

WALL STREETS HAPPY AND RICH WITH HARVEST OF PROFITS EARNED BY MANY Nearly a Billion Absorbed in American Securities That Previously Had Been Held Abroad

By CHARLES R. BROWN

NEW YORK, Jan. 1.—As the old year turns into the new Wall Street is so busy that it has neither time nor inclination to read of the past. Financial interests without limitation have been busy since the year 1915 with fact after fact that they are at present. The general public's participation as well as its net profit was probably larger than in any year of the country's history. There have been years of much greater activity. But it is doubtful whether any of these years have been so completely free from manipulation by big traders from clique operations of a character that may be termed detrimental to the interests of the exchange. This in turn means that the country's wealth has been more widely distributed and that instead of a few of the Stock Exchange houses controlling the bulk of the transactions the year's business has been distributed among the entire body of Stock Exchange members who conduct a brokerage business.

What really happened last year was that Wall Street received from \$1,000,000,000 and \$1,000,000,000 in American securities that previously had been held abroad. It is necessary to name such a wide range of securities because of the lack of definite, accurate information. The most accurate to positive figures is the estimate contained in a recent compilation by Mr. Loree, president of the Delaware and Hudson Company, who has had access to the books of virtually all the railroad companies in the United States that have foreign stock and bond holders. Mr. Loree in June last gave the results of a similar compilation which showed that the par value of all kinds of securities of American railroads for latest dates at which data were then available was \$2,750,401,242. The same compilation shows that as a result of errors this amount should have been \$2,704,402,343.

Up to July 31, which is the latest date of his new data, there had been a reduction from these figures of \$480,922,135, bringing the amount of railroad securities on July 31 down to \$2,223,479,208. Everybody knows that the year's liquidation by European holders of American securities since July 31. Therefore, it does not appear an exaggeration to speak of the year's net gain in American securities as having been returned during the year 1915.

FOREIGN BAN REMOVED. In so far as London is concerned a large part of the selling undoubtedly occurred after the close of January when the New York Stock Exchange committee rescinded the restrictions which must be either for cash or in the regular way, that is for next day's deliveries. This removed the bar on foreign selling and quite a number of foreign accounts immediately began. It kept up steadily thereafter, care obviously being taken to avoid placing too great a strain at any one time on the market. The effect was to reflect the foreign market in the future rather than their direct sale. The British Chancellor has no objection to further sales of securities by British holders provided the securities are at a price not below the market price. There, furthermore, would be no objection to selling regardless of the suggested reinvestment for the effect in stabilizing the exchange in New York will be identical in the instance of importations of securities as in the case of gold or merchandise.

The year's closing with the exchange well under control, the high with Sterling funds in the New York market still selling at a discount against under 3 per cent. The statement of the Commerce Department last week of December showed an apparent trade balance in favor of this country for the year of close to \$1,000,000,000, and altogether unexampled record. This is the combined result of a large reduction in importations as well as the remarkable increase in exportations. The demand for war materials to the extent of \$1,000,000,000 in the year 1915, with this balance deals with stupendous figures, the offsets are correspondingly large. Surprising as the statement may appear, any balance sheet on foreign trade account that is drawn today suggests for the year a balance against New York.

INVISIBLE BALANCES. There are, for instance, the usual invisible balances to be taken into consideration, such as the year's dividend and interest payments on securities that are still held abroad or that have but recently been sold. A very large amount of the return of securities, this item, which includes freight charges on merchandise carried by foreign steamship lines, as well as funds brought in by immigrants, and other items, amount to \$1,000,000,000. Meanwhile if \$1,000,000,000 in securities has been returned, and if we add the year's net gold importations of \$400,000,000 and loans by American banks and lenders to foreign countries of \$200,000,000, we have total offsets of \$2,600,000,000, or an excess of \$500,000,000 to be applied to the making of loans, etc., and to the purchase of securities that may be obtained in the value of securities returned by foreign holders.

The strength, enthusiasm and activity which were the features of the market during the year were manifested, upon the unexampled exportations of food products and war supplies. The ground has produced phenomenal harvests, farm products showing a total of about \$1,000,000,000, or fully \$500,000,000 in excess of 1914. This result, coming as it does as merely one of a long series of favorable crop years, produced a remarkable wave of prosperity in the rural districts, and the general public, and permitted an accumulation of actual capital available for investment. In the same way new capital was created from the savings representing the distribution to labor in other forms which will readily suggest themselves of the profits on war contracts. Still further is the increase of new capital that has resulted from what has concededly been the successful speculation by the public in the war stocks and more recently in railroad securities and the more conservative classes of industrial corporations. A better form of capital accumulation during the year was in other forms, and more or less inflation and would disappear in the event of a serious crash in the general market. However, the year's net gain in the value of the country's securities was the case at the closing of last year, and a much further increase is registered by the average values of leading industrial. Twelve months ago, for instance, an average of more than 50 points, comparing the price at the beginning of 1915.

