

COTTON PRICES—INDUSTRIAL CRISIS IN ITALY AS SEEN BY VANDERLIP

UNITED STATES GOVERNMENT LIBERTY LOAN SECURITIES

Table with columns: Rate, Callable, Due, Approx. Yield if Called, or if Selling at Par on Maturity Date, Approx. Yield to Maturity. Rows include 3 1/2%, 3 3/4%, 4%, 4 1/4%, 4 3/4%, 4 1/2%, 4 3/4%, 4 1/4%.

150, \$100, \$500 AND \$1000 DENOMINATIONS FULL INFORMATION REGARDING TAX FEATURES OF THE LIBERTY LOAN SECURITIES WILL BE FURNISHED UPON REQUEST

MONTGOMERY & CO. 133 S. 4TH ST. PHILADELPHIA 14 WALL ST. NEW YORK

COTTON IS WEAKER ON ACTIVE SELLING

Favorable Weather, With Bearish Reports From Texas, Sends Prices Off

COTTON BELT WEATHER CONDITIONS New York, July 16.—The following temperatures were recorded in the cotton belt this morning: Memphis, 72; Chicago, 70; Port Smith and Meridian, 72; San Antonio, 70; Houston, 70; Knoxville, 70; Jacksonville, 74; Atlanta and Tampa, 74; Shreveport, New Orleans, Montgomery, Augusta, Savannah and Wilmington, 74; Jacksonville, 74; Galveston, Pensacola and Charleston, 80; August, 81; Atlanta, 80; Nashville, 80; Knoxville, 78; Jacksonville, 78; Macon, 72; Wilmington, 80; New Orleans, 80; Vicksburg, 82; and Meridian, 78.

New York, July 16.—While there was little rain in the eastern parts of the belt, the general weather news was favorable this morning and, being coupled with more bearish reports from Texas, caused active selling at the start, which weakened first prices twenty-four to forty points.

The report was considered the most favorable of the season and was followed by a break to virtually the low point, but there were unfavorable features, particularly with reference to poor fruiting in Texas and the activity of boll-weevil. This helped to check the decline and the market steadied again, with October advancing from 24.50 to 24.85.

The receipts of cotton at the ports for the day are estimated at 22,000 bales, against 27,784 bales a week ago, 34,275 bales a year ago and 4184 bales two years ago.

Table with columns: Yesterday's close, Today's 11:00 a. m. p. m. Rows include July, Aug., Sept., Oct., Nov., Dec., Jan., Feb., March, April, May, June.

SECURITIES AT AUCTION

The following securities were sold at auction today by Barnes & Loeb: STOCKS

Table listing various stocks and their prices, including West Philadelphia Title and Trust, Sharon Hill Improvement Association, Atlantic City National Bank, etc.

London Metal Markets

New York, July 16.—Cable advices received at the New York metal exchange this morning quoted prices in London today as follows: Tin—Spot, 224 1/2; an advance of 1/2; futures, 224 1/2; a gain of 1/2.

LIBERTY BONDS BOUGHT AND SOLD

Biddle & Henry 104 SOUTH FIFTH STREET Members Philadelphia Stock Exchange

PROPOSALS FOR DREDGING—U. S. Engineer Office, Philadelphia

Proposals will be received here until 12 noon July 25, 1919, and then opened for dredging in Schuylkill River. Further information on application.

COAL AND CREDITS ONLY CAN SAVE INDUSTRIES OF ITALY FROM RUIN, SA YS VANDERLIP

All of Cotton, Most of Wool and Some Food Must Also Be Imported for Nation to Regain Economic Balance.

War Cut Off Two Biggest Incomes From Tourists and Emigrants; Large Loans Needed to Make Up Deficiency

Markets for Cotton Goods and Silk in Central Europe Eliminated; Unsteady Exchange Market One of Difficulties

BY FRANK A. VANDERLIP WHEN one comes to see the importance of looking at a nation in the light of its power of self-sustenance, he will distinguish sharply between domestic wealth and a national ability to command and pay for necessities of foreign origin.

Take Italy, for example. She is wonderfully rich in man power, moderately well-to-do in agricultural resources. She has partly developed her great potential resources of water power. She has no good native coal, little mineral of any kind and none of the great staple raw materials. She raises silk which she unwinds from the cocoons onto the bobbins and spins into skeins, and then, in the main, exports to the looms of France and Switzerland, and formerly to Austria, to be woven.

