

GOSSIP OF THE STREET

U. G. I. \$7,500,000 NOTE ISSUE PRINCIPAL TOPIC IN MARKET

Financial circles hold belief that Drexel & Co. will sell them quickly—Gossip of the Street

The principal topic of conversation on the Street and in banks and brokers' offices yesterday was the sale to Drexel & Co. by the United Gas Improvement Company of \$7,500,000 of one-year notes dated February 1, 1918, and renewable at the option of the company for an additional year. The notes are to be offered on a 7 per cent basis, while the renewal privilege carries a 7 1/2 per cent yield.

From a well authenticated source it was learned that the U. G. I. Company offered to put up with Drexel & Co. double the amount of the notes in first-class collateral securities, but that Drexel & Co. told them that it was wholly unnecessary; that the U. G. I. was good without collateral for a very much larger amount. And this also seems to be the sentiment of the Street.

One prominent banker in speaking of this issue said that personally he would place it before any of the recent most popular issues which he would be distributed without any trouble, and in fact oversubscribed. He remarked at the same time that the U. G. I. Company had enormous holdings of very high-class securities, including the value of the company and its numerous successful subsidiaries. To another banker who remarked, "Why did they not sell some of these securities and take the necessary money in that way?" He replied with the question, "Who would attempt in the present state of the market to sell securities for such an amount as apparently the U. G. I. Company required, when the money can be had at the price they will pay for it?"

In every quarter there seemed to be one universal opinion, namely, that these notes would be sold in a very short space of time. There was no syndication of the issue, Drexel & Co. taking it in its entirety.

Private Bankers Get McAdoo's Request

Secretary of the Treasury McAdoo's request to banks and trust companies urging the raising of \$2,000,000,000 during the next twelve weeks in a systematic manner, by setting aside 1 per cent of their gross resources each week for investment in certificates of indebtedness, which later are to be exchanged for Liberty Bonds of the third issue, was sent out in telegraphic form not only to national and State banks and trust companies, but to several private bankers as well. A very prominent one of this last class was most enthusiastic over Mr. McAdoo's suggestion.

The banks and bankers all over the country must realize that this is an absolutely necessary work and that it is up to them to do it, just as it is up to our boys in the trenches to go over the top when the time comes. "There is one thing about Mr. McAdoo's request," the banker said, "that appeals to me. It gives each one of us a definite work to do, and there are few men who, when their work is cut out for them, don't work harder and better each day to keep up with it and take a pardonable pride when they exceed it. That's the way I am going to take Mr. McAdoo's message, and I am certain there are many others who will do the same."

From another quarter, when Mr. McAdoo's request was under discussion, a banker remarked that in the event of a bank carrying out the Secretary's request and investing 1 per cent of its gross resources weekly, and then finding itself pressed for money to carry on its legitimate business, could it take these notes certificates of indebtedness to the Federal Reserve bank and have them rediscounted? As they are to be dated February 8 and mature May 9, they would come within the limits of ninety-day paper, this banker maintained, and would therefore be eligible for rediscount.

Another banker argued that any paper to be rediscounted by the Federal Reserve must represent a bona fide commercial transaction, and therefore these certificates did not comply with that requirement.

West Virginia Water Company Bonds Offered

Powell Garrard & Co., Elston & Co. and the Central Trust Company, all of Chicago, are offering \$1,250,000 first mortgage 6 per cent bonds of the West Virginia Water and Electric Company at 95 and interest to yield more than 7 per cent. The bonds have four and a half years to run. The company owns and operates free from competition the water, electric light and power systems in Charleston, W. Va., and immediately adjacent suburban districts, serving a population of 35,000. The bonds are secured by an absolute first mortgage on all the properties. The earnings are said to be well over twice the interest charges. The refunding of the company at this time is necessitated by demands from the United States Government for service in the large armor projectile plant now in process of construction at Charleston.

Bankers Expect \$6,000,000 Bond Issue

Bankers expect the next Government bond issue will be \$6,000,000,000. They base their opinion upon the extent of offering of certificates of indebtedness during the coming week which Secretary McAdoo has just announced.

Mr. McAdoo's plan of financing for the next few weeks by a series of certificate issues is not altogether a surprise to banks. They were on the lookout for some such offering. Nor does the size of the program stagger them. Bankers recognize the fact that the Government financing is now reaching a stage when the financial resources of the country are to be strained to the utmost. The banks are the medium through which investors of the country are to be approached.