THE YEAR'S EXPORTS. The year's exports are considered to be the most important feature of the year's business. It is not expected that there will be a continuation of the same pressure this year as last for supplies of ammunition, as such active progress has been made in the munition industry. Great Britain, France and Russia are to make those countries in the broad sense independent of foreign manufacturers.

CHRISTMAS TREE OF GAS PIPE



This novel tree is displayed by the Darby office of the Philadelphia Suburban Gas and Electric Company. It is seven feet high.

There is not likely to be a corresponding degree of ease in the money position, however, during the new year, since domestic activity in trade and industry is rapidly increasing. Furthermore, we are face to face with a steady drain in the form of borrowings by the British treasury in this market in accordance with its plan to mobilize British-owned American securities for the purpose of utilizing them for loans in America. In this way it is expected here that Britain has opened for itself an unlimited credit, since American banks cannot very well refuse to loan on the very best security, and "break of days" have taken on the borrowers have such a large amount of these securities on hand that they are able to respond without embarrassment, regardless of the extent of the borrowing, as they are required on the collateral by the lenders.

U. S. STEEL'S EARNINGS FOR 1915 WILL REACH \$120,000,000 Next Year's Showing Should Be Better Because of High Prices. Net earnings of the United States Steel Corporation for the nine months ended September 30 last were slightly more than \$75,000,000. It is expected that the final quarter will show a total of nearly \$90,000,000, so that the net revenue for the 12 months of 1915 is expected to be in the neighborhood of \$120,000,000. While the showing for the final quarter will be remarkable in many respects, the earnings in 1916 will be even at a larger average rate, as the higher price for its product, the common stock, will be receiving the benefit of the higher price for its product.

COPPER CONTINUES STRONG Demand From Domestic Consumers Large—Foreigners Still After Metal. NEW YORK, Jan. 1.—Additional strength is shown in the copper metal market. While the general quotation is 22 1/2c, it is learned that sales have been made for first quarter delivery at 23c and 23 1/2c. In fact, the last mentioned price was bid for a quantity of the red metal to be delivered in three equal amounts during the first three months. So far as can be learned, this order was not booked by the leading interests. Some copper for delivery in April has been sold at 22 1/2c.

BETHLEHEM'S INCOME BIG Showing for 1915 Will Be at Least 300 Per Cent. Greater. Although it is admitted by every one that the Bethlehem Steel Corporation will make a good showing in 1915, the earnings in 1916 will be at least 300 per cent. greater. During the new year the company will be turning out shells at the rate of 10,000,000 per year. Estimates of the earnings on the common stock vary considerably, but that they will amount to several hundred per cent. on the issue is not doubted.

Railroad Earnings Good. WASHINGTON, Jan. 1.—The total operating revenues of railroads in the United States for October were \$22,888,526, an increase over 1914 of \$3,268,578. Operating expenses were \$13,562,558, an increase of \$7,383,918. The net operating revenue amounted to \$9,325,968, an increase of \$2,504,660. Operating revenues per mile averaged \$132, an increase of 13 per cent.; operating expenses averaged \$85, an increase of 2 1/2 per cent.; net operating revenue per mile averaged \$47, an increase of 35 per cent. Taxes per mile increased 45 per cent. Railroads operating 22,813 miles of line are covered by this summary, or about 90 per cent. of the steam railway mileage in the United States.

ALL MARKETS CLOSED TODAY. The banks and trading exchanges are closed in observance of New Year's Day. A legal holiday, and wholesale business in all lines is suspended. Lacking fresh data on which to base reliable quotations, our market reports are necessarily omitted from today's issue.

EGG DEALERS LOSE \$100,000 IN BIG SALE UNDER STORAGE LAW

Thousands of Crates Unloaded Here Through Enforced Release After Eight Months in Storage Houses. EGG DEALERS in this city said today that they were facing a loss of at least \$100,000 as a result of the enforcement of the cold storage bill. Thousands of crates of eggs were sold in the small hours this morning to grocers and other dealers. These eggs came from the chain of storage houses in Philadelphia and vicinity. They were placed in storage eight months ago.

