Roosevelt & Son

Founded 1797

Seasoned Investments

30 Pine Street
New York

A Complete INVESTMENT SERVICE

Specialists in OHIO MOTOR AND RUBBER STOCKS

ACCEPTANCES

BONDS

STOCKS

CORPORATION FINANCING

OTIS & CO.
Investment Bankers
CLEVELAND
Boston Detroit Cincinnati
Columbus Akron Youngstown
Denver Colorado Springs

Bonds for Investment
Harris, Forbes & Co
Pine Street, Corner William
NEW YORK

LIBERTY BONDS
All denominations bought for cash.
Based on the closing we pay:
$46.27 for a $50—3½% Bond, 55 Coupons
$42.16 for a $50—2d 4¼% Bond, No Coupons
$44.29 for a $50—3d 4¼% Bond, No Coupons
$42.54 for a $50—4th 4¼% Bond, 1 Coupon
$48.64 for a $50—5th 4¾% Bond, 7 Coupons
PURDY & CO.,
Tel. John 3174-5-6-7. 34 Pine St., N. Y.

Slight Increases Are Reported in Commercial Loans

Reductions in Holding of Treasury Certificates and War Paper Also Shown in Reserve Board's Report

From The Tribune's Washington Bureau

WASHINGTON, June 13.—Moderate increases in commercial loans are shown by the Federal Reserve Board's weekly statement of the condition of 803 member banks in leading cities on June 4. The statement records further reductions in the holding of Treasury certificates and of war loan paper, accompanied by larger increases of borrowings from the Federal Reserve banks.

"United States bond and Victory note holdings show a nominal increase of 1.5 millions, while holdings of Treasury certificates show a further decline of 5.8 millions for all reporting banks and of 9.8 millions for the member banks in New York City," said the statement. "Loans secured by United States war obligations (war paper) declined 17.6 millions, largely in New York City, and loans secured by stocks and bonds 4.5 millions, though the New York City banks report an increase under this head of 6.4 millions. All other loans and investments, made up largely of commercial loans and discounts, increased by 30.8 millions, and slightly more in New York City. As a consequence, total loans and investments of reporting banks show an increase for the week of 4.5 millions, as against an increase of 15.2 millions recorded for the member banks in New York City.

"Net withdrawals of government deposits for the week totaled about 23 millions, while other demand deposits (net) show a decline of 24.1 millions for all reporting banks and of 64.8 millions for the New York City banks. Time deposits show a gain of 22.3 millions, all outside of New York City.

"Total accommodations at the Federal Reserve banks increased from 2,060.1 to 2,091.9 millions, or from 12.1 to 12.2 per cent of the total loans and investments of the reporting institutions. For the New York banks this ratio shows an increase of from 10.6 to 11.4 per cent. Of the total paper held under discount by the Federal Reserve banks for reporting member banks, the share of war paper was 55 per cent. At the New York Reserve Bank this share was about 67 per cent.

"Federal Reserve balances show an increase of 3.9 millions for all reporting institutions. For the New York City members a decrease in this item of about 8 millions is noted. Cash in vault, largely Federal Reserve notes, increased 22.2 millions, all classes of institutions showing additions under this head."

Direct Trade With America Asked by Chinese Merchant

Since the establishment in November, 1919, of an American bank in Changsha it has been more feasible for the local merchants to enter into direct trade relations with American firms, instead of conducting business through Hankow and Shanghai, as heretofore. One of the leading merchants has recently made known his desire to be placed in touch with American firms for this purpose.

Mexican Sugar Shipments

A cablegram from Consul Dyer at Nogales, Sonora, Mex., says that the consulate certified invoices on June 1 for 2,711,377 pounds of sugar, valued at $590,933, for shipment to the United States, and that the warehouses are reported full of sugar.

Calls Bill Market Essential To Life of Reserve System

American Acceptance Council Says Discontinuance of Purchases by Central Banks Would "Create Panic, Discredit Government Banking Regime"

It is a trifle embarrassing for an established factor in the life of the community to be suddenly asked by a high authority, "By the way, have you any reason for existing?" The Federal Reserve Board in substance has put this blunt query to the dealer in acceptances.

And those bankers who believe in the new instruments of credit have replied with thirty-nine articles of faith, each article representing an answer to a questionnaire prepared by the Reserve Board and sent to leading acceptance dealers in New York and Boston. The series of searching questions took nothing for granted, but probed the very foundations of a discount market.