Little fear is expressed regarding the ability of the money markets to stand the strain. Owing to the prevailing system of immediate redistribution of funds collected by the Government in bank depositaries there is no drain on the money market.

It is pointed out that although the new issue of \$600,000,000 of certificates bears a 4 per cent interest, as is the case with those already outstanding, it does not follow that subsequent issues may not bear a higher rate. Mr. McAdoo's statement shows that the interest rate of each issue of certificates will be announced from time to time through the Federal Reserve banks.

See Serious Effect on Industrial Dividends

The unfavorable condition of many industrial, the slowing down and in some cases the actual shutting down for one reason or another, it is said in financial circles here, will have a very serious effect on the dividends for the first quarter of 1918, and will consequently be reflected in stock quotations.

Notwithstanding that every effort has been put forth at the behest of the Government to speed up production, especially in the war essentials, the handicap of the unprecedented weather conditions, the enforced idle days to conserve fuel, the traffic congestion which has prevented the movement of coal and raw material as well as the shipping of finished or semi-finished products to the industries waiting to fabricate them, have combined to produce a situation which it will take some little time and a great deal of good hard work to catch up, even partially, with what would represent "business as usual" when the whole nation is striving to produce a most unusual business.

A well-known banker speaking of these conditions yesterday drew attention to the fact that the pig-iron production for January has been the smallest since the spring of 1915, while it is estimated the showing for the month of February will be very much worse. Bills, he said, for pig iron which has been manufactured, but on account of the unprecedented congestion cannot be delivered, are coming due, and of course the consignees or consumers naturally refuse to pay for something which they have not received. And this condition is not by any means confined to the pig-iron situation, he said, but is representative of many other industries.

Pennsylvania Bankers to Meet Tuesday

Charles E. Scott, cashier of the Farmers' National Bank, of Bristol, Pa., is also chairman of Group 2 of the Pennsylvania Bankers' Association. Mr. Scott says that the association has concluded not to postpone its regular annual meeting, as had been anticipated some time ago on account of the war, and that it will be held on Tuesday at the Bellevue-Stratford Hotel in this city.

Group 2 takes in a large territory, including the banks in Schuylkill, Bucks, Berks, Montgomery and several other counties.

The meeting will begin at 4 o'clock and will be followed by the annual banquet. Among those scheduled to address the meeting are Senator Sprout, Mayor Garrett and Dr. Francis H. Green, of West Chester. The secretary of the association at present is William H. Kohler, cashier of the Union-National Bank of Mahanoy City.

Extra Dividend by Eastman Kodak

ROCHESTER, N. Y., Feb. 8.—The Eastman Kodak Company has declared an extra dividend of 7 1/2 per cent on the common stock in addition to the usual quarterly dividend of 1 1/2 per cent on the common and 1 1/2 per cent on the preferred stock, payable April 1 to stockholders of record, February 12.

Northern Liberties Gas Report

The annual report of the Northern Liberties Gas Company for the year ended December 31, 1917, as submitted to City Councils, shows: Receipts, \$278,104; disbursements, \$253,944; and total return of capital to date, \$128,235.

CLOSING LIVE-STOCK PRICES

Table with columns for various livestock types (Cattle, Hogs, Sheep, etc.) and their corresponding prices.

