

GAINS IN THE MARKET

Prices Show Improvement Under Heavy Buying.

RISE IN ERIE'S SHORT NOTES

Indications Are that a Radical Change for Better Age Expected in Affairs of Railroad—Offer Said to Have Been Made by E. H. Harriman—Future Still a Problem.

New York, April 8.—All day long to-day the stock market was under the sole control of the varying stories, rumors, and impressions concerning the probabilities of the success or failure of the Erie Railroad's financial plan.

The \$5,000,000 of the Erie's short term discount notes matured at 3 o'clock in the afternoon, and would naturally go to protest if they were not paid up to that time, or if they were not exchanged for the company's secured notes under the scheme of readjustment of the matter as officially proposed.

The stock market at first to-day opened firm, under the prevailing belief that the exchange of the notes would be carried through, but later on, when the truth became slowly, but not officially, ascertained that only a relatively small proportion of obligations were being deposited for exchange, and that the plan of substitution would, almost certainly, prove a failure, prices became weak.

Strong Toward Close. In the last hour of business, the market again strengthened and the Erie discount notes on the curb market rose under heavy buying, to a figure that indicated that a radical change for the better of some kind had occurred in the Erie situation. Final prices were generally not far from the highest of the day, but most of the net gains recorded were fractional.

The exact cause of the improved state of affairs as regards Erie was not disclosed until some time after the close of the day, the gist of it being that an offer had been made by E. H. Harriman, acting as the representative of a newly formed syndicate, to purchase at par the new notes that it was proposed to exchange for the old discount notes, so that the holders of the old notes could either accept payment of the notes in cash or check, if they wished, receipt payment of \$1 in cash and new secured notes figured at a price of 95.

Future Still a Problem. This offer, of course, still leaves the future of Erie an unsettled problem to a greater or less extent, but it is altogether unlikely that with the relief thus extended, any deficit in the Erie's earnings that may occur in time near at hand, at least, will be sufficient to bring about a default on any of the Erie's regular bond issues.

The government's monthly crop report, which was made public at 11 o'clock to-day, did not seem to be in any way a market factor, inasmuch as nine-tenths of the attention of the buyers and sellers of stocks that was solidly centered upon the Erie difficulty. But it must be confessed that favorably as the report was, it was not up to the previous anticipations.

NEW YORK MONEY.

New York, April 8.—Money on call at the stock exchange to-day opened at 1 1/2; highest, 1 1/2; lowest, 1 1/2. Most of the loans were at 1 1/2. Time money was unchanged. Supply, 2 1/2 per cent. Demand, 4 1/2 per cent. Rates for 30 days, 2 1/2; for 60 days, 2 1/2; for 90 days, 2 1/2; for 120 days, 2 1/2; for 180 days, 2 1/2; for 270 days, 2 1/2; for 360 days, 2 1/2.

NEW YORK STOCK MARKET.

Quotations furnished by E. F. Hutton & Co., members New York Stock Exchange, 6 Bowline Chippman, manager, 1201 F street northwest.

Table of stock prices including Amal. Copper, Am. Lead, Am. Sugar, etc.

NEW YORK PRODUCE.

New York, April 8.—SUGAR.—The local market was dull for raw sugar, with offerings light; but, on the other hand, buyers did not seem disposed to take high. Sugars are now generally held for a price higher than three cents, basis 96 test, cost and freight. Yesterday the American Sugar Refining Company bought about 100,000 bags, Cuba sugar, shipment at 3 cents, basis 96 test, cost and freight terms. Duty-paid sugar was quoted as follows: Centrifugal, 96 test, 4.30; muscovado, 96 test, 3.85; refined sugar, 96 test, 3.55. The London market for beet sugar was about 3 1/2 higher than April and May quoted at 1 1/2. Refined sugar was dull, but unchanged.

WHEAT STORES.—The local market for wheat was about 1/2 higher than April and May quoted at 1 1/2. Refined sugar was dull, but unchanged.

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Sales Open High Low Close. Amal. Copper, 23.90 23.90 23.90 23.90.

Table of stock prices including Amal. Copper, Am. Lead, Am. Sugar, etc.

CURB MARKET.

Quotations furnished by E. F. Hutton & Co., members New York Stock Exchange, 6 Bowline Chippman, manager, 1201 F street northwest.

Table of commodity prices including Bessemer Cold Copper, Bunker's, etc.

GOVERNMENT BONDS.

New York, April 8.—Closing quotations of United States government bonds.

Table of government bond prices including U.S. registered, 1930, U.S. coupon, 1930, etc.

MISCELLANEOUS BONDS.

New York, April 8.—Bond transactions on the stock exchange.

Table of miscellaneous bond prices including American Tobacco, etc.

WHEAT GOOD, RYE POOR.

Official Figures in Crop Report of Agricultural Department.