For their part, the acceptance advocates hit back hammer blows, asserting that the development of acceptances is "a question of life and death for the Federal Reserve system."

And again the spokesman in behalf of acceptances, in answering the question as to what would be the effect in the open market if, as a matter of policy, Federal Reserve banks did discontinue open market purchases, declared: "It would create a panic and would practically discredit and ruin the entire Federal Reserve system."

The questionnaire was sent out after a conference which the board held at Washington with bankers and dealers in bankers' acceptances on April 13 last, and was prepared for the purpose of obtaining complete information on every phase of the use and operation of bankers' acceptances, with related data on rates, market conditions and methods of handling. At the conference the bankers and dealers were not in agreement on all points, and the questionnaire was devised as the basis for obtaining a consensus.

The foregoing quotations are made from a reply to the questionnaire written by Paul M. Warburg, former vice-governor of the Reserve Board and chairman of the executive committee of the American Acceptance Council. The answers were approved by the council, and represent the official attitude of the council. One of the objects of the conference between bankers and members of the Reserve Board was to consider whether it would be advisable to have indorsed bills purchased in the open market count as rediscounts against the indorser. The bankers, without exception, opposed this suggestion.

In answering the question regarding what the policy of Federal Reserve banks should be in open market purchases of bankers' acceptances, the council says:

"The policy of the Federal Reserve banks in dealing with the open market should be directed toward creating a country-wide feeling that for good bankers' acceptances there is a buyer of practically unlimited purchasing power and one that is always in the market. The only reasons why a Federal Reserve Bank should not buy a bill should be either the acceptance is not deserving of confidence or is accepting too much, or that the bill is not eligible on account of the character of the underlying transactions. It is this position that constitutes the tremendous power of the Federal Reserve Bank in regulating the acceptance market.

"In the final analysis it is its backbone; or its unwillingness to buy a certain piece of paper may imply the gravest danger for the acceptor and for the owner of the bill. The Federal Reserve Bank could better exercise its power, not by having a hundred different prices for various bills, but by using more freely its authority to investigate the character of the underlying transactions and by discriminating against transactions which are not in the public interest or in accordance with the soundest rules of safe banking.

"Federal Reserve banks should be firm in refusing to purchase or rediscount any bankers' acceptances that do not bear at least three signatures, viz., the acceptor, the drawer and a banking indorser other than the acceptor, whether the latter be a member bank or a discount company or a private banker. A prime acceptance thus duly indorsed ought to be considered by the investor as an instrument not involving any credit risk to speak of, and if that be so the rediscount or purchase of an acceptance of this sort by the Federal Reserve Bank ought not to be counted in the same manner as if a member bank had rediscounted a customer's promissory note. As a matter of fact, if indorsed bankers' acceptances bought by Federal Reserve banks were considered like a loan made to the bank whose indorsement appeared last it would kill the acceptance market."

And the council further warns that: "The development of the widest possible use of the acceptance as an investment is the rock bottom foundation of the success of the Federal Reserve system. Unless the acceptance secures its place as the most fluid investment of banking funds and as the most important asset in bank portfolios, functioning as a secondary reserve of all banks, we cannot hope to get away from our old system of basing the liquidity of the banking system of the United States primarily on the call market of the New York Stock Exchange. It would lead too far to go fully into this question, which has been amply covered in articles and addresses published by the American Acceptance Council. It is a question of life and death for the Federal Reserve system. Unless the Federal Reserve Board understands its full bearings upon the future of American banking; unless it puts itself heart and soul behind the untrammeled development of acceptances as a prime investment of banks and Federal Reserve banks, the future safe and sound development of the system will be jeopardized.

Investment Information

Questions of general interest to investors will be answered in this column, in which case only initials will be used. Others will be answered by mail. Address all inquiries, inclosing a stamped, addressed envelope, to Financial Editor, The Tribune, 154 Nassau Street, New York City.

C., B. & Q. Joint 4s

Question—I desire a short-term investment. Do you consider the Chicago, Burlington & Quincy joint 4 per cent bonds, maturing July, 1921, a safe investment? For a short-term investment do you consider the Belgian loan 6 per cent, due 1925, a safe one? If it is safe, the speculative possibilities seem attractive.—H. N. K.

