

FEELING IS HOPEFUL

Some Clouds, However, Are Left on Financial Horizon.

HARVEST HOPES ARE HIGH

Merchants National Bank, in July Letter, Comments on Several Encouraging Features and Predicts Trade Improvement.

With trade gradually increasing, collections generally better and a great harvest of export that will reach the most optimistic of expectations, the feeling of betterment evident everywhere is fully justified, believes the Merchants National Bank, and expresses the opinion in its general July letter on trade conditions that confidence in the future is not misplaced.

The psychology of the situation, says the letter, has been aided during the past month by the decision of the United States Circuit Court, favorable to the company, in the action of the Government to dissolve the United States Steel Corporation. Three things seem to operate to hinder the greater betterment of business. These are said to be the negotiations with Germany for the purchase of the steel plant, the evident lengthening of the European war, predicted as the result of the severe Russian reverses, and the campaign of urging that is being carried on for intervention in Mexico.

Tendency to Wait Noted. These, it is said, have caused a tendency to wait on the part of business, and the impression is general that a number of important matters remain unsettled. This attitude of uncertainty is expected to remain until these problems are solved in a satisfactory way.

Items showing improvement are the steel trade, partly the increase in the sale of war munitions, busier shipyards, which are said to have more work than for a generation, increase in copper demand and production, higher prices for this metal as well as spelter, and better demand for skilled labor and improvement in the employment situation because of the exodus of aliens and the curtailment of immigration.

There is but slight demand for funds with which to finance new operations. There is plenty of money in the banks for investment in the market. Some improvement in clearings during the past month, and this extends to the different geographical sections of the country, although it is less marked in the Pacific Coast cities than elsewhere. However, the adverse showing is being reduced here.

Harvest Holds Hope. Building contracts dull and railroad conditions are at a low grade. A betterment is disclosed in net earnings and a loss in gross, showing economy by the railroads. Business failures for June are expected to be about the same as for May, which was the best showing of the year so far.

Regarding the Pacific Northwest, the redeeming feature is said to be the fortunate agricultural outlook. Reports have been received from various sections, but this, it is thought, will not affect the total result materially. The new-crop money is expected to mean increased receipts and better collections. Increased acreage will mean a larger crop than last season, and, although prices may not reach last year's level, it is believed the average will be as good for the grower. More tonnage is declared to be the all-important factor in the lumber situation. It is said to be expensive and almost impossible to get. It is believed that it will be at least a year after the European war ends that conditions will be restored to normal.

Plan to Market Lumber Sought. Lumber is being contracted for at a low price, but the high ocean freights bring the price up. Lumbermen have been looking about for a plan for a marketing organization that will be within the law. It is said they are hopeful that the United States Steel case may afford the relief needed.

Tinned salmon as an item in the ration of the European armies is being predicted. England is buying freely of the better grades, and it is said both the English and the French will adopt it as a staple food for their fighting men. Prices are still lower than last year's quotations, but it is early in the season and the market abroad is found for this West Coast product, the market should stiffen considerably.

Wool is moving slowly and most of the clip is being held for higher prices. The hop market is broadening, with growers being consequently encouraged.

Business conditions in Portland are said to be quiet, generally, with collections only slightly better than in the month of June show an increase of \$50,000 over May, but a loss as compared with June, 1914.

BANKING PERSONALS.

Earl Hammond, teller for the Northwestern National Bank, is away on his vacation.

A. C. Keefer, cashier of the First National Bank, White Salmon, Wash., was in Portland on business during the week.

A. M. Lara, cashier of the Deschutes State Bank at Bend, made a recent trip to Philadelphia, where he married Miss A. H. Smith.

C. J. Rupert, special officer for the Northwestern National Bank, left Thursday for Newport, where he will spend his vacation.

Charles C. Otto, ex-assistant to National Bank Examiner Mault, is temporarily with the American National Bank, Pendleton.

P. C. Pratt, of Stockton, Cal., and E. E. Hunter have plans ready for starting a bank at Veneta, Or., and expect to commence operations at once.

G. W. Upshaw, cashier of the Sheridan State Bank, was a Portland visitor during the week. His said farming conditions around Sheridan are quite satisfactory.

George W. Hostetler, bookkeeper in the French City Bank, has been discharged and has left for a two weeks' visit with his parents and former friends at Glasco, Kan.

A. J. Selover, ex-cashier of the Union National Bank at Albany, has taken the position of cashier of the First National at Vale, and passed through Portland during the week.

W. S. Wharton, formerly of the Bank of Heppner, was visiting here last week, having disposed of his banking interests at Newberg, and he will locate at North Yakima.

William Burg has sold his interests in the State Bank of Williams, and will remove to his former home in Minnesot. The change is made for the benefit of his wife's health.

T. W. Lamont, partner in the banking house of J. F. Morgan & Co., who was spending his vacation in the Klamath country, was compelled to change his plans when news was received of the

recent attack upon Mr. Morgan, and he left hastily for home.

Secretary of State Clegg is sending out notices to the banks of the state directing that they report on unclaimed deposits that have lain in bank for seven years. All such may be claimed by the state. A fine is provided for failure of banks to report.

A. L. Mills, president of the First National Bank, together with his sons Tom and Abbot, will leave today for a motor trip over the Columbia River Highway through Central Oregon, and fishing at several points en route to Crater Lake and on to the Panama-Pacific Exposition. They will motor back through Crescent City and Eureka, and along the Coast. Mr. Mills will be away from the city for about three weeks.

