

FINANCIAL NEWS AND COMMENT—ITEMS OF INTEREST TO THE BUSINESS MAN

NEW YORK STOCKS SELL OFF AT CLOSE OF ACTIVE DAY Midvale Steel Reaches New Low of 47 3/4 and International Paper Declines to 22 1/2—New Liberty Bond Sale Weakens Whole Market

High Points in Today's Financial News Liberty Bonds sell down to new low mark of 99 in the Philadelphia Stock Exchange. Turnover of stocks on local exchange unusually small with tone of market fairly strong. U. S. Steel off 1 1/2 to 105 1/2 at close. New York exchange quiet and generally off. Tobacco and Steel leading decline. Government crop report for October shows spring wheat and corn under condition estimated in September report, but with increase in total yields. Cotton, oats, and other crops show increase. Cotton up. Grain steady. Bar silver down in New York and London. Money easier.

The heaviness which developed in Liberty Bonds during the day proved an effective check to the bullish operations in the stock market. There was a continued supply of the Liberty Loan bonds which were traded in at 99.05 down to 99.50 compared with the high price of 100.30, paid just a little more than a week ago. No one in the Wall Street district holds the slightest doubt but that the new loan now being offered to and taken by the public will be a complete success, but speculative interest and investment dealings in the Wall Street district have been on the wane for some weeks and the Stock Exchange is not likely to participate to any great extent in this new Government financing.

Naturally, speculative interest and investment buying of current Wall street securities were contracted because of the necessity of devoting financial efforts in the taking and placing of the new loan, and the market for those securities could only be found at concessions. At first, the supply of stocks was small and there were many issues which showed strength in the early dealings, but the strong tone quickly disappeared when the Liberty Bonds declined.

The prominent features of the trading were the tobacco stocks, United Cigar Stores falling off 5 points to 104 1/4, and Tobacco Companies yielding 3 points and selling below 62. United States Steel common moved up more than 1 point to 105 1/2 in the early trading and then dropped more than 2 points.

Bethlehem Steel "B" moved in the same way, advancing 2 points to 87 1/2, and then wiping out this gain and showing a net loss. Substantial losses were sustained also in the copper stocks, with Kennecott declining more than 2 points to 34 1/2, and Utah Copper ranging late in the day from 89 to 87. Midvale Steel touched a new low, selling off 1 1/2 to 47 3/4, the previous low being 47 1/2. International Paper was off 3 points to 22 1/2.

French Municipals Not Well Distributed One of the difficulties of the market for the French municipals, with one exception, that being the city of Paris 6s, is that they were never well distributed. It is generally understood that public took more than 50 per cent of the Bordeaux, Marseilles and Lyons 6s. Selling last week was ascribed in part to a feeling that the syndicate would be dissolved at the end of the month; but it was stated officially that no such action had yet been taken or considered.

In the financial district, however, there was a rather well-defined report that some of the selling had been for the account "of interests," which may or may not mean those bankers who were intimately concerned with the original flotation. At the New York point of their decline the Lyons 6s sold off yield better than 12 1/2 per cent and the yield on the Marseilles and Bordeaux 6s was better than 11 1/2 per cent. All of these notes mature in November, 1919.

Among the large brokerage firms there is a marked division of opinion as to the future of the stock market. Some take the position that the liquidation is virtually over and that henceforth prices will commence to reflect the inflation which must inevitably accompany the raising of such huge sums of money as is under contemplation by the United States Government. The more conservative element feels that while prices might rally considerably, the movement must necessarily cease when the short interest has been run to cover, for, as one firm puts it, there is "little reason to expect another upward swing with a total absence of public buying power." Another viewpoint is that the demoralization of investment values is bound to militate against a successful flotation of the Liberty Loan, for "when merchants and others see their securities declining to losing figures a sense of poverty begins to affect them and the impulse to subscribe to the Government war loan gets a dash of cool water."