Answer—Chicago, Burlington & Quincy joint 4s are a sound investment, in our opinion. The collateral under this issue, which is guaranteed by both the Northern Pacific and Great Northern railways, is Chicago, Burlington & Quincy stock. The Chicago, Burlington & Quincy is one of the best systems in the country. Its earnings are large, even under government operation. The Belgian 6 per cent loan of 1925, as you say, seems attractive as a speculative investment.

City of Lyons Bonds

Question—Kindly give me all possible information regarding the city of Lyons fifteen-year 6 per cent 1934 bonds. Was the loan originally and exclusively issued in America by some banking house? The present quotation of about 86, I suppose, means dollars for a $100 bond. Is the 6 per cent payable in America in dollars or in francs? Would you consider this as good an investment as the regular French loan?—N. D.

Answer—The cities of Lyons, Marseilles and Bordeaux floated loans in this country in 1916 through Kuhn, Loeb & Co. to the extent of $36,000,000, equally divided among the three cities. These loans were paid off November 1, 1919, by the issue of $45,000,000, equally divided among the three cities, and due November 1, 1934. This last issue was offered by Kuhn, Loeb & Co. at 92½. The bonds are an external loan, payable without deduction for any French government, municipal or other French taxes, in New York in American dollars. The French government has agreed to undertake, in order to permit the three cities to pay the interest or principal of the loan in gold in New York, to furnish if necessary gold in the amount needed and authorize its exportation for said purpose. The price of 86 means $86 per $100 bond. The bonds are in $100, $500 and $1,000 denominations. We regard the bond as a very fair investment, quite as safe as any of the French government loans.

Sound Form of Investment

Question—I am dependent upon my investments as to income, and therefore desire that no element of speculation be present. Do you consider Pennsylvania equipment 7 per cents, New York Central equipment 7 per cents and Western Electric five-year convertible 7 per cents safe investments?—A. A. A.

Answer—Good equipment trusts are a very sound form of investment. The New York Central, Southern Pacific and Union Pacific equipments are all attractive, in our opinion. The recent issue of 7 per cent bonds by the Pennsylvania Railroad was not an equipment obligation, but a collateral ten-year bond. We regard it as sound, and also the Western Electric bonds.

Looking for Utmost in Security

Question—I have been intrusted with the investing of $3,000. The case demands the utmost in security, but at the same time I should like to obtain as large a return as possible. Would the following cover the case: New York Central 10-year convertible debenture 6s, due 1935; Cleveland, Cincinnati, Chicago & St. Louis (Cairo Division) first 4s, due 1939; Long Island Railroad (Montauk Division) first 5s, due 1945; New York and Queens Light and Power Company first consolidated gold 5s, due August, 1930? Should you have in mind some issues more suitable for long term, well-secured investment I should be obliged if you will name them.—W. J. T.

Answer—If your case demands, as you say, the utmost in security you should not attempt to obtain too high a yield on your investments. We should not consider the New York Central debenture 6 per cent bonds. They are not even secured by mortgage. The other issues you mention are very fair investments, but they do not enjoy a very active market. The following securities appear to us to be suitable for your purposes: Chicago, Rock Island & Pacific general 4s, Chicago, Milwaukee & St. Paul general 4s, Illinois Central 4s, 1952 and 1953; Atchison general 4s, Chesapeake & Ohio general 4½s, Illinois Steel 4½s and United States Rubber first 5s.

"Big Four" Pfd—Cuba Cane Pfd

Question—What is your opinion as to Cleveland, Cincinnati, Chicago & St. Louis preferred stock? Do you regard it favorably as a purchase now? How about Cuban Cane Sugar preferred?—M. M. S.

Answer—Cleveland, Cincinnati, Chicago & St. Louis has been one of the few roads able to report earnings larger than the amount of the government guaranty. What the status of this road will be under the new legislation remains to be seen. Diversion of traffic presumably helped the "Big Four" under Federal control. At the present time the preferred stock appears entitled to a fair rating as a speculative investment. Cuba Cane Sugar preferred stock, based upon present earnings, is also entitled to a fair rating. The stock is not seasoned, the company having seen nothing but prosperous times in the sugar industry.

Holdings Are Mostly Speculative

Question—I will thank you to advise me as to the merit of the following named stocks, which I purchased several years ago and at much higher prices. I wish to know if you consider it advisable to sell at present prices or keep them. Baltimore & Ohio preferred, Norfolk Southern, Oklahoma Producing and Refining, Southern Pacific, Union Pacific preferred. I have been informed that the American Tobacco Company has become financially interested in the Norfolk Southern Railroad, and am wondering what effect this may have on the future of this railroad. Do you think there is any possibility of Baltimore & Ohio not continuing paying the usual 4 per cent dividend which this road has paid on its preferred stock for years? Do you not consider that Union Pacific preferred is almost as safe as a high class bond?—C. L. B.