T. G. Hendricks, of Eugene, is a useful member of his community. Not only has he given a park to the City of Eugene, but he is now clearing off half an island he owns in the McKenzie River, 30 miles from Eugene, near the Pujaide hatchery, so that visitors may enjoy the island and enjoy its beauties. His plans include a bridge that shall make the spot, which is exceptionally attractive, accessible from the mainland.

CONFIDENCE SIGNS NOTED

Pacific Bankers Point to Plentiful Money and Trade Extensions.

What it calls the "movable landmarks" on the financial horizon are given as follows by the Pacific Bankers: The bank clearings for the country last week showed a 3 per cent increase over a year ago with a 2 per cent decrease for New York. The rate of increase in the new relations established with Bolivia through the million-dollar loan to the tin smelting company, and the rate of increase in the industry of this country, The McKeesport Tin Plate Company, near Pittsburgh, has appropriated two millions for additional plant. It is said that the Government has carried out a policy of increasing the number of places, or are about to place, orders for 100,000 beef cattle and that their direct purchase adversely, he says, and it will be the best beef trust has on the industry.

The Bank of England reserve is not showing up very well these days. Last week it was 16 1/2 as against 15 1/2 for the week before. It is expected, due to the unfavorable exchange conditions.

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WAR'S EFFECT TOLD

A. L. Mills Says Whole World Will Pay for Waste.

HOPEFUL SIGNS ARE NOTED

Banker Fears Grain Trade Will Not Be as Satisfactory as Heretofore, but Fruit Prospect Better—Lumber Trade Index.

That peace will have its problems, no less than war, when the world-struggle now going on shall have been brought to a close, is the belief of A. L. Mills, president of the First National Bank. He believes the great waste of resources that has marked the war will be reflected throughout

UNIFORM LAWS ADVISED

Judge Gatens Makes Argument in Talk to Lents Grange.

Vancouver Marriages Cited as Result of Differing Statutes—Similar Law Title Acts Held Needed.

National uniformity of divorce and marriage laws and those relating to the rights of women in property, were urged by Judge Gatens in his address before Lents Grange Saturday afternoon. He pointed out the dissimilarity of the divorce laws of the various states and that every state had a law of its own and practically out of harmony with the laws of other states.

Oregon and Washington, he said, have different marriage and divorce laws, so that when a couple can't marry in Oregon, they simply take a short trip to Vancouver and are married there. Judge Gatens referred to the medical examination required in this state before marriage as a good thing, but not required in Washington, and said that hundreds of couples in Oregon who did not go through such examination went to Washington. The law, he said, should be uniform in all the states, and pointed out that this uniformity in marriage, divorce and child support laws would be a great benefit to the people.

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EXCHANGE'S FACTOR

Tide of Trade Now Heavily Against Great Britain.

GOLD STOCK DIMINISHING

Proposal for Credit Extension in America Is by Pledge of Securities Held Abroad Estimated at \$2,576,000,000.

Foreign exchange is the most notable feature of the financial situation, according to the current trade letter of the National City Bank of New York. It is said to be in an abnormal state, with the trade of this country decidedly one-sided and means of payment by foreign countries becoming increasingly difficult.

It is said merchandise balances in favor of the United States have averaged approximately \$140,000,000 a month for seven months. The current indebtedness of this country, however, in London, large in ordinary times, because of the facilities of that money market, has been wiped out.

Speculative holders of American securities have been mainly liquidated, and there has been constant selling of these holdings abroad in the past few months. Notwithstanding these offsets, about \$120,000,000 in gold has come to the United States since the first of the year.

Foreign purchases continue actively. But without means of payment it is said there will be no market for American securities for the time being, not to speak of other supplies and of the big contracts now being executed on foreign account.

Credit Plan Suggested. After gold shipments have been exhausted and the return of American securities has been accomplished, says the letter, the alternative is the placing of loans in this country, and the most promising scheme in this regard is the suggestion for borrowing American securities owned in Great Britain and France and pledging them as the basis for an issue of notes.

It is said this is being done in France, and the system is capable of large extension. Loans of this sort can be placed in the United States, it is pointed out, and the proceeds exchanged for American products. So much idle money exists in the country that it is considered not improbable that credits are available for this use.

An illuminating report, says the letter, "furnishing at least a part of the information which has been keenly desired by the managers of this country, has just been issued by L. F. Loree, the chairman of the committee which was asked to report on the holdings in American railroads abroad. This report shows the foreign holdings to be \$2,576,000,000, and is based upon the inventories of the registers of 100 companies, and also, as far as the bearer bonds are concerned, on the income tax certificates filed with the respective governments, because it is within its limitations reliable.

Gold Given Up Reluctantly. Aside from the difficulties of transportation, the allied countries are generally reluctant to reduce their stocks of gold, which are the basis of their currency systems, but it is not likely that the governments will discount the purchase of war supplies, or of such necessities as food, in order to retain gold. The need for these things is imperative, and the gold was accumulated largely for just such an emergency. It is moreover, a mistake to suppose that the gold is being hoarded. The gold will collapse unless there is a given percentage of gold behind them. An irredeemable paper currency, fluctuating in value, and hamper transactions with other countries according to the degree of the fluctuations.

"It is a misfortune for any country in this age of international trade to be off the gold basis, but when a country is engaged in war smaller misfortunes do not count. The fact is that a currency fixed upon a gold basis is a luxury that only a few countries have been able to afford until comparatively recent times. Russia and Austria-Hungary established gold payments in 1897 and Italy since then. Few countries have gone through a great deal without suspending specie payments. The Bank of England was off the gold basis throughout all of Napoleon's time and our own Civil War experience is familiar. It is safe to say that none of the countries will hesitate to use their gold as long as it lasts for governmental purposes, although they are likely to disregard the fluctuations of exchange in ordinary commercial transactions.

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