Change in Sense of Values In former days a stock earning 15 per cent would have been entitled to a market rating of above par. This was not so many years ago. Today, however, the Wall Street sense of values in relation to earnings has changed very remarkably. Bethlehem Steel is an instance in point. Its preferred stock sale showed a miserable lack of enthusiasm on the part of shareholders, who forced the syndicate to take more than 20 per cent of the allotment. Earnings of the company this year are semi-officially estimated at around \$50 a share after allowance for the war tax. Last year the company earned \$22 a share on its common stock and in 1915 an amount equal to \$28 a share on the present capitalization. In other words, the company in three years will have earned an amount equal to \$150 a share on its common stock. The B stock, by way of comparison, is selling at a price equal to more than \$50 a share below the amount earned on it.

The unofficial Treasury Department definition of the term "invested capital," while not necessarily binding, is of great interest to corporations. It is stated that money received by a corporation from the sale of its bonds is not invested capital. Bonds are a mortgage and money derived from the sale of them constitutes a loan. Neither is any allowance made for stocks and bonds, except those of the United States Government, the income from which is not subject to the excess profits tax. Other investments and obligations of the United States Government can be included in invested capital.

Steel Manufacturers in Conference Steel manufacturers are still in conference with the idea of forming a schedule of prices on steel products other than bars, shapes and plates. Items that are getting first consideration are tubular goods, wire products and sheets, these being the great products of the steel industry other than bars, shapes and plates in the steel trade here in that the prices proposed will be arrived at by taking the bar, shape and plate prices and then adding as large a margin or spread as there is any hope of obtaining, all these products being more finished articles than bars, shapes and plates and involving more labor in their manufacture.

There is a feeling in oil circles that this winter and spring may witness a big speculative boom in Standard and independent oil companies in view of the 19 per cent tax on undivided profits going into effect July 1, 1918. The expected distributions on Atlantic Refining and Standard Oil of New Jersey are just now the important topics of discussion, but aside from these there are quite a few others in the oil list that are coming in for consideration. The undivided profits of the New Jersey Company are expected to reach approximately \$30,000,000 this year, and well-fortified rumors have it that an extra \$15 or \$20 may be declared May 15 next. At the company's next board meeting on November 15, it is not believed anything other than the \$5 regular will be distributed. The Atlantic Refining Company has a surplus of more than \$32,000,000, compared with a capitalization of \$5,000,000. There is talk of a stock distribution as well as a large cash extra from this company. Despite the fact that big allowances will be made for depreciation and plant extensions, Atlantic Refining is expected to earn around \$10,000,000. The Texas Company will also have a considerable item available for taxation. The Prairie Oil and Gas, the Prairie Pipe Line, the Ohio Oil Company, Standard Oil of New York, Standard Oil of Ohio, Standard Oil of Nebraska, Standard Oil of California as well as many other pipe lines are earning considerably more than their dividend requirement.

INACTIVE NEW YORK STOCKS Following are quotations for inactive New York stocks and in which there were no transactions today. The price given is the last previous sale.

Table listing inactive New York stocks with columns for stock name, price, and other details. Includes stocks like Adams Express, Am. Express, Am. Sugar, etc.

New York Stock Sales

Table showing New York Stock Sales with columns for stock name, high, low, close, and net change. Includes stocks like Am. Chalmers, Am. Best Sugar, Am. Can., etc.

INTEREST LACKING IN CURB MARKET

Dragging Tendency Follows Effort to Eliminate War-Order Issues

There was a general lack of interest in speculative operations on the Broad Street Curb, with few stocks fluctuating as much as one point throughout the day. The dragging tendency was a natural result of the readjustment now in progress, by which war order issues are being pressed out of the speculative field.

There were a few transactions in Aetna Explosives at 4 1/2 and 5 1/4, and Wright-Martin continued to attract attention because of possibility of profits on Government contracts, and that stock was traded in at 10 1/2 to 9 1/2, while no transactions were made in Submarine or Curtiss Aeroplane in the first half of the day. Air Reduction sold at 90 and 91.

The oil stocks were quiet and generally lower. There was an absence of effort to keep the speculative promotions active, and some of those issues could only find a market with severe declines from recently prevailing prices. The lack of support of valuing prices for the oil stocks was such that they attracted attention, that stock ranging from 13-16 to 11.