Answer—Union Pacific preferred stock is entitled to a very good investment rating. Southern Pacific, while speculative, is a company having large interests in railroads, steamship lines and oil fields. It has been a good earner in normal times, and has done rather well, even under government control of the railroads. We do not recommend the stock for investment, however, as it is subject to wide fluctuations. Norfolk Southern, a small road, is largely dependent upon the proposed increase in rates. We do not see that earnings will be affected materially by the fact that the tobacco interests have bought into the road. Baltimore & Ohio preferred is in a similar position. Unless rates are increased sufficiently the preferred dividend is by no means safe. Consequently this stock, in our opinion, a speculative rather than an investment issue. Oklahoma Producing and Refining is a well managed company. The stock, like that of most oil producing companies, is very speculative, being highly sensitive to the earning power. What the future prices of these issues will be we cannot attempt to say. With the exception of Union Pacific preferred, we do not recommend them for investment.

Four full columns of investment questions and answers are published in The Tribune every Sunday.

Miscellaneous Markets

Public Utility Securities

Stocks

	Bid.	Asked.
[illegible]	[illegible]	[illegible]

Bonds

	Bid.	Asked.
[illegible]	[illegible]	[illegible]

Chemical Stocks

	Bid.	Asked.
[illegible]	[illegible]	[illegible]

Sugar Stocks

	Bid.	Asked.
[illegible]	[illegible]	[illegible]

Steel and Ordnance Stocks

	Bid.	Asked.
[illegible]	[illegible]	[illegible]

Tobacco Stocks

	Bid.	Asked.
[illegible]	[illegible]	[illegible]

Miscellaneous Stocks

	Bid.	Asked.
[illegible]	[illegible]	[illegible]

*Ex dividend.

Trust and Surety Companies

	Bid.	Asked.
[illegible]	[illegible]	[illegible]

New York Bank Stocks

	Bid.	Asked.
[illegible]	[illegible]	[illegible]

Insurance Companies

	Bid.	Asked.
[illegible]	[illegible]	[illegible]

Standard Oil Stocks

	Bid.	Ask.
[illegible]	[illegible]	[illegible]

Miscellaneous Oil Companies

	Bid.	Ask.
[illegible]	[illegible]	[illegible]

New York City Bonds

Security, rate, maturity	Bid.	Asked.	Yield
[illegible]	[illegible]	[illegible]	[illegible]

Aiding American Commerce in France

EQUIPPED with a remarkable railway system covering nearly 32,000 miles, or about 154 miles of railway per thousand square miles, France has set to work to rebuild her war ruined industries. Already new railways have been pushed into Alsace and Lorraine. Rapid progress has been made in rebuilding 27,000 factories and nearly half a million homes. France looks to America to replenish 300,000 farm implements carried away in the war.

In Paris, the center of French finance and commerce, at No. 1 Rue Taitbout, is a branch of the Park-Union Foreign Banking Corporation, established there for the specific purpose of aiding American business men to cement closer and more cordial business relations with France. We shall be glad to place the facilities of this branch at your disposal.

OFFICERS
Charles A. Holder, President
T. Fred Aspden, Vice-President
E. B. MacKenzie, Secretary & Treasurer

PARK-UNION FOREIGN BANKING CORPORATION
56 Wall Street, New York
Paid Up Capital and Surplus, $2,250,000

Executor — Trustee

Chartered 1822

The Farmers' Loan and Trust Company
Nos. 16, 18, 20 & 22 William Street
Branch Office, 475 Fifth Avenue
At Forty-first Street
New York

London — Paris

Foreign Exchange

Administrator — Guardian

Member Federal Reserve System and New York Clearing House

Driver-Harris Company
Harrison, N. J.

Notice of Quarterly Dividends

PREFERRED STOCK DIVIDEND NO. 31
COMMON STOCK DIVIDEND NO. 42

The Board of Directors, at a meeting held on June 8th, 1920, declared the regular quarterly dividend of one and three-quarters per cent. (1¾%) on the outstanding preferred, and two per cent. (2%) on the common stock, for the quarter ending June 30th, 1920, payable in the case of each class of stock on July 1, 1920, to stockholders of record at the close of business on June 21, 1920. Transfer books will close from June 22, 1920, to July 1, 1920, inclusive. Checks will be mailed.

