

FRENCH SAVINGS BANK ACCOUNTS SHOW INCREASE

Conservation of Deposits Due to Law Which Limits Withdrawals

BIG GAIN IN INTEREST

By YVES GUYOT

PARIS, April 11.—For the first 11 months of the year the accounts of savings banks show the withdrawal of only 375,000,000 francs out of total deposits of 4,000,000,000.

The withdrawals were chiefly in 1914, as in 1915 they were only 1,500,000,000, which is only one-fifth of the amount of deposits in 1914, which amounted to 12,000,000,000.

This conservation of savings bank deposits in large part was due to the new law which limited withdrawals to 50 francs per depositor every two weeks.

It is now proposed to further and save banks by extending from 1,000 to 3,000 francs the sum accepted from individual depositors. Savings banks can invest in Treasury bonds, rentes or national loans.

WHEAT SUPPLIES HARD ON PRICES

United States Has More Than 65,000,000 Bushels in Sight

CHICAGO, April 11.—The weather forecast for the week ending April 11th shows a north tonight and Wednesday, somewhat cooler in the afternoon.

CHICAGO, April 11.—Owing to the presidential primaries, the Board of Trade was not in session today.

The receipts at Minneapolis and Duluth today were 232 cars against 161 cars last year at Chicago. 237 cars against 66 cars at Winnipeg. 413 cars compared with 141 cars.

ELKINS, MORRIS & CO. BANKERS

Land Title Building Philadelphia Western Pennsylvania Railroad Consol. (Now 1st) 4s, June, 1928

Assumed by the Pennsylvania Railroad Co. Secured by a first mortgage on 136.59 miles of road from Allegheny to Butler, Pa., and branch to Bolivar, Pa. Tax exempt in Penna.

Price and Particulars on Application MELLOR & PETRY

Pennsylvania Co. 3 1/2's Series C 1942 Price to Yield 4.35% HARRIS J. LATTA

DIRECTORY OF ACCOUNTANTS Certified Public Accountants LAWRENCE S. BROWN & CO.

SERVICE FOR LAWYERS My own long experience and the fact that I have handled more than 1000 cases in the courts...

LOCAL MINING STOCKS TONOPAH STOCKS. Jim Butler .05 .97, McNamee .09 .11, etc.

PHILADELPHIA MARKETS GRAIN AND FLOUR. WHEAT—Receipts, 261,510 bush. The market is quiet and steady.

PROVISIONS. There was a fair amount of demand and values ruled firm. Quotations: City beef, in bulk, 26c.

REFINED SUGARS. The market was quiet, but steady. We quote: Extra No. 1, 10c; No. 2, 9c.

DAIRY PRODUCTS. CHEESE—Cheddars were light and the market ruled steady, but trade was quiet.

POULTRY. LIVE—Dumplings were good and prices of four and five birds advanced.

VEGETABLES. The general market was quiet and prices showed no change. Quotations: White potatoes, No. 1, 10c; No. 2, 9c.

LIVE STOCK QUOTATIONS. CHICAGO, April 11.—HOGS—Receipts, 12,000; market 10 to 10 1/2 cents higher.

FRESH FRUITS. Choice stock sold fairly and values generally ruled steady. Apples, per bush, 1.00.

Drop in New York Exports. NEW YORK, April 11.—The exports of merchandise from the port of New York for the week ended April 8 were valued at \$147,822,333.

INTERNATIONAL MERCANTILE MARINE

To Holders of United States Mortgage & Trust Company Certificates of Deposit for Common Stock of International Mercantile Marine Company:

Your Committee has refrained from giving any statistical information as to the affairs of the Marine Company, until its accuracy had been established by Messrs. Coverdale, Colpitts & Co., as Consulting Engineers, and Messrs. Barrow, Wade, Guthrie & Co., as Accountants.

Capitalization and Assets of the Marine Company: Bonds—two issues, 4 1/2% and 5% \$70,226,000. Preferred Stock—par value \$17,275,720.

The following are the Company's assets: White Star Line, Dominion Line, American Line, Red Star Line.

(1) Atlantic Transport Lines Under service 733,911 tons. Under construction, approx. 1/2-paid for 222,234 tons.

(2) Leyland Line Under service 288,913 tons. Under construction 16,425 tons.

The Marine Co. owns approximately 98 1/2% of the Common Stock of the Leyland Line and all of the Preferred Stock except 282,730 or approximately \$4,000,000, the latter being held by the public.

(3) Investments. The Marine Company either directly or through subsidiary companies has the following interest in the common stocks of other companies: Holland-America Line, Shaw-Savill & Albion Co., George Thompson Co.

Condition of the Company prior to the Declaration of War, August, 1914: Gross Voyage Earnings, I. M. Co., \$29,677,756.

The International Mercantile Marine Co. was formed in 1902. The impression prevails that the assets and earnings of the Company had gradually decreased until the outbreak of the present war.

Between January 1, 1911, and December 31, 1914, the following amounts were spent for new tonnage, partly for replacements and partly for additions: I. M. Co., \$12,988,270.

The stock of the Holland-America Line, the Shaw-Savill & Albion Co., Ltd., and the George Thompson Co., Ltd., was purchased after December 31, 1904, the date of the first published Balance Sheet.

Liabilities: The liabilities including the bonded or funded debt and net current liabilities of the Marine Co. and its subsidiaries were not increased.

