Reserve Member Bank Borrowings Decrease Sharply

Contraction of $40,000,000 Is Mainly in Rediscount of Commercial Bills; Ratio Rises 2.4 Per Cent

A contraction of $40,000,000 in member bank borrowings, occurring exclusively in the rediscount of commercial bills, marks a departure from recent tendencies disclosed in the weekly statement of condition of the Federal Reserve System, issued yesterday. A like movement is shown in the statement of the New York bank, whose holdings of commercial bills other than acceptances were cut almost exactly in half. This change in position, in view of the fact that the seasonal demand upon the system's facilities has hardly passed its peak, probably results from adjustments following the large payments of October 16.

A falling off of almost $17,000,000 in circulation was another feature of the statement that was also paralleled in the experience of the New York district, where the reduction amounted to $10,000,000. This pulling in of circulation is regarded as another reflection of the aftermath of the mid-month disbursements. The reserve account of member banks for the system decreased more than $120,000,000, following their temporary expansion incident to government payments. Reserves were virtually stationary, losing about $2,000,000. The ratio rose from 75.2 to 77.6 per cent.

The ratio of the New York bank moved up even more sharply, going from 78.8 to 83.4 per cent. The bank lost some $5,000,000 gold through the settlement fund and other adjustments brought its reserves down $20,000,000. Member bank reserve account deposits were reduced more than $95,000,000.

Bank of England Statement

LONDON, Oct. 26.—The weekly statement of the Bank of England shows the following changes:

Gold	£127,422,000	Dec.	£2,920
Reserve	23,994,000	Dec.	200,000
Notes reserve	22,202,000	Dec.	195,000
Circulation	121,887,000	Inc.	197,000
Public deposits	15,204,000	Inc.	2,983,000
Other deposits	110,659,000	Inc.	1,013,000
Gov. securities	59,157,000	Inc.	1,596,000
Other securities	76,426,000	Inc.	2,599,000

The proportion of the bank's reserve to liability this week is 19.14 per cent; last week it was 19.93 per cent. Rate of discount, 3 per cent.

Lawyers Mortgage Company To Vote on Stock Increase

Richard M. Hurd, president of the Lawyers Mortgage Company, announces that the board of directors of the Lawyers Mortgage Company has called a special meeting of stockholders to be held on November 15, 1922, for the purpose of voting upon a proposition to increase the capital stock of the company from $6,000,000 par value at present authorized and outstanding, to $7,500,000 par value, by transferring from surplus to capital the sum of $1,500,000 and by issuing 15,000 additional shares of stock of the par value of $100 a share and distributing such additional shares pro rata to the stockholders of the company.

Day's New Issues

Hallgarten & Co. have bought and are offering a new issue of $6,000,000 United Cigar Stores Realty Corporation twenty-year 6 per cent sinking fund bonds, guaranteed by written unconditional indorsement by the United Cigar Stores Company of America. The bonds are priced at 100.

Harris, Forbes & Co. are offering, to yield 4.25 to 4.20 per cent, a new issue of $700,000 City of Portland, Me., high school 4¼ per cent bonds, due 1927-1946.

A syndicate headed by Blair & Co., Inc., is expected to offer shortly at 98½ and interest $5,000,000 Republic of Colombia five-year 6½ per cent bonds.

Harris, Forbes & Co. and Laird & Co., of Wilmington, were awarded yesterday, at a premium of $25,000, an issue of $900,000 City of Wilmington, Del., 4½ per cent serial bonds.

F. J. Lisman & Co. are offering at par and interest a new issue of $700,000 Williams Steamship Company marine equipment 7½ per cent bonds, due 1923-1932.

Lee, Higginson & Co. are offering, to yield from 5.10 to 5.40 per cent a new issue of $1,875,000 Union Refrigerator Transit Company series A equipment trust 5 per cent certificates, due 1923-1929.

Sherwood & Merrifield are offering, to yield 4.15 per cent, $350,000 Town of North Hempstead, N. Y., 4¼ per cent bonds, due 1943-1977.

Lage & Co. and Hemphill, Noyes & Co. offered at par and sold yesterday a new issue of $500,000 Douglas Packing Company ten-year 7 per cent sinking fund debentures.

Bank of France Statement

PARIS, Oct. 26.—The weekly statement of the Bank of France shows the following changes, in francs:

Gold in hand	Inc.	309,000
Silver in hand	Inc.	188,000
Notes in circulation	Dec.	435,171,000
Treasury deposits	Inc.	17,469,000
General deposits	Inc.	137,254,000
Bills discounted	Dec.	41,467,000
Advances	Dec.	17,750,000

The state repaid the bank 400,000,000 francs.