RETAIL PRICE 21 CENTS

Under the cold storage law enacted in this State several months ago, eggs are permitted to remain in cold storage for eight months only, after the time limit expires the eggs must be removed and sold. The eggs removed from the storage houses late last evening were deposited in the storage houses of the Wilson act was passed. The consensus of opinion among the dealers at the time the cold storage act was introduced by William H. Wilson, newly appointed Director of Public Health, was that the bill, if passed, would be vetoed by Governor Brumbaugh. The plan was to unload the eggs stored away eight months ago during the winter season.

UNLOADING BIG STOCK. Unloading of storage eggs has been going on for several weeks, but on a small scale. The dealers were holding out for fancy prices. Rather than be left with large supplies, they began yesterday to unload the eggs at almost any price they could get. It was reported today that the eggs purchased late last night and yesterday afternoon by the grocers will be placed on the market at about 21 cents a dozen. The eggs which were sacrificed yesterday by the manipulators and others were sent here by farmers from various parts of Pennsylvania. Many of these farmers it was learned today, have not received their pay yet. In many instances farmers do not receive their money until the eggs which they ship to this city are sold. The eggs were more than \$10,000 worth, mailed yesterday to farmers by local dealers. This money was the commission due the farmers.

A LARGE SUPPLY. On June 1 egg holdings in 45 associated warehouses over the country totaled 2,144,000 cases or 42,880,000 eggs. The corresponding period of last year by \$20,000,000. "The cold storage bill has resulted in a great loss to the egg dealers of Philadelphia," said a dealer today.

MANY ANNUAL MEETINGS OCCUR EARLY IN THE YEAR

One of Most Important Days Will Be "Bank Day". The financial district will devote a great deal of effort during the early part of the new year in attending annual meetings of various companies. One of the most important days will be January 11, known as "Bank Day," when the majority of the city's institutions elect new officers for the coming year. A list of the annual meetings to be held early in the year follows: January 3, J. J. Sietson & Company, Penn Mutual Life Insurance Company; January 4, Girard Fire and Marine Insurance Company, North Penn Life Insurance Company, Mine Hill and Schuylkill Haven Railroad, Provident Life Insurance and Trust Company, East Pennsylvania Railroad, North Penn Life Insurance Company, Citizens' Passenger Railway, Delaware and Lehigh Railroad, Shamokin, Sunbury and Lewisburg Railroad, Chestnut Hill Railroad, Allentown Railroad, Philadelphia and West Chester Traction Company, Roxborough, Chestnut Hill and Norristown Railway, New York and Middle Coal Field Railroad and Coal Company, Reading and Northern Railroad, Central Railroad of Pennsylvania, Wilkes-Barre and Scranton Railway, Nesquehoning Valley Railroad, Trexler Railroad.

LAKE PRICES LIKELY TO SOAR. Imported lace goods are likely to be in short supply in the near future. Most imported lace goods formerly came from Nottingham, England; Calais, France; St. Gall, Switzerland, and Plauen, Germany. In Nottingham more than half of the plants are closed on account of the shortage of labor. The girls formerly employed in the Nottingham lace factories left their homes to take up work in munition plants, where they are offered in many cases three times the wages they could earn at lace making. In Calais not one-third of the lace machines are running in factories at the present time. In Germany, is practically in the same condition, and as for St. Gall, the great difficulty is in getting the raw material. Some shipment of raw material to New York importing houses have been on the way for three months and have not arrived yet, and no one knows when they will arrive.

Union National Takes Over Bank. The Manufacturers' National Bank, at 27 North 3d street, has been consolidated with the Union National Bank, at 3d and Arch streets. The Manufacturers' National Bank, under the management of Wolf, president of the Manufacturers' National Bank, will become a member of the Board of Directors of the Union National Bank. The Union National Bank, under the management of Samuel Campbell, cashier, will be elected assistant cashier, and will be where he will look after the interests of the depositors of the Manufacturers' National Bank.

PHILADELPHIA, Dec. 31st, 1915. We beg to announce that Mr. Thomas D. Smith is admitted to membership in our firm, and that the firm is now known as CHARLES HARRISON, JR. & CO.

FRANKLIN NATIONAL BANK. Broad and Chestnut Streets, Philadelphia, Pa. The annual election for directors will be held at the banking house on Tuesday, January 11, 1916, between the hours of 11 o'clock and 1 o'clock p. m. E. F. FARMORE, Cashier.