Coal Essential It is absolutely essential to her life to import about a million tons of coal a month, all of her cotton, much of her wool and some of her food. She exports the lovely skeins of yellow silk; her looms convert American cotton with a great deal of skill into cheap fabrics for the Near East. She exports olive oil and a few special food products of small value in the aggregate, such as macaroni, cheese and a certain amount of wine. In the present stage of her industrial development she has, comparatively speaking, little to export and an absolutely insistent need for very considerable imports.

For many years, therefore, Italy's foreign trade has been out of balance. She could not sell the world goods equal in value to the amount of goods she must have from the world. She did have, however, two special and unusual sources of annual income. To tourists Italy has for centuries been "the garden spot of the world." The aggregate from the tourist business reached very large figures in recent years. She had another important source of annual income, reaching, indeed, in recent years to upward of \$100,000,000, and that was the savings her emigrant sons sent home. This has been a constant and growing fund which yearly contributed in an important degree toward equalizing the international balance.

For several years prior to the war, and in spite of a deficient volume of exports, Italy was able fully to balance her international account without making foreign loans, through the aid of these two great sources of annual income—the expenditure by tourists and the remittance from her emigrants.

War Changes Position The war has wholly changed this satisfactory position. During the war Italy incurred foreign obligations amounting to \$3,100,000,000, the annual interest charge on which is, say, \$155,000,000.

This alone would have thrown her international account severely out of balance and would have been extremely serious because she has no way by which it is feasible promptly to increase her exports. But the incurring of the foreign obligation with its annual interest requirements is only a part of her present difficulties. The embargo on travel all through the war and a certain continuance of that embargo for a further year or two costs Italy in her international account not less than \$200,000,000 a year, while her other source of annual income, the remittance from emigrants, has necessarily been greatly curtailed because of the return to the colors of a great number of her industrious sons.

These emigrant remittances have continued in remarkable volume, but still there is a deficiency there from prewar figures that is important in view of the extreme need for something to counterbalance the absolutely necessary payments that Italy must make abroad. Two of her important exports, raw silk and cheap manufactured cotton goods, have had their market seriously interfered with. The markets for the raw silk were France, Austria, Germany and Switzerland. The market in the central powers was wholly cut off and in France badly disorganized.

Silk Industry The raising of the cocoon is an essential part of the agricultural industry of Italy. The cocoons are sold to the silk mills in June and throughout the rest of the year the mills are busy winding the half mile or more of fiber that each cocoon is said to contain into yellow skeins of raw silk that in the main go to foreign looms to be dyed and woven. The cocoons are paid for by the silk mills in June. The mills in turn receive their payment for the raw silk month by month throughout the year. Here was where the fluctuation in exchange made a serious difficulty. The silk mills having paid for the cocoons a definite amount of lire, found when they came to dispose of the raw silk some months later that the currencies were so devaluated that the raw silk could not be

ITALIAN RAILROAD SOLUTION DEPENDS UPON COAL AND CREDIT

Italy must have coal and credit. Without these two necessities the great industrial organizations and the transportation of the nation are paralyzed.

Without industry and transport Italy will be in danger of the Bolshevik and the Syndicalist. Already cable dispatches are telling of local Soviets "Chambers of Labor" upsetting municipal governments, seizing stored food supplies assuming control of public utilities and the direction of the police. These are but preliminary manifestations of the upheaval that may come unless Italy's necessities are met. Mr. Vanderlip sees in Italy a nation rich in human material with industrial leaders of rare organizing ability and a broad grasp of the problems of big production. But Italy's old sources of revenue, the tourist and emigrant remittances, have been largely eliminated. Her Near Eastern trade is dead and her commercial relations with central Europe broken off. Mr. Vanderlip points out what must be done for Italy.



market which is perhaps economically unsound but humanly necessary. At least it was necessary in some way to keep the industry of silk production alive. The difficulties of the situation were so great that without government intervention the silk mills would not have taken the risk of purchasing a year's crop of cocoons with the hazards of a disorganized market and wildly fluctuating exchange rate throughout the year during which they must dispose of the spun silk. Tomorrow Mr. Vanderlip will continue his discussion of the Italian situation.

Business Notes Brisk buying by out-of-town retailers continues to keep the salesmen and other showroom employees of women's apparel manufacturers and jobbers busy. British textile interests, according to consular advices, have opened an intensive campaign for the Swedish market, immediate deliveries being offered, six months' credit, and 6 per cent off in thirty days. Finished cotton textiles are being bought in relatively large volume. The chief drawback to trading is that offerings by the mills are limited. Sellers of colored fabrics state that the buyers in the market have to be curbed because supplies are so light that it is in-

NEW YORK COFFEE MARKET New York, July 16.—After the call in the coffee market December sold from 21.85c to 21.95c and September sold at 22.40c, or 14 to 20 points above the previous close. No official cables had been received, but it was believed that some of the demand from trade and Wall street might be based on private advices from Brazil. Some of the bulls appear to be making a strenuous effort to advance values here, while other longs are disposed to liquidate around present levels and wait for Brazil to sell some coffee before again taking an aggressive stand.