Federal Reserve Banks

WASHINGTON, Oct. 26.—The condition of the twelve Federal Reserve banks at the close of business October 25 was as follows:

RESOURCES

	Oct. 25	Oct. 18	Oct. 26, 1921
Gold and gold certificates	$277,629,000	$257,920,000	$445,280,000
Gold settlement fund—F. R. Board	615,866,000	594,159,000	496,111,000
Total gold held by banks	$893,495,000	$852,079,000	$944,391,000
Gold with Federal Reserve agents	2,124,432,000	2,163,465,000	1,729,790,000
Gold redemption fund	67,156,000	71,269,000	112,058,000
Total gold reserves	$3,085,083,000	$3,086,813,000	$2,786,239,000
Legal tender notes, silver, etc.	126,835,000	127,384,000	150,909,000
Total reserves	$3,211,918,000	$3,214,197,000	$2,937,148,000
Bills discounted:			
Secured by U. S. Govt. obligations	195,510,000	194,155,000	461,886,000
All other	273,889,000	316,944,000	841,863,000
Bills bought in open market	257,691,000	256,815,000	62,316,000
Total bills on hand	$727,090,000	$767,914,000	$1,371,065,000
U. S. bonds and notes	206,060,000	226,310,000	33,207,000
U. S. certificates of indebtedness:			
One-year ctfs. (Pittman act)	41,000,000	43,500,000	149,875,000
[illegible]	[illegible]	[illegible]	[illegible]

Federal Reserve Bank of New York

[illegible]

Standing of Reserve Banks

FOR THE WEEK ENDED OCTOBER 25

[illegible]

FOR THE WEEK ENDED OCTOBER 18

[illegible]

3d Ave. Railway Earnings Show Big Improvement

$207,474 Net Income Compares With $876,611 Deficit for Year Before; Operating Expenses Lower

The Third Avenue Railway Company is earning something on its capital stock for the first time since 1916. The statement covering operations for the fiscal year ended June 30, 1922, shows net income of $207,474, after all charges, including 5 per cent on the adjustment mortgage bonds, equivalent to $1.25 a share on the $16,590,000 stock outstanding. This compares with a deficit of $876,611 in the previous fiscal year after allowing for a full 5 per cent on the adjustment bonds, the allowance being made purely for the purpose of comparison in as much as nothing was paid on the adjustment bonds in the year ended June 30, 1921.

The improvement of more than $1,000,000 in the company's net earnings was due not only to an increase in receipts of nearly $700,000, but also to a decrease in operating expenses of approximately $400,000. In other words, the large deficit of the previous year was absorbed by an improvement in both sides of the account, a substantial increase in receipts having been effected with a substantial reduction in operating expenses. Transportation revenue increased $625,000 and rent of buildings and other property was nearly $29,000 larger. The curtailment in total operating expenses was accomplished in the face of an increase of $220,000 in depreciation accruals.

As a result of the year's operations the balance sheet as of June 30, 1922, places the corporate deficit at $2,280,591, as compared with $2,488,000 at the end of the previous year. Current liabilities amounted to $1,909,000. Current assets totaling $5,411,000 included $3,338,000 cash and United States government securities, as compared with $2,142,000 a year ago. Among the liabilities there is an item of $5,566,000 representing interest due on the adjustment mortgage bonds, the arrears amounting to 21¼ per cent.

September Railroad Earnings Irregular

Southern Pacific Shows Gain of $604,977 in Net; B. & O. Reports $2,665,952 Drop

September railroad reports made public yesterday showed considerable irregularity in the showing of net operating income and gross revenues. The Southern Pacific reported a gain of $85,670 in gross and an increase of $604,977 in net, while the Baltimore & Ohio, which is still feeling the effects of the coal strike, reported a decrease of $3,849,232 in gross and net operating deficit of $2,665,952.