According to the official crop report issued yesterday by the Department of Agriculture the average condition of winter wheat on April 1 was 91.5 per cent of a normal, against 89.9 on the same date in 1927; 89.1 on April 1, 1926; 91.6 on April 1, 1925, and 86.2, the average for ten years from 1926 to 1937.

The average condition of rye on April 1 was 84.1 of a normal, as compared with 82 one year ago, and 89.6 for the ten year period.

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WALL STREET NOTES

Price on Erie Represents 100 Cents on Dollar.

ROAD NOW NEEDING MONEY

Trouble Anticipated in Making Loan Because of the Financial Conditions—Mortgage the Scenery?—A Suggestion of One Old-Timer—Crop Report Not Up to Expectations.

New York, April 8.—Erie closed last night at 10 1/2. This price represented a cash investment of about 100 cents on the dollar for the holders of the old New York and Lake Erie paid an assessment of \$12 a share at the time of the reorganization in 1925, when they exchanged their holdings for the new Erie Railroad stock, share for share. The present common stock represents, at least, the investment of \$12 about twelve and a half years ago, and, if interest is figured in, that investment should be worth at least the present price of the stock to-day. The trouble is that the road needs money at a time when it is a very difficult matter to obtain a supply of funds.

Several years ago a New York banker was presented by the author with a book which, in a very interesting way, reviewed the history of the Erie. After reading the volume through, the Wall Street man remarked that it was a pity book leaves had not been left at the end so that additional matters of interest might be noted down as they occurred. "Some interesting chapters have yet to be added," he said. He now thinks that the present situation well deserves to be so recorded. The way banking interests have rallied to the support of the road on the present occasion would make a most interesting contrast to some of the chapters in the early history of the Erie. The old Erie notes were in a class by themselves. They were the only absolutely unsecured issue put out by any railroad since first it was found necessary to resort to the short-term note as an expedient for financing, but among bond houses the fear is quite generally entertained that the market for all classes of notes will be hurt by the Erie's incident.

Recently inquiries have been received from holders of some of the safest and best secured notes in the market as to whether it would not be advisable to sell out, and in some cases those making the inquiry had lower cables and expectations, even when assured that the collateral security was more than ample to pay off the principal and interest of every note.

"The fact that Erie does not seem to be able to find sufficient collateral to fully secure its proposed issue of new notes reminds me," said an old-timer, "of a Western road I used to be interested in long ago. The road had borrowed a good deal of money and had mortgaged about everything that a mortgage could be placed upon, but more cash was needed. An official appealed to for a suggestion on the point, replied that he 'could not see any way out,' reflectively, 'unless we mortgage the scenery.'"

On the publication of the crop report, which was not up to expectations, the traders attacked the market, but succeeded in forcing out very little stock. There was no appearance of support except at one or two points, but the total absence of anything like liquidation served to discourage the bear operations. A broker who watched what was going on expressed the opinion that the market was in a condition of stable equilibrium, and that important news of some kind would be required for an important movement in either direction.

Union Pacific's response to the better outlook for Erie was natural. A default of the latter road on an obligation would have seriously interfered with Union Pacific's financial plan, and this had been sold short to a considerable extent in the expectation that such a difficulty was likely to be interposed by the market. A few of the traders are said to have hedged purchases of the Erie notes by sales of Union Pacific on the ground that if the note plan failed to go through, Union Pacific would probably decline sharply. The great difference in the market conditions surrounding the two securities, however, prevented an operation of that kind being entered upon except on a small scale by ultra-speculative traders.

GRAIN AND PROVISIONS.

Quotations furnished by E. F. Hutton & Co., members of the New York Stock Exchange and the Chicago Board of Trade, 6 Bowline Chippman, manager, 1201 F street northwest.

Table of grain and provision prices including Wheat, Corn, etc.

NEW YORK STOCK MARKET.

Quotations furnished by E. F. Hutton & Co., members New York Stock Exchange, 6 Bowline Chippman, manager, 1201 F street northwest.

Table of stock prices including Amal. Copper, Am. Lead, Am. Sugar, etc.

LOCAL FINANCIAL GOSSIP.

A slight reaction was shown in the trading on the Washington Stock Exchange yesterday, and the members of the body seemed to be affected with touches of spring fever. The volume of business was small and quotations on the whole on the down grade.

The first issue to attract attention was Capital Traction. This stock came out in small lots and sold on regular call from 12 1/2 to 12, but after all it was taken up again selling down to 12 1/2. In all 108 shares were sold. Those who have specially watched the course of this stock say that a skillful broker has fed out in the neighborhood of 2,000 shares within the past month in small lots, getting gradually better prices for it than he began to receive at the beginning.

The shares of the railroad company did not attract a modicum of the interest manifested the previous day. Fifty shares of the common stock were sold at 2 1/2, two points and one-half below the highest of Tuesday. When regular call reached the preferred stock a broker announced that he had 500 shares to sell at 75, but the best bid offered was for \$12 a share, and the stock was sold at 7 1/2. Other transactions were a \$300 gold bond at 99, 100 shares of Mitchell Mining at 75 cents a share, and an 18 1/2 of Washington Loan & Trust at 81 1/2.