ADVANCE IN HOISERY PRICES BLAMED ON NEW LABOR LAWS

Cost of Insurance Under Compensation Act and Disruption Through Child Labor Limits Given as Among Reasons for Big Advance. A number of hoisery and knit goods manufacturers have notified the National Association of Hoisery Manufacturers that they will be obliged to increase their prices soon. There has been some increase recently in fact, as many as three separate increases in prices of certain grades have been made since September last.

The reasons given for advances are many: Higher cost of all materials which the manufacturer of these goods, especially wool, cotton yarns and bindings, increased wages and even the price of coal. But above all, it is said, the cost of the new workers' compensation law, which requires in many cases the complete reorganization of many establishments, are the chief causes of increased prices. A vigorous protest against the rate for hoisery and knitting mills under the new workers' compensation law has been raised and is to be contested thoroughly. The cost of liability insurance on this class of risk which the manufacturers have been carrying in the past is about 5 cents for each \$100 of the payroll. The cost of compensation insurance under the new law will be 4 cents for each \$100 of the payroll. It is contended that the rate of 4 cents was based on the methods and antiquated machinery used years ago and which no longer exist. The new law with modern machinery and methods there is little hazard.

FOREIGN COMMERCE BUREAU HERE TO HELP OUR MANUFACTURERS

Sample of Goods Wanted Abroad Displayed and Information Given in Widener Building. \$7000 ORDER WITH 2 CENTS. On the 12th floor of the Widener Building, in connection with the Chamber of Commerce, there is a department which every manufacturer in Philadelphia who already does not know all about it should get in touch with as soon as possible for his own interests. It is known as the Bureau of Foreign Trade and Domestic Commerce, and is a direct emanation of the Federal Department of Commerce, with which it is in direct touch.

Every one in business with the Bureau of Foreign Trade and Domestic Commerce, and classes of goods with inquiries as to where they can be obtained. These inquiries are principally from foreign countries, in many cases stating the quantities wanted. One Philadelphia manufacturer called at this bureau a few days ago, saw some samples of goods he could furnish and with the aid of a two-cent stamp secured an order for \$7000. Here are some of the samples which came in this morning's mail: Material such as buttons and metal stiffeners used in the manufacture of corsets. The samples and inquiries came from England, and were for 1000 and 500 gross lots. From British Guiana came samples of cotton piece goods, some bleached, some unbleached and some in colors such as are used in this country for jumpers and suits. From Paraguay came samples of cotton cloths, gingham and other goods, all of which are made right here in Philadelphia.

YEAR'S FINANCING LARGE About Three-quarters of a Billion Went to Foreign Nations

Corporate financing in the United States in December was nearly up to the high record made in February, and brought the financing for the year above the billion and a half mark. This total is below that of previous normal years, although well above last year, but when the fact is taken into consideration that we have financed foreign nations to the extent of about three-quarters of a billion, this year, as compared with little or nothing in former years, 1915 is seen to compare favorably in the amount of investment made by the American public. The total for the year was \$1,575,500,000, as compared with \$1,322,000,000 in 1914 and \$1,860,000,000 in 1913. December's large total of financing was traceable to the recapitalization of many companies, the market conditions being propitious for selling new securities. Automobile companies figured most conspicuously in this financing, many of them having heretofore been under capital, but all kinds of companies, from those in the munitions business to mail order houses, were represented.

Because of the nature of the last month's financing little of it was for refunding purposes. Out of the \$215,000,000 total not more than \$50,000,000 went for refunding, leaving a net \$165,000,000 of capital for new work. This was approximately the amount of the new capital raised in October when much recapitalizing was also done, but is twice the amount secured in any other month.

New Year's Day 45th Anniversary. We extend Acknowledgments and Best Wishes To 6054 Depositors To 2210 Safe Renters To Thousands of Clients in our Trust Estates and to the Millions Resident in Philadelphia and vicinity forming a community which we have served and in which we have prospered for Nearly Half a Century. Guarantee Trust & Safe Deposit Co. TWO OFFICES 316, 318, 320 Chestnut Street Uptown Office 1422 South Penn Square (Opposite City Hall)

AUDIT THOSE BOOKS HEVERLE & HAY PUBLIC ACCOUNTANTS REAL ESTATE TRUST BUILDING. DIVIDENDS. LEHIGH VALLEY RAILROAD COMPANY. The Board of Directors of the Lehigh Valley Railroad Company has this day declared a quarterly dividend of \$1.25 per share on its half per cent. (or \$1.25 per share) on its record of December 24, 1915, and a quarterly dividend of two and one-half per cent. (or \$1.25 per share) on its common stock, both payable January 8, 1916. Checks will be mailed. C. J. KULP, Treasurer.

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