means that notes may be issued without restriction, except judgment of officers of the bank and no longer subject to 5% tax. To facilitate commercial operations, the Reichsbank is no longer restricted to discounting two and three-name paper, but may purchase bills of exchange with only a single signature.

These are reasonable and almost inevitable measures of war time. Another piece of legislation, however, jammed through under pressure of war necessity, involves, if its provisions and limitations are reported correctly, serious menace to the monetary system and the future of German commercial credit. Special loan institutions are to be set up in connection with the Reichsbank for granting loans on all sorts of stocks and other securities. The total of such loans is already fixed at 1,500,000,000 marks (\$354,350,000).

This would be a dangerous proposition, even from the standpoint of commercial credit. It is made vastly more dangerous, however, by provision that loans obtained shall be granted in a special form of loan paper (Darlehenskassenscheine), to be issued in denominations running from 5 to 50 marks, and to have much the same status as bank notes, and be honored by the Imperial Bank.

If these provisions are not subject to important qualifications, which do not appear in published reports, they practically embank Germany on a career of doubtful, if not irredeemable, paper, which will have a most disturbing effect on the circulation and her economic future.

C. P. R. VOTES \$100,000.

The Canadian Pacific Railway has voted \$100,000 to the interests of the families of those serving abroad.

APPOINTED CHIEF CLERK.

Mr. G. F. Anrum has been appointed chief clerk to the Vice-President and Treasurer of the Grand Trunk and Grand Trunk Pacific railways.

Canada's Strength

TWO years or so of stringent times have washed out of the fabric of Canadian business some things that were marring the fair sheet of our prosperity---speculation in real estate, excessive personal extravagance, venturesomeness in finance and a tendency to imprudent business expansion. Today Canada's strength is showing itself unmistakably. We have recovered our self-confidence and courage.

Our business men who advertise owe it to themselves and the times to continue their advertising. Advertisements are declarations of purpose, courage and service. An absence of advertising is an indication of faintheartedness, and of energy in a state of collapse or suspense.

Strength shows itself in action---in advertising.

EXPECT MUCH MORE TEXTILE BUSINESS

South and Central America Producing Sounding Market Within Past Week Little Business Done

HOME DEMAND BETTER

Manufacturers Again Active in Sheetings Use of Business Not Great—Dye-stuff Shortage Alarming Hosiery Trade to Great Extent

(Exclusive Leased Wire to The Journal of Commerce) New York, August 28.—The belief in general cotton goods trade that that branch of the industry is destined to be stimulated in an important way through the placing here of foreign orders for the war ranges, there seems little likelihood of that and German spinners retaining their hold on markets, and as far as the domestic trade is concerned to garner whatever business is possible within the past day or two representatives of South and Central America concerns have sounded factors of cotton goods as to the purchase of large orders of bleached goods and brown goods for prompt shipment. It could not be learned whether this business was closed, but as regards South America inquiry, it is quite certain that definite contracts were entered into for the material which were in doubt as to the time of the purchasers to pay for the goods.

Liquidate Obligations.

This obstacle, however, can be overcome, it is believed, by arrangements for the liquidation of obligations that might be assumed by the American concerns. Home demand for staple cotton goods has improved materially in the course of the week, due to the sale of jobbers stocks. The supply of such goods as sheets and pillow cases in first hands has dried to very small proportions, and it is thought some popular numbers are being sold so far that further contracts cannot be accepted for delivery during the next three months. Buyers in instances are seeking these goods for immediate delivery.

But manufacturers were again active in sheetings, but no great volume of goods was made and the prices at which contracts were closed were not marked changes from a week ago.

The bureau situation continues to give business grave concern. Calcutta advices say that more freights were available for August than for the month of July, and this means a more acute shortage of goods anybody has been expecting. During the past days heavy weight burlap has been in active demand and prices have advanced rather sharply.

In the first part of the week some 40 ounce goods were sold in car load lots at 8.37. Within the last day or two the same goods were sold at 8.75. There is also a good demand for light burlap.

That Dye-stuff Shortage.

The dye-stuff shortage is now alarming manufacturers, and several of the leading mills shortly about a clause to be stamped on orders advising that the business is taken subject to available conditions resulting from the dye-stuff shortage. Higher prices for hosiery are predicted by manufacturers can devise some means of obviating dye-stuffs without having to pay higher prices.

The lace and embroidery trade has assumed more normal form, although the foreign situation makes the outlook for shipments as dubious as some of the unreasonable prices named by factors have been lowered possibly because buyers refused to commit themselves, seeing little likelihood of being able to break even.

Domestic mills are now running overtime, but recognized that this source of production at present is inadequate to meet the demand. The price is inadequate to meet the demand. The price is inadequate to meet the demand. The price is inadequate to meet the demand.

New York, August 28.—Warner, Howell, A. and American Companies continue to quote steel granulated on basis of 7.25 cents. Federal steel cents. Raw sugar advanced 25 points to 5.75.

RAW SUGAR ADVANCES.

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