WASHINGTON STOCK MARKET.

Regular call, 12 o'clock noon. Washington Gas 4, 530 at 100. Capital Traction, 20 at 12 1/2, 30 at 12 1/2, 40 at 12 1/2, 50 at 12 1/2, 60 at 12 1/2, 70 at 12 1/2, 80 at 12 1/2, 90 at 12 1/2, 100 at 12 1/2.

Washington Railway and Electric common, 50 at 7 1/2. Mitchell Mining, 100 at 75. Washington Loan and Trust, 100 at 81 1/2.

Following are the closing quotations on yesterday's local stock exchange:

Table of Washington stock prices including Washington Gas, Capital Traction, etc.

OSBORNE DENIES THE LETTER

Helene Maloney's Husband Says He Did Not Write Truthfully.

Insists Misive Was to Throw Justice Off Track—Annulment Expected.

New York, April 8.—The letter Justice of the Peace Boyd, of Mamaroneck, who performed the marriage ceremony of Helene Maloney and Herbert Osborne, public the fact that he believed here, will greatly complicate the proceedings for the annulment of Miss Maloney's marriage to Osborne.

The action was brought so that Miss Maloney might regain her freedom and marry Samuel Clarkson, with whom she eloped to Europe. The contention is that Osborne and Miss Maloney never lived together. According to the letter, which was written some time after the marriage, the couple did live together and traveled around from place to place.

Osborne admitted writing the letter, when seen to-day, but said that the statements contained therein were absolutely false. He said that he had written to Justice Boyd merely to hide his identity and to throw the official off the track.

Mr. Osborne has an office at 20 Broad street and he spent a good part of the afternoon seeing reporters.

He said: "The statements in that letter are utterly false. The letter was written by me to throw Justice Boyd off the track regarding my identity. Helene Maloney was never in Pittsburg to my knowledge and the implication conveyed by this article is entirely without foundation."

August Humes, a member of the firm of Byrne & Cutchon, counsel for the Maloney family, discussing the letter, said that it would have no effect upon the proceedings under way looking to the annulment of the marriage.

THOMAS RYAN ON STAND.

Traction Magnate Says He Is Willing to Testify for a Month.

New York, April 8.—Thomas F. Ryan spent to-day in the Fifth Municipal Court in Harlem as a witness in a \$250,000 damage suit brought at the instance of the William F. King committee against the directors and others interested in the management of the Metropolitan Street Railway.

Several other men whose time is supposed to be fairly valuable, including H. H. Vreeland, former president of the road, and Douglas Robinson, one of the receivers, spent the day in the courtroom. Mr. Ryan lost his temper once or twice, but on the whole he endured the performance with better grace than did his counsel, Delaney Nicoll and John B. Stanchfield, who is representing the directors, and he would up the day with the declaration that he would spend a month on the stand if necessary. He was promptly announced at 9:30 o'clock to-morrow morning, but counsel for the plaintiffs hope to let him off by noon.

The complainants in the action are Emmanuel and Minnie Weller, the former being the owner of ten and the latter of three shares of stock in the Metropolitan Street Railway Company. The plaintiffs alleged that the reports issued by the company in 1926 and 1928 were fraudulent in that they did not disclose the real condition of the company, and that, having been influenced by these reports to hold their stock, they have sustained a loss.

Mr. Ryan's counsel characterized the suit as a simple pure fishing expedition of the King minority stockholders committee for evidence on which other actions might be based. The day was taken up largely with wranglings among the lawyers, who occasionally recollected that they were in a court of law.

BALTIMORE PRODUCE MARKET.

Baltimore, April 8.—Following are the official prices of the principal commodities:

Table of Baltimore produce prices including Wheat, Corn, etc.

DERENDS MRS. MCKEE

Counsel Says Husband Puts Up a Good "Bluff."

SEES FLAWS IN HIS CASE

M. Barbois Points Out Differences in Allegations and Declares McKee Has No Share of Real Evidence on Which to Base Suit—Tells of Humiliation of Miss Lawler.

Paris, April 8.—When the hearing of Mrs. Hart E. McKee's suit for divorce was resumed this morning, Maitre Barbois addressed the court on behalf of Mrs. McKee. He denies the allegation of the other side that she had been guilty of an intrigue with the Marquis Guglielmi, saying that not the slightest proof had been advanced of anything of the kind. He defended Miss Lawler, family friend of the McKees, in his refusal to help McKee toward a reconciliation, and Allotti as a man unworthy of confidence.

M. Barbois referred to an occasion on which McKee scolded his wife at bridge for a misplay. She refused to occupy the same room that night and left next day. Her reason for both steps was her health. She was then suffering. The first thing she did when she reached Paris was to consult doctors, who sent her to a private hospital for three weeks. Meanwhile, McKee was in an automobile with the Marquis Guglielmi to Yichy.

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