Cleveland, Cincinnati, Chicago & St. Louis		Increase.
September oper. rev.	$7,200,000	*$88,000
Transportation exp.	2,881,000	405,000
Maintenance charges	3,214,000	506,000
Operating exp.	6,425,000	811,000
Net oper. income	375,000	177,000
Illinois Central System		
September gross	$15,550,547	$2,630,247
Net oper. income	2,877,011	1,072,125
Nine months' gross	124,616,651	4,157,425
Net oper. income	17,971,663	4,150,993
Pittsburgh & Lake Erie Railroad		
September gross	$3,027,000	$1,305,000
Transportation exp.	1,080,000	486,000
Maintenance charges	1,027,000	*3,000
Total oper. exp.	2,188,000	475,000
Net oper. income	939,000	7,000
Southern Pacific System		
September gross	$23,797,938	$85,670
Net oper. income	5,865,586	604,977
Nine months' gross	188,160,281	*12,030,773
Net oper. income	31,304,079	3,967,639
Baltimore & Ohio		
September gross	$13,619,380	*3,849,232
Deficit after tax	2,333,059	5,641,560
Net oper. deficit	2,665,952	5,721,488
Nine months' gross	140,346,795	*7,823,978
Balance after tax	15,862,349	*1,736,866
Net oper. income	12,941,221	*2,779,975
Norfolk Southern		
September gross	$664,173	$35,740
Balance after tax	109,523	10,169
Net oper. income	84,552	*4,663
Nine months' gross	6,112,293	253,209
Balance after tax	938,042	450,238
Net oper. income	720,330	328,860
Ontario & Western		
September gross	$1,182,769	*$46,250
Balance after tax	147,021	*45,005
Net oper. income	117,908	*44,640
Nine months' gross	9,193,954	*1,749,542
Balance after tax	1,210,945	*167,974
Net oper. income	839,335	*322,533
Delaware, Lackawanna & Western		
September gross	$6,564,549	*$943,868
Balance after tax	57,490	*1,815,636
Net oper. income	129,338	*1,801,588
Nine months' gross	53,770,523	*11,112,300
Balance after tax	4,546,501	*4,828,436
Net oper. income	5,053,501	*4,766,595
Western Maryland		
September gross	$1,820,938	$409,912
Net after tax	252,959	*26,267
Total income	275,332	4,858
Surplus after chges.	12,739	6,884

*Decrease.

Philadelphia & Reading		
September gross	$5,782,000	$280,000
Trans expenses	2,959,000	793,000
Maint expenses	2,250,000	*249,000
Total opr expenses	5,209,000	401,000
Net operating income	1,573,000	*131,000

Borne, Scrymser "Melon"

Borne, Scrymser Company directors, at a meeting held yesterday at Elizabeth, N. J., adopted resolutions calling for a 400 per cent stock dividend, increasing the capital stock from $200,000 to $1,000,000, of $100 par value shares. A meeting of the stockholders was called for November 22 at Elizabeth, N. J.

"The company was organized in 1893," President Orville G. Warring said, "with a capital stock of $200,000, and this capitalization has never been increased. If the proposed increase in capital is authorized by the stockholders the board contemplates at an early meeting thereafter the declaration of a stock dividend of 400 per cent, thereby distributing to stockholders the entire amount of the proposed increase."

Borne, Scrymser Company is the smallest unit of the Standard Oil group, its business being the compounding and marketing of lubricating oils. It is the only Standard Oil company which has never issued an annual report.

Air Reduction Report

The income account of Air Reduction Company for the eight months ended August 31, 1922, showed net profit of $514,368, after charges and depreciation but before Federal taxes; gross income of $4,244,441; operating expenses, $2,976,112; operating income, $1,268,329; reserve for depreciation and amortization, $651,254; interest, $96,922; other charges, $5,785, and net income of $514,?68. Surplus after dividends of $306,224 amounted to $208,144. Profit and loss surplus was $947,555.

Stocks Ex Dividend

Date.	Name.	P. ct.
Nov. 1	American Bank Note Co.	1
Nov. 1	American-La France Fire Eng Co. Inc.	¼
Nov. 1	American Radiator Co pf.	1¾
Nov. 1	Am Water Wks & Elec Co. Inc. vot tr 7% 1st pf.	1¾
Oct. 27	Atch. Top & S F Ry Co.	1½
Nov. 1	Beech-Nut Packing Co., temp	4c
Nov. 1	Burns Brothers, common A.	2½
Nov. 1	do common B	½
Oct. 31	Colum Gas & Elec Co.	1½
Oct. 31	Conn Ry & Lighting Co.	1¼
Oct. 31	do pf	1¼
Oct. 31	Con Exchange Bank	5
Nov. 1	Detroit United Railway	1½
Nov. 1	Iron Products Corp pf.	2
Nov. 1	Kelly-Springfield Tire 8% pf.	2
Nov. 1	Miami Copper Co.	½
Oct. 31	Norfolk & West Ry adj pf.	1
Nov. 1	Pennsylvania R R Co.	Later
Nov. 1	Pitts & W V Ry Co pf.	1½
Oct. 31	Pullman Co	2
Oct. 30	Shell Union Oil Corp pf.	1½
Nov. 1	Sinclair Consol Oil Corp.	2
Oct. 31	Southern Ry pf.	2½
Oct. 31	Stewart Warner Speedom Corp	1
Nov. 1	Superior Steel Corp 1st pf.	2

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.