P. E. REEVES, Treasurer.

Security, rate, maturity	Bid.	Ask.	Yield
[illegible]	[illegible]	[illegible]	[illegible]

New York State Bonds

Issued in coupon and registered form; registered form [illegible]

Security	Bid.	Ask.	Yield
[illegible]	[illegible]	[illegible]	[illegible]

Federal and Joint Stock Land Bank Bonds

Security	Bid.	Ask.	Yield
[illegible]	[illegible]	[illegible]	[illegible]

Short Term Securities

Security,	rate.	due	Bid.	Ask.	Yield
Pennsylvania	4½s,	1921	[illegible]	97	7.90
Procter & Gamble	7s,	'21	99½	100¼	6.75
Procter & Gamble	7s,	'22	99½	100	7.00
Procter & Gamble	7s,	'23	99⅝	100	7.00
Pub Sr C N J [illegible]	7s,	'22	83	85	15.60
R J Reynolds Tob	6s,	'22	95½	95⅞	[illegible]
Southern Ry	6s,	1922	91¼	92	10.55
St Paul U D [illegible]	5½s,	'23	92	93½	7.65
Swift & Co	6s,	1921	97½	98	7.45
The Texas Co	7s,	1923	[illegible]	98¼	8.00
Utah Sec Cor	6s,	1922	84½	86	12.75
West Elec Co con	7s,	'25	98¾	99	7.25

Decreased Diamond Demand

It is announced that the diamond market has shown some weakness of late. Not only has the demand for cut stones fallen off somewhat, but prices are going down. Certain merchants have been obliged to dismiss some of their workmen.

FINANCIAL

WESTERN STATES GAS AND ELECTRIC COMPANY FIRST AND REFUNDING MORTGAGE 5 PER CENT GOLD BONDS, DUE 1941.

Pursuant to terms of mortgage dated June 1st, 1911, the undersigned invites tenders of above bonds for sale and delivery as of July 20, 1920, at a price not exceeding 102, accrued interest and 5 per cent premium, to extent of $107,644.42, a sum now available in Sinking Fund.

Sealed tenders, stating numbers of bonds offered, addressed to GIRARD TRUST COMPANY, Trustee, Sinking Fund, Western States Gas and Electric Company First and Refunding Mortgage 5 per cent Gold Bonds, will be received until 3 p. m. July 6, 1920.

GIRARD TRUST COMPANY, Trustee
GEORGE H. STUART 3d, Treasurer.
Philadelphia, Pa., June 1, 1920.

MEETINGS

GREENE CANANEA COPPER CO.
NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of the Stockholders of the Greene Cananea Copper Company will be held at the office of the Company, 42 Broadway, New York, N. Y., on Monday, the twenty-first day of June, 1920, at twelve o'clock noon, for the transaction of any and all business that may come before the meeting, including the election of three directors to hold office for three years.

The transfer books of the Company will not close, but only stockholders of record as at 12 o'clock noon, Saturday, May 29, 1920, will be entitled to vote at this meeting.

By order of the Board of Directors.
J. W. ALLEN, Secretary.

DIVIDEND NOTICES

SOUTH PORTO RICO SUGAR CO.
June 2, 1920.

The Board of Directors have this day declared quarterly dividends of 2% on the Preferred Stock and 5% on the Common Stock, payable in Cash on July 1, 1920, to

The Week's Bond Market

Government and Municipal Bonds

Sales (000 omitted).	Week's close.	1920 High.	1920 Low.
[illegible]	[illegible]	[illegible]	[illegible]

State Bonds

Sales (000 omitted).	Week's close.	1920 High.	1920 Low.
[illegible]	[illegible]	[illegible]	[illegible]