License regulations governing dealers in wheat and wheat flour, not under contract control, probably will include a rule which will require restitution to the producer if purchases are made on an unfair buying margin, it was announced by the United States Grain Corporation in a bulletin sent out today. The regulations, which will be promulgated later, are likely to provide, it was said, a provision that decisions under this rule will be retroactive.

Table with columns: Test, Close, Open, 11 a. m. Rows include July, September, December, March, May, June.

OTHER FINANCIAL NEWS ON PAGE 20

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To have your income come to you regularly every month is both convenient and systematic. This you can easily arrange if you take advantage of the West & Co. special bond selection. This plan makes a coupon come due every month, thus assuring a regular monthly income.

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TAX SERVICE AUDITS AND SYSTEMS PHILADELPHIA 2023-2024 LAND TITLE BUILDING. Telephone-Locust 2681

City of Chicago 4% Judgment Funding Bonds

Interest January 1 and July 1 Dated July 1, 1919

Table with columns: Maturities and Prices. Rows include \$500,000, January 1, 1930—96.676; \$500,000, January 1, 1931—96.43; \$500,000, January 1, 1936—95.350; \$500,000, January 1, 1937—95.162; \$500,000, January 1, 1938—94.980; \$500,000, January 1, 1939—94.807

FINANCIAL STATEMENT

Table with columns: Assessed Valuation, 1918 (one-third of real value) \$1,082,763,780.00; Bond Debt \$34,656,000.00; Less Cash in Sinking Funds 1,767,692.34; Net Bonded Debt \$32,888,307.66

Legal opinion, Messrs. Wood and Oakley.

These bonds are a direct obligation of the City of Chicago, being payable, principal and interest, from a direct annual tax upon all the taxable property in the city.

Yield at Above Prices 4.40% Exempt From Federal Income Tax

Bankers Trust Company New York; William R. Compton Co. Chicago; Illinois Trust and Savings Bank Chicago; The Northern Trust Co. Chicago

The above statements are based upon information which we consider trustworthy and upon which we have relied in purchasing the securities ourselves. All bonds are offered subject to sale and change in price.

NEW ISSUE \$4,500,000 DALLAS POWER & LIGHT COMPANY

First Mortgage 6% Gold Bonds Dated July 1, 1919 Due July 1, 1949

Principal and interest payable in Boston or New York. Coupon Bonds in denominations of \$1,000 and \$500, registerable as to principal only, and fully registered bonds of \$1,000 and multiples; interchangeable.

Interest payable January 1 and July 1 without deduction on account of the Normal Federal Income Tax up to 2% OLD COLONY TRUST CO., BOSTON, Trustees.

The Dallas Power and Light Company acquired by purchase on September 29, 1917, all the properties of The Dallas Electric Light & Power Company, which has been conducting an electric light and power business in Dallas, Texas, for 16 years.

The Company does substantially all the electric light and power business in the city of Dallas, the leading manufacturing, commercial and financial center of the State of Texas.

These Bonds will be secured, in the opinion of counsel, by a direct first mortgage on all properties and franchises of the Company. The Company will have no other funded debt, upon completion of the present financing.

New franchise approved by popular vote of City on April 3, 1917, established a definite "Property Value" now amounting to about \$6,200,000, against which, the mortgage provides, not exceeding \$5,000,000 of these bonds may be issued, including the \$4,500,000 now offered.

Under the new franchise the Company is now authorized to reserve out of net earnings, as a first charge, 9% on the "Property Value." On \$6,200,000, this 9% amounts to \$558,000, or more than twice the \$270,000 annual interest on these \$4,500,000 First Mortgage Bonds.

Table with columns: Earnings for last three calendar years have been as follows: 1916, 1917, 1918. Rows include Gross Earnings, Operating Expenses, Net.

WE RECOMMEND THESE BONDS FOR INVESTMENT Price 100 and Interest, yielding 6%

LEE, HIGGINSON & Co HARRIS, FORBES & Co

The statements contained herein, while not guaranteed, are based upon information and advice which we believe to be accurate and reliable.