National Biscuit Common

Question—My wife owns six shares National Biscuit common which came to her from her mother's estate. It was appraised at about 140. Yesterday's quotation was 237½, closing. Moody's shows earnings for 1921 are nearly enough to double 7 per cent dividend. The new plan will give seven $25 shares for each old $100 share. It seems to me present price is too high and it would be wise to sell, unless present earnings are greatly in excess of 1921. I am guessing the new dividend rate will be $2 a share, which will equal $14 a share on old stock. Is that the general belief? If the rate is to be more I could better understand the present price.—H. L. W.

Answer—We are not prepared to guess what will be the dividend rate on the new National Biscuit stock. A dividend of $2 a share would be equivalent to 14 per cent on the old stock and a price of 237½ is not incompatible with such a dividend rate.

General Electric "Special"

Question—As I have $800 to invest would seek your advice on the following investments: One share Chase National Bank, one share American Telephone and Telegraph, one share Bethlehem Steel and one share Standard Oil of Indiana. Also have about $65 every month to invest, so would be thankful for a good plan to invest this with safety. Kindly give me your opinion on the systematic investment account of buying stocks by Halsey, Stuart & Co., New York, 14 Wall Street, and as to their safety.—C. L.

Answer—We do not see the logic in dividing a fund of $800 among four different issues. We suggest that you start with the American Telephone stock and with future savings buy small amounts of some good preferred stock until you have a round amount of 5 or 10 shares. The new General Electric "special" stock, having a par value of $10 and paying a 6 per cent dividend, would be a good medium for building up an investment. You will do as well following this plan as you would by committing yourself to the purchase of a large amount of stocks on the installment plan.

Waveolian Radio Speculation

Question—Would you kindly let me know what to do about investing money in the Waveolian Radio Corporation? I have only a small amount of money, have earned it at very hard work and am afraid to venture without asking for advice through your paper.—Miss M. H. K.

Answer—The Waveolian Radio Corporation is a new company in a highly competitive field, and its stock represents simply a speculative interest in a venture which may or may not prove successful. Much probably depends on whether the management is successful in raising funds for expansion from the sale of capital stock. The shares should be considered only by those who would not be inconvenienced by the loss of their money, and the prospective purchaser should not be influenced by statements in the company's circular matter regarding the profits for original investors in Eastman Kodak, Bell Telephone, Mergenthaler Linotype, Gillette Safety Razor and the like.

Commercial Credit Company

Question—Can you advise me about the Commercial Credit Company of Baltimore? Is it reasonably safe to hold some of their either preferred or common stock?—C. P. W.

Answer—The Commercial Credit Company of Baltimore is well regarded and has demonstrated with increasing business and large earnings the capabilities of its management. Although its profits may be subject to considerable fluctuation, we consider its common and preferred stocks suitable for a business man.

Independence Lead Venture

Question—I write for information. I own 1,000 shares Independence Lead, a curb stock which I purchased four years ago. The certificate was made to another party and signed in blank. I never notified the Independence Lead Company of my ownership, simply held the stock. Recently it has advanced in value. I wrote to the company for transfer and they notify me that my stock is of no value; that about a year ago they levied an assessment of 1 cent a share on all stock. As the assessment was not paid on my certificate it was sold for non-payment and did not bring anything over the costs of sale. In other words they wiped me out. Of course I received no notice of assessment, they not having my name. I should like to know if they legally have the right to wipe me out in this manner and if I have no redress.—W. F. B.

Answer—You are not the only stockholder whose holdings were sold by the company for failure to pay an assessment. The Independence Lead Company could not have notified you except by advertisement and it is not surprising that you were unaware of the assessment. You have no redress so far as we know.

High Grade Investments

Question—I have at the present time about $30,000 lying in bank bringing me 2¼ per cent interest monthly. Am a business man and may not need this for years to come. A friend has suggested the following as a good sound investment. I know nothing of the market and have no time to watch or study same. Niagara Falls Power first mortgage 6s, 1932; American Telephone & Telegraph collateral 6s, 1946; Detroit Edison collateral 5s, 1933; Atchison Topeka & Santa Fe T. S. L. 4s, 1958; New York Central refunding and improvement 5s, 2013; Diamond Match 7½s, 1935; Wilson & Co., 6s, 1941. What do you think of these bonds and how much would they yield at present prices?—C. H. D.