Railway and Miscellaneous Bonds

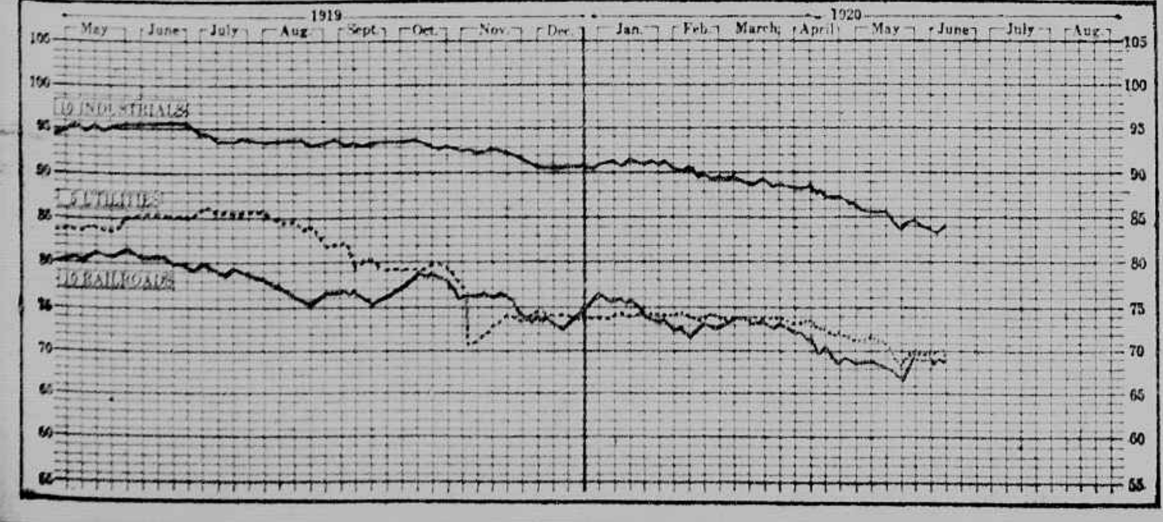
Sales (000 omitted).	Week's close.	1920 High.	1920 Low.
[illegible]	[illegible]	[illegible]	[illegible]
79 do 1st con 4s	72¾	80	70⅞
1 do unified 4½s	71	88	68
4 do L & N col tr 4s	68¼	72¼	60¼
[illegible]	[illegible]	[illegible]	[illegible]
1 Col Fuel & Ir gen 5s	78	85½	78
2 Col & Southern 1st 4s	75	[illegible]	74
1 Columbia G & El 5s stp	84	87½	81
1 Con Coal of Mrylnd 5s	74	75¾	73¾
27 Con Gas cvt 7s	99½	101¾	99
2 Corn Prod s f 5s, 1934	92	100½	92
60 Cuba Ca Sug 7s, tem rs	97½	100	95⅞
7 Del & Hud cvt 5s	75½	83⅛	72
2 do equip 4½s	96	96⅞	96
17 do ref 4s	70¼	81	70
17 D & R G imp 5s	67¾	79½	[illegible]
13 do 4½s	65	[illegible]	[illegible]
24 do rfg 5s	43	45	35
[illegible]	[illegible]	[illegible]	[illegible]
2 do s f 5s reg	80	87	80
2 Utah Pow & Light 5s	74	85¼	73
7 Va-Caro Chem 5s	92	96½	92
8 Va Iron, C & C 5s	82	85⅛	75
4 Va Ry & Pow 5s	67½	70	63
13 Virginian Ry 5s	74	85½	72⅝
24 Wabash 1st 5s	85	91	[illegible]
16 Wabash 2d 5s	73½	83	73
1 Wab 1st 3½s, Om div	62	66	61
1 Western Elec 5s	94¾	97¾	93
23 Western Md 4s	[illegible]	53	43
8 West N Y & Pa 1st 5s	88	92	81
37 Western Pacific 6s	78	86½	76½
5 W U real est 4½s	76	81½	74
[illegible] West Shore 4s	66⅞	74¾	64¾
19 do 4s reg	66	71⅞	64
2 Wh & Lake Erie 4½s	46	53	45½
10 Wilson & Co 1st 6s	87¾	95¼	86
[illegible] do cvt 6s	86⅝	96½	84

Logging Camps to Close

ST. LOUIS, June 13.—Several logging camps in the Douglas fir region announce their intention of closing on June 19 as a result of their inability to meet the demand for reduced prices. Labor, they say, is too high. The shutdown is expected to continue for thirty days, according to "Lumber," in its weekly review, out to-morrow. Yellow pine and other mills have curtailed production because of the congestion of stocks and inability to obtain cars. Northwestern mills having their own timber and logging facilities are also closing down.

"Hard woods are weakening," says the review, "with further reduced demand and some cancellations reported. Prices have shown no decided break and are being held firm by large manufacturers, but there are increased

Course of the Bond Market



This graph shows the weekly fluctuations in the average prices of ten rail-