PHILADELPHIA MARKETS

GRAIN AND FLOUR
WHEAT—Receipts, 6071 bush. Standard, 1.12; No. 1, 1.10; No. 2, 1.08; No. 3, 1.06; No. 4, 1.04; No. 5, 1.02; No. 6, 1.00; No. 7, .98; No. 8, .96; No. 9, .94; No. 10, .92; No. 11, .90; No. 12, .88; No. 13, .86; No. 14, .84; No. 15, .82; No. 16, .80; No. 17, .78; No. 18, .76; No. 19, .74; No. 20, .72; No. 21, .70; No. 22, .68; No. 23, .66; No. 24, .64; No. 25, .62; No. 26, .60; No. 27, .58; No. 28, .56; No. 29, .54; No. 30, .52; No. 31, .50; No. 32, .48; No. 33, .46; No. 34, .44; No. 35, .42; No. 36, .40; No. 37, .38; No. 38, .36; No. 39, .34; No. 40, .32; No. 41, .30; No. 42, .28; No. 43, .26; No. 44, .24; No. 45, .22; No. 46, .20; No. 47, .18; No. 48, .16; No. 49, .14; No. 50, .12; No. 51, .10; No. 52, .08; No. 53, .06; No. 54, .04; No. 55, .02; No. 56, .00; No. 57, .98; No. 58, .96; No. 59, .94; No. 60, .92; No. 61, .90; No. 62, .88; No. 63, .86; No. 64, .84; No. 65, .82; No. 66, .80; No. 67, .78; No. 68, .76; No. 69, .74; No. 70, .72; No. 71, .70; No. 72, .68; No. 73, .66; No. 74, .64; No. 75, .62; No. 76, .60; No. 77, .58; No. 78, .56; No. 79, .54; No. 80, .52; No. 81, .50; No. 82, .48; No. 83, .46; No. 84, .44; No. 85, .42; No. 86, .40; No. 87, .38; No. 88, .36; No. 89, .34; No. 90, .32; No. 91, .30; No. 92, .28; No. 93, .26; No. 94, .24; No. 95, .22; No. 96, .20; No. 97, .18; No. 98, .16; No. 99, .14; No. 100, .12; No. 101, .10; No. 102, .08; No. 103, .06; No. 104, .04; No. 105, .02; No. 106, .00; No. 107, .98; No. 108, .96; No. 109, .94; No. 110, .92; No. 111, .90; No. 112, .88; No. 113, .86; No. 114, .84; No. 115, .82; No. 116, .80; No. 117, .78; No. 118, .76; No. 119, .74; No. 120, .72; No. 121, .70; No. 122, .68; No. 123, .66; No. 124, .64; No. 125, .62; No. 126, .60; No. 127, .58; No. 128, .56; No. 129, .54; No. 130, .52; No. 131, .50; No. 132, .48; No. 133, .46; No. 134, .44; No. 135, .42; No. 136, .40; No. 137, .38; No. 138, .36; No. 139, .34; No. 140, .32; No. 141, .30; No. 142, .28; No. 143, .26; No. 144, .24; No. 145, .22; No. 146, .20; No. 147, .18; No. 148, .16; No. 149, .14; No. 150, .12; No. 151, .10; No. 152, .08; No. 153, .06; No. 154, .04; No. 155, .02; No. 156, .00; No. 157, .98; No. 158, .96; No. 159, .94; No. 160, .92; No. 161, .90; No. 162, .88; No. 163, .86; No. 164, .84; No. 165, .82; No. 166, .80; No. 167, .78; No. 168, .76; No. 169, .74; No. 170, .72; No. 171, .70; No. 172, .68; No. 173, .66; No. 174, .64; No. 175, .62; No. 176, .60; No. 177, .58; No. 178, .56; No. 179, .54; No. 180, .52; No. 181, .50; No. 182, .48; No. 183, .46; No. 184, .44; No. 185, .42; No. 186, .40; No. 187, .38; No. 188, .36; No. 189, .34; No. 190, .32; No. 191, .30; No. 192, .28; No. 193, .26; No. 194, .24; No. 195, .22; No. 196, .20; No. 197, .18; No. 198, .16; No. 199, .14; No. 200, .12; No. 201, .10; No. 202, .08; No. 203, .06; No. 204, .04; No. 205, .02; No. 206, .00; No. 207, .98; No. 208, .96; No. 209, .94; No. 210, .92; No. 211, .90; No. 212, .88; No. 213, .86; No. 214, .84; No. 215, .82; No. 216, .80; No. 217, .78; No. 218, .76; No. 219, .74; No. 220, .72; No. 221, .70; No. 222, .68; No. 223, .66; No. 224, .64; No. 225, .62; No. 226, .60; No. 227, .58; No. 228, .56; No. 229, .54; No. 230, .52; No. 231, .50; No. 232, .48; No. 233, .46; No. 234, .44; No. 235, .42; No. 236, .40; No. 237, .38; No. 