Answer—The bonds suggested by your friend are all high grade investments. The Diamond Match 7½s will become callable within a short time, but you can attend to the reinvestment of this sum if a call is actually made. You would get an average return of about 5¼ per cent by purchasing these bonds in equal amounts.

Ohio Power Bond Suitable

Question—I have just bought an Ohio Power Company first and refunding mortgage 5 per cent gold bond series B due July 1, 1952, on the advice of my broker. Having bought it I now have a feeling that it is not as high a grade bond as I should have bought. I bought this bond for my mother, who is a widow and dependent on her income, so safety is first consideration. Her other holdings are $1,000 in each of the following: Denmark 8s, Great Northern 7s, Queensland 7s, Brooklyn Edison 5s, New York Central Equipment 5s, 1937; Chicago, Burlington & Quincy 5s, Cleveland Union Terminal 5½s, and several thousand of guaranteed United States Title Guarantee Company of Brooklyn mortgages. If you think of any other changes that I should make advise me what you would suggest. I always come to you for advice because I know you are doing a public service and have no ax to grind.—H. R. W.

Answer—The Ohio Power Company 5s, although not exactly a gilt-edge issue, are a reasonably good investment and fit in well with your mother's other holdings. The company's financial position is strong. We see no reason why you should be alarmed.

Four full columns of investment questions and answers will be published in The Tribune every Sunday and Monday. On other days one full column will appear.

Shortage of Labor Growing Serious, Grace Declares

Situation Due Largely to Immigration Laws, He Says; Bethlehem Steel Operating at 80 P. C. Capacity

The growing shortage of unskilled labor is becoming a matter of serious importance in the iron and steel industry, causing in many instances curtailment in operations and delay in construction work, according to E. G. Grace, president of the Bethlehem Steel Corporation. Following a meeting of the directors yesterday at which the problem was discussed he declared that present conditions were due largely to the present immigration laws, the results of which this year will show a decrease rather than an increase in the working class.

Directors at their meeting declared the usual quarterly dividend of 1¼ per cent on the two classes of common stock, payable January 2, to stockholders of record on December 15, although earnings for the third quarter were not sufficient to cover dividend requirements. Mr. Grace said, however, that they had been substantially greater than in either the first or second quarter.

"Due to the marked improvement in earnings for the third quarter and the continued increasing volume of business, together with the strong cash position of the corporation and the surplus earnings accrued during the last year," he said, "the directors felt justified in declaring the usual dividends."

In addition to the common dividend the board declared a dividend of 1¾ per cent for the current quarter on the new 7 per cent cumulative preferred stock, issued for the purchase of the Lackawanna Steel properties or in exchange for the 7 per cent non-cumulative preferred stock, on which dividends had been declared in January, 1922, for the entire year.

Moses Taylor, H. G. Dalton, Oliver Jennings and Alvin Untermeyer were elected to the board to fill the vacancies occasioned by the resignations of Allan Ryan, E. V. R. Thayer, J. E. Mathews and J. H Ward.

Commenting further on the effect of the present immigration laws on the supply of unskilled workers Mr. Grace said he strongly favored a selective system of immigration, protecting the United States against the importation of undesirables, but a system which would admit desirable workmen, particularly from the Central European countries.

The increase in the company's business throughout the September quarter, Mr. Grace said, was being maintained throughout the current month to a point where the steel plants are running at about 80 per cent of capacity, or a greater rate than at any time during the year.

Establish Fur Exchange

Manufacturers Arrange for Trading Surplus Stocks

Establishment of a raw fur exchange where members of the Associated Fur Manufacturers, Inc., may dispose of their surplus stocks or acquire the surplus stocks of others, is being undertaken by the association, David C. Mills, manager of the organization, announced yesterday. The exchange, it is expected, will be in operation next Monday.

If the exchange functions to any great degree it will cut into the business of the smaller skin dealers who make a habit of buying surplus stocks from manufacturers, who often have to purchase large quantities to get a few choice furs. These stocks are then sold by the skin dealers to other manufacturers at a profit. The retention of this profit in the hands of the manufacturers is one of the aims of the new exchange.