Net Earnings prior to War Period: The net earnings of the International Mercantile Marine Co. and the Leyland Line before deducting bond interest and before allowance for depreciation.

Average, 1903 to 1909—7 years \$4,893,989 annually. 1910-11-12-13—4 years 9,414,349

During the early part of 1914 this Company suffered in common with all business from the then current business depression, but beginning with August, 1914, its earnings rapidly increased.

tenance, both ordinary and extraordinary are deducted and charged to income. The depreciation item is intended to represent the decreased value of the ships and is really a fund for the purchase of new ships.

War Earnings: August 1, 1914, to December 31, 1914, \$6,431,650. January 1, 1915, to December 31, 1915, \$41,256,036.

While all of these earnings cannot be distributed as income and as a considerable portion must be applied to the reduction of debt, and other capital purposes, nevertheless, they represent actual additions to the value of the assets of the Marine Company reflected in the value of its securities.

The foregoing earnings do not include the earnings from the Holland-America Line, Shaw-Savill & Albion Co., Ltd., and George Thompson Co., Ltd., except to the extent that they have been heretofore distributed in dividends.

Cash Position of the Company April 1, 1916: Cash in the hands of Receiver, the Mortgage Trustees and subsidiary companies of I. M. Co., including the Leyland Line on February 29, 1916, \$15,794,000.

Income of Company on restoration of normal conditions after war: A forecast of future earnings always involves some uncertainty.

Value of Assets of the Company for purposes of Reorganization: Cash after deducting all expenses and war taxes, as of April 1, 1916 (approximately), \$35,000,000.

Net surplus after depreciation and interest, \$8,001,670. From this there should be deducted interest on surplus cash assumed to remain in the Treasury of the Company, \$750,000.

It will be noted that the foregoing does not make any provision for the accumulated dividend in arrears on the Preferred Stock.

The foregoing division of income, therefore, correctly represents the relative interests of the two classes of stock in the earnings of the Company on the basis of normal earnings and conditions.

Net income, after deducting all charges, including war taxes (estimated), for three months, April 1 to July 1, 1916, at \$3,000,000 per month, 9,000,000.

The value of the assets, including cash as of April 1, 1916, of \$141,550,000, is substantially equal to the value made by Mr. P. A. S. Franklin, Receiver.

Inasmuch as no reorganization can be completed by the actual issue of securities before July 1, 1916, and as the entire tonnage of the Company is booked until after that date, we have added to the foregoing values the net income (after deducting war taxes) at the present rate, from April 1 to July 1, 1916, or \$9,000,000.

The value of the assets, including cash as of April 1, 1916, of \$141,550,000, is substantially equal to the value made by Mr. P. A. S. Franklin, Receiver.

The war tax is levied on the British, but not on the American Companies, and as to the British Companies it applies only to the excess over the purchase price. Allowance has been made, not only for the present war tax of 60%, but for the increase to 60% recently recommended.

Differences between the views of the two Committees with respect to the various proposed plans: Assets at above valuation April 1, 1916, \$141,550,000.

*NOTE: The amount of warrants for the accumulated dividends is the amount conditionally fixed in the Preferred Stockholders' Plan; the present or estimated value of the accrued dividend does not, in our opinion, exceed this amount.

The position of the Common Stockholders' Committee is that in the foregoing valuation a large portion of the assets has been included at a greatly depreciated value, and many elements of value wholly disregarded.

(1) That in the valuation of \$141,550,000 the entire fleet of the Marine Co. and of the Leyland Line has been taken at a depreciated value far below either cost or actual present value.

(2) No allowance in the foregoing valuation is made for the large current earnings of the Company. Based on the average for the last six months, these earnings, after deducting all charges, including war tax, are approximately \$3,000,000 a month.

(3) The valuation also makes no allowance for any increase over the pre-war earnings after the termination of the war.

The allowance of the Common Stockholders by the proposed Plan is stated to be \$12,500,000 of new stock. The acceptance of this Plan by the Common Stockholders is, therefore, substantially equivalent to a sale by the Common Stockholders to the Preferred Stockholders of their interest in

(a) the fleet of substantially 1,105,000 tons at a price which wholly disregards the increase in the value of tonnage, and at much less than its actual or market value;

(b) war earnings which for more than six months have been averaging \$3,000,000 a month, or about \$36,000,000 per year after all deductions, including war tax;

(c) prospective post-war earnings expected to be considerably in excess of the normal earnings for a number of years.

The whole consideration proposed to the Common Stockholders for this interest is \$12,500,000 in new stock which would have a probable market value about equal to the three current months' net earnings of the Company after deducting war tax; or a market value less than the net earnings actually realized between the time the former plan was presented in December, 1915, and this date.

We have not stated the amount of the excess of the market value over the depreciated value of the fleet, nor the amount of the prospective war earnings from this date to the conclusion of the war, nor the amount of the prospective increased earnings for the period immediately following the termination of the war.

We have sought in this statement only to summarize the important facts. We have not dealt with the much discussed question of the validity of the default or prosecution of the foreclosure. Whether the default be valid or not, the accumulation of earnings and the improvement in the condition of the property makes the off-threatened extinguishment of the Common Stock impossible.

UNITED STATES MORTGAGE & TRUST CO., Depository. JOHN W. PLATTEN, Chairman. LEWIS L. CLARKE, Secretary.