238, .36; No. 239, .34; No. 240, .32; No. 241, .30; No. 242, .28; No. 243, .26; No. 244, .24; No. 245, .22; No. 246, .20; No. 247, .18; No. 248, .16; No. 249, .14; No. 250, .12; No. 251, .10; No. 252, .08; No. 253, .06; No. 254, .04; No. 255, .02; No. 256, .00; No. 257, .98; No. 258, .96; No. 259, .94; No. 260, .92; No. 261, .90; No. 262, .88; No. 263, .86; No. 264, .84; No. 265, .82; No. 266, .80; No. 267, .78; No. 268, .76; No. 269, .74; No. 270, .72; No. 271, .70; No. 272, .68; No. 273, .66; No. 274, .64; No. 275, .62; No. 276, .60; No. 277, .58; No. 278, .56; No. 279, .54; No. 280, .52; No. 281, .50; No. 282, .48; No. 283, .46; No. 284, .44; No. 285, .42; No. 286, .40; No. 287, .38; No. 288, .36; No. 289, .34; No. 290, .32; No. 291, .30; No. 292, .28; No. 293, .26; No. 294, .24; No. 295, .22; No. 296, .20; No. 297, .18; No. 298, .16; No. 299, .14; No. 300, .12; No. 301, .10; No. 302, .08; No. 303, .06; No. 304, .04; No. 305, .02; No. 306, .00; No. 307, .98; No. 308, .96; No. 309, .94; No. 310, .92; No. 311, .90; No. 312, .88; No. 313, .86; No. 314, .84; No. 315, .82; No. 316, .80; No. 317, .78; No. 318, .76; No. 319, .74; No. 320, .72; No. 321, .70; No. 322, .68; No. 323, .66; No. 324, .64; No. 325, .62; No. 326, .60; No. 327, .58; No. 328, .56; No. 329, .54; No. 330, .52; No. 331, .50; No. 332, .48; No. 333, .46; No. 334, .44; No. 335, .42; No. 336, .40; No. 337, .38; No. 338, .36; No. 339, .34; No. 340, .32; No. 341, .30; No. 342, .28; No. 343, .26; No. 344, .24; No. 345, .22; No. 346, .20; No. 347, .18; No. 348, .16; No. 349, .14; No. 350, .12; No. 351, .10; No. 352, .08; No. 353, .06; No. 354, .04; No. 355, .02; No. 356, .00; No. 357, .98; No. 358, .96; No. 359, .94; No. 360, .92; No. 361, .90; No. 362, .88; No. 363, .86; No. 364, .84; No. 365, .82; No. 366, .80; 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No. 727, .58; No. 728, .56; No. 729, .54; No. 730, .52; No. 731, .50; No. 732, .48; No. 733, .46; No. 734, .44; No. 735, .42; No. 736, .40; No. 737, .38; No. 738, .36; No. 739, .34; No. 740, .32; No. 741, .30; No. 742, .28; No. 743, .26; No. 744, .24; No. 745, .22; No. 746, .20; No. 747, .18; No. 748, .16; No. 749, .14; No. 750, .12; No. 751, .10; No. 752, .08; No. 753, .06; No. 754, .04; No. 755, .02; No. 756, .00; No. 757, .98; No. 758, .96; No. 759, .94; No. 760, .92; No. 761, .90; No. 762, .88; No. 763, .86; No. 764, .84; No. 765, .82; No. 766, .80; No. 767, .78; No. 768, .76; No. 769, .74; No. 770, .72; No. 771, .70; No. 772, .68; No. 773, .66; No. 774, .64; No. 775, .62; No. 776, .60; No. 777, .58; No. 778, .56; No. 779, .54; No. 780, .52; No. 781, .50; No. 782, .48; No. 783, .46; No. 784, .44; No. 785, .42; No. 786, .40; No. 787, .38; No. 788, .36; No. 789, .34; No. 790, .32; No. 791, .30; No. 792, .28; No. 793, .26; No. 794, .24; No. 795, .22; No. 796, .20; No. 797, .18; No. 798, .16; No. 799, .14; No. 800, .12; No. 801, .10; No. 802, .08; No. 803, .06; No. 804, .04; No. 805, .02; No. 806, .00; No. 807, .98; No. 808, .96; No. 809, .94; No. 810, .92; No. 811, .90; No. 812, .88; No. 813, .86; No. 814, .84; No. 815, .82; No. 816, .80; No. 817, .78; No. 818, .76; No. 819, .74; No. 820, .72; No. 821, .70; No. 822, .68; No. 823, .66; No. 824, .64; No. 825, .62; No. 826, .60; No. 827, .58; No. 828, .56; No. 829, .54; No. 8