Bid and Asked

Following are the closing bid and asked quotations of stocks listed on the Stock Exchange in which there were no transactions yesterday:

	Bid.	Asked.		Bid.	Asked.
Alask G M	⅜	½	Kresge pf	110	—
Alb & Sus	194	200	Kress Co	90	120
Alleg West	100½	—	do pf	110	120
All A Cable	118½	120	Lig & M pf	118½	122
All Real	71	—	do B	200	225
Amal Sug	85	—	L Wiles 1 pf	102¾	110
Am B Note	76½	78	do 2 pf	113	140
do pf	53¼	54	Lorillard pf	110	122
Am Beet S pf	74	85	Lou & Nash	136	140
Am Bosch M	37½	39	Mack C pf	68¾	69
Am Chicle	7¾	7½	Mallinson pf	95	98
do pf	24	—	Man Su pf	79	82
Am Coal	65	—	Man Elec S	54	56
Am Ice pf	88	90	Man Beach	¾	1¾
Am M & G	¼	½	Man Sh pf	113	125
Am Rad pf	119	—	Mar St Ry	6½	6¾
Am Snuff	149	151	do pf	66	67
do pf	97	110	Marl Rock	15	17
Am St F pf	104	105	Max Mo ct	1¼	1¾
Am Sum pf	63½	66½	do 1 p c	1	—
Am Tel & C	60¾	61	do 2 p c	1	—
Am Tob pf n	106½	107½	May D S	116	122
Am Whol pf	87	92	Mich Cent	220	250
Am Wool pf	110	112	M S P S S M	69	71
Am W P pf	30	32	do pf	85	95
A Z & L pf	52	64	do	65½	69
Ann Arbor	15	21	M Kan & T	11	12
do pf	41	43	do pf	10	15
Art Metals	15	15¾	Mon Pow pf	109	111
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Oppose Open Bids For Rail Issues At I. C. C. Hearing

Bankers and Representatives of Carriers Say Private System Is Best Method of Floating New Issues

WASHINGTON, Oct. 26.—The Interstate Commerce Commission to-day threw its methods of supervising issue of railroad securities open for discussion before representative railroad officials and investment bankers whom it summoned to Washington, seeking advice particularly as to whether it should hereafter require sale of such issues to the highest bidder after open competitive bidding. The latter proposal was met with emphatic objections by both railroad men and bankers, while Judge Robert S. Lovett, chairman of a special committee of railroad executives appointed to formulate views, challenged the legal power of the commission to institute such practice.

Otto Kahn, of Kuhn, Loeb & Co., expressed the opinion that such a system might prove ruinous to railroads, while Jackson E. Reynolds, president of the First National Bank of New York, said that the commission in the matter "could do its worst and not hurt us (the bankers), but can hurt the railroads." Dwight W. Morrow, of J. P. Morgan & Co.; A. H. Harris, vice-president of the New York Central, and Forney Johnston, counsel for the Association of Railroad Security Holders, were among those called.

Mr. Kahn said that the relationship of great banking houses to the railroad corporations had brought into existence the practice of private underwriting of larger loans. It had assisted the carriers, he contended, in getting loans successfully floated, in making up securities of a form and type to fit markets, and above all had maintained a stable, broad investment market on which railroad securities could always be bought and sold.

"For many years to come railroads will annually need large amounts of new capital," Mr. Kahn declared, "and it will be a primary consideration with the Interstate Commerce Commission to maintain the stable, broad securities market from which this capital can be drawn."

Judge Lovett spoke of the "genius which bankers have for protecting the securities market" as an important necessity in the flotation of large security issues. These issues, he said, sometimes constitute an invitation for speculators to try "bear raids" that would make it impossible to maintain prices.

Mr. Morrow supplemented Mr. Kahn's argument as to the necessity of keeping the banking machinery up to the task of distributing railroad securities.

"Does the banking house which makes loans regularly to a particular railroad seek in any way to influence the management of the railroad in its transportation policy?" Commissioner Esch asked.

"I have never known bankers to do so," Mr. Morrow replied, "since in the matter of operation and policy a banker's advice would not be of value. They fall quite outside the banking field. Perhaps in the matter of paying dividends and direct financial matters such advice might be offered."

The hearing was concluded in the single day assigned for it.

Trade Buying Sustained

A general maintenance of purchasing by retail and jobbing distributors is shown in the weekly merchandising report compiled by the Credit Clearing House. A continued upward trend in buying at this time of the year is in marked contrast to conditions four or five years ago, when the fall buying was completed by the end of August.

For the week ended October 23 buying was .1 per cent ahead of the week previous for the country as a whole, .2 per cent ahead of last year, but 1.7 per cent under two years ago. Indebtedness gained .7 per cent over the week before, 5.5 per cent over last year and 8.4 per cent over two years ago. Payment activity was 2.9 per cent less than the week previous, 3.9 per cent under last year and 13.3 per cent below 1920.