Midwest Refining sold at 147 to 144, Northwest sold at 89 to 87 and Oklahoma at 31 1/2 to 32. Arrangements have been completed for the listing of International Tube Chemical Company stock, amounting to 250,000 shares of a par value of \$5. The company is an outcome of war necessities, a by-product of a product that raises the manufacturing point of gasoline, adding about 25 per cent to its efficiency.

New York Curb Quotations

Table of New York Curb Quotations listing various stocks and their prices, including Air Reduction, Aetna Explosives, Am. Best Sugar, etc.

STANDARD OIL

Table of Standard Oil stock prices, including Atlantic Refining, Standard Oil of New Jersey, etc.

INDEPENDENT OIL STOCKS

Table of Independent Oil Stock prices, including Barnett Oil & Gas, Green Mountain, etc.

MINE STOCKS

Table of Mine Stock prices, including Alaska Standard, Atlanta, Bid Lodge, etc.

BAR SILVER

Table of Bar Silver prices, including American Silver, Buffalo & Sun, etc.

BONDS

Table of Bond prices, including Bethlehem 5s, Consol 4s, etc.

Financial Briefs

The New York treasury lost \$717,000 to the banks on Saturday, making a cash net loss since Friday of \$1,839,000.

A petition is being circulated on the floor of the New York Stock Exchange for signatures to close the exchange on Saturday.

There has been placed on the regular list of the Philadelphia Stock Exchange 15,000 additional Commercial Trust Company certificates of deposit for Philadelphia Company collateralized to \$1,500,000 and \$1,000,000 additional Philadelphia Life and Trust Company certificates of deposit for Philadelphia Company collateralized to \$1,500,000.

LIBERTY BONDS SELL AT 99, NEW LOW RECORD FOR PHILADELPHIA

Sudden Drop in Initial War Issue and U. S. Steel Are Only Features in One of Dullest Days on Local Exchange. Reading Re-elects Officers

A sudden drop in Liberty Bonds toward the close of the day's trading on the Philadelphia Stock Exchange sent the first war issue of the United States down to the lowest mark it has reached—99. The bonds at the opening sold at 99.40, an advance of an equal amount to 12. Late Superior advanced 1/2 to 16 1/4 and Philadelphia Electric 1/2 to 25 1/2.

United States Steel led the market in activity, the transfer of 2450 shares sending the quotation up 1/2 to 107 1/2. At the close it sold off 1 1/2 to 105 1/2 on renewed activity. The tone was strong throughout. Willys-Overland selling off 1/2 to 25 1/4, showing the only loss until the drop in Steel. W. J. Richards was re-elected president of the Philadelphia and Reading Railway Company today, at the annual meeting of stockholders, held in the Reading Terminal. H. E. Paisley was re-elected treasurer and George Ziegler secretary. The board of directors was also re-elected.

The Philadelphia and Reading Coal and Iron Company, at the annual meeting of the company held at the same time, H. E. Paisley was re-elected president of the Pullman Coal Company, the Locust Gap Improvement Company, the Tremont Coal Company, the Mammoth Vail Coal and Iron Company, the Heston Coal and Improvement Company, the Delaware Coal Company. H. E. Paisley was re-elected treasurer of the six last-named companies and W. G. Brown secretary. The board of directors was also re-elected.

New York Bond Sales

Table of New York Bond Sales listing various bonds and their prices, including 11000 Amer. Agr. Deb. 5s, 17000 Amer. French 5s, etc.

Sales in Philadelphia

Table of Sales in Philadelphia listing various stocks and their prices, including 35 Am. Gas, 100 Butte Sup., etc.

INACTIVE PHILA. STOCKS

Table of Inactive Philadelphia Stock prices, including Alliance Gas, Am. Gas, etc.

DIVIDENDS DECLARED

Colorado Fuel and Iron Company, a dividend of 10 per cent on preferred, payable October 25 to stock of record October 10.

Progress at WHITE CAPS

Officially Reported: Mill handling 175 tons of ore a day at a cost of about \$5 a ton.

Local Bid and Asked

Table of Local Bid and Asked prices for various stocks, including American Silver, Buffalo & Sun, etc.

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Federal War Revenue Bill We have prepared, in booklet form, a summary of the Federal War Revenue bill, including tables of the Income Tax, showing exemptions and amounts persons will be obliged to pay to the Government.

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