Business News

Divorce of Tariff and Politics Approved at Exporters' Meet

A. M. E. A. Convention Discusses Flexible Clause in New Bill; Calder and Mills Praise Measure

Sentiment favored the steps already taken toward removing some of the political control of tariff making, and the ultimate complete divorcing of the tariff question from partisan politics was expressed by each of the five speakers at the tariff session of the American Manufacturers' Export Association's convention yesterday afternoon at the Waldorf-Astoria Hotel. Nods of approval at the speakers' remarks and vociferous applause at many points in their addresses apparently left no doubt concerning the sentiment of the exporting manufacturers present.

Attention was called to the flexible or elastic provisions in the new tariff bill by W. W. Nichols, of the Allis-Chalmers Manufacturing Company, who presided as chairman of the meeting, and by Senator William M. Calder, Congressman Ogden L. Mills, Vice-Chairman W. S. Culbertson of the Tariff Commission, and Andrew C. Pearson, treasurer of the United Publishers' Corporation, the other speakers.

Mr. Culbertson went into some detail to explain the reorganization of the Tariff Commission and the method of procedure in making investigations.

Congressman Mills asserted that the taking of the tariff out of politics would be a boon to individual members of the House. "In view of the difficulty of finding out all the facts in connection with all the commodities covered in a tariff bill," he said, "the Congressman finally becomes a partisan representative of his own home industries, which does not give a scientific tariff, but merely a compromise on rates. The legislative body should determine the general policy and leave the rate making to experts."

He justified the vote in favor of the Fordney-McCumber bill on the ground that the need for protection of many of our basic industries was clearly shown.

Senator Calder supported Mr. Mills in his views on the tariff and said that within a few years the tariff will be taken out of politics completely. He also intimated that a change in our internal revenue laws will be tackled at the next meeting of Congress. "Personally," he added, "I believe that incomes of $10,000 and under should be exempt from tax, that the maximum tax should not be above 35 per cent, and that the income tax should be supplemented by a small sales tax—say, one-half of 1 per cent."

Mr. Pearson made a plea for the cooperation of business men with the Tariff Commission in the new work thrust upon it.

After the close of the afternoon session the association's resolutions committee drafted resolutions recommended to the board of directors as the sense of the convention. These resolutions approved President Harding's policy on the merchant marine and pledged action along the lines advocated by the President, extended appreciation to the Bureau of Foreign and Domestic Commerce, and recommended that the Chamber of Commerce of the United States call an international conference of business men to determine upon a policy with regard to the international war debts.

Unexpected Overcoat Demand

Consumer buying of overcoats has reached larger proportions than manufacturers and retailers expected earlier in the season. Re-orders for overcoats are being placed with manufacturers now, and the latter, in turn, are going to the mills and jobbers for additional fabrics. One explanation of the unexpected strong demand, according to a garment manufacturer, is the poor fabrics put out last year to sell at the low price range then insisted upon by the general public, have worn out. Many men, it is thought, who purchased an overcoat last year are buying another this year. The usual life of an overcoat is two seasons.

Transportation Is Only Hindrance in Lumber

Transportation is the only hindering factor in the lumber market, according to this week's review of the market by "Lumber."

"As it stands to-day," says the review, "the market shows vastly different conditions prevailing in different sections of the country, with demand on the whole only slightly lower than is generally the case at this time of the year. The most serious drawback to an otherwise encouraging situation is the continued inadequacy of transportation, which is becoming worse in the Southern pine region, difficulties there spreading from car shortage to inadequate motive power. A feature of the week was the appearance of large orders for car material in the northwestern territory."

Commercial Credit

The commercial paper market here was fairly active yesterday, with discount rates firm at 4½ to 4¾ per cent. The selling rates on bankers' acceptances were advanced.

The American Acceptance Council quoted the following discount rates on prime bankers' acceptances eligible for purchase by Federal Reserve banks:

	Bid.	Asked.
Thirty days	4⅛	4
Sixty days	4⅛	4
Ninety days	4⅛	4
120 days	4¼	4
150 days	4½	4¼

Call loans against acceptances, 4 per cent.

Cotton Exports Lower

WASHINGTON, Oct. 26.—Cotton exports in September totaled 368,897 bales, valued at $42,799,743. This compared with 521,831 bales, valued at $43,252,534, during the same month the year before. For the nine months ended with September exports amounted to 3,849,366 bales, valued at $390,375,748, as against 4,311,075 bales of a value of $317,184,580 in the corresponding period of 1921.

Exports of cotton cloth in September amounted to 7,741,786 square yards, valued at $52,153,646. In September, 1921, exports of such cloth totaled 6,484,069 square yards, of a value of $62,260,594.

Conference to Discuss Waste

ALBANY, Oct. 26.—Elimination of waste in industry will be the principal topic of discussion at the sixth annual New York State Industrial Conference, which will meet at the Hotel Lafayette, Buffalo, November 21, 22 and 23. Henry D. Sayer, State Industrial Commissioner, will open the conference on Tuesday night, November 21. Other speakers at the opening session will be Governor Miller and W. D. Baldwin, chairman of the Otis Elevator Company.

Gulf States Steel Net Gains

The report of the Gulf States Steel Company for three months ended September 30, 1922, showed net operating income of $340,287. After deductions for taxes, depreciations, etc., net income was $252,284, equivalent after preferred dividends to about $1.90 a share on the $11,152,150 common stock, compared with $225,664, or $1.70 a share, in the preceding quarter, and $80,316, or about 40 cents a share, in the first quarter.

Miscellaneous Markets

Public Utilities Securities

	Bid.	Ask		Bid.	Ask
Adi P & L	24	27	Col P pf	90	—
do pf	94	97	C P & L	20½	22
Am Lt T	146	149	do pf	67	70
do pf	95	97	D&BGE 7pf	24	26
A G & El	172	175	DG&E 6 pf	85	90
do pf	46½	48	ElB&Sh pf	96	98
Am P & L	1??	134	Em DE pf	70	75
do pf	88	91	EG&F 8 pf	90	95
Am P Utl	16	20	Fdl L & T	42	45
do pf	36	40	do pf	73	76
Appal Pw	27	29	Gas Sc 6 pf	66	70
do pf	130	—	G&ES 7 pf	69	73
CarPR & L	55	—	Nor Sta P	99	101
Cntl Sta E	9	10	do pf	93	96
do pf	70	74	Rep Ry Lt	14	16
Cities Svc	198½	200½	do pf	47	49
do pf	69¾	70½	So Cal Ed	108	110
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Standard Oil Companies

	Bid.	Asked.		Bid.	Asked.
Anglo Am	20	21¼	Pa Mex F	24	26
Atl Rfg	1375	1425	Pr O & G	630	640
do pf	116	11?	Prai P L	275	285
Borne Scr	450	500	Solar Rfg	390	400
Buck P L	93	94	Sou P L	95	97
Chesb M	215	230	Sou Pa O	190	195
do pf	110	114	SW Pa PL	60	63
Contl Oil	145	148	*S O Cal	117½	118¼
Cres P L	35	37	*S O Ind	119⅝	120¼
Cumb P L	150	155	S O Kan	590	600
Eure P L	92	94	*S O Ky	107	109
G S O pf	106	110	S O Neb	190	200
do pf o	110	114	?S O N J	208	210
do com	50	53	do pf	117	118
HumO&R	244	248	S O N Y	559	560
Ill P L	173	177	S O Ohio	535	545
Imp O Lt	110	113	do pf	118	120
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Form. Rate. Maturity.	Bid.	Ask.	Yield
Reg 3½s, 1950-'54	89	91¼	3.97
do 3½s, 1940-1950	4.25	4.05	—
do 3½s, 1922-1930	4.30	4.10	—

New York State Bonds

Issued in coupon and registered form, not interchangeable. Coupon bonds registerable.

Form. Rate. Maturity.	Bid.	Ask.	Yield
Canal and Highway 5s, 1923-'30	4.15	3.95	—
do 5s, 1931-'40	4.15	3.95	—
do 5s, 1944-'70	4.15	3.95	—
Canal Imp 4½s, 1964	112	114¼	3.90
Highway Imp 4½s, 1963	112	114¼	3.88
Canal Imp 4½s, 1965	107¾	110½	3.75
Highway Imp 4½s, 1965	107¾	110½	3.75
Barge Can Ter 4½s, 1945	104¾	106½	3.90
[illegible]	[illegible]	[illegible]	[illegible]

Federal Land Bank Bonds

[illegible]

Joint Stock Land Bank Bonds

[illegible]

Short Term Securities

[illegible]

New York Bank Stocks

[illegible]

Trust and Surety Companies

[illegible]

Insurance Companies

[illegible]

Steel and Ordnance Stocks

[illegible]

Sugar Stocks

[illegible]

Chemical Stocks

[illegible]

Miscellaneous Oil Companies

[illegible]

Miscellaneous Stocks

[illegible]

Tobacco Stocks

[illegible]

Certificates of Indebtedness and United States Treasury Notes

[illegible]

New York City Bonds

[illegible]