

N. Y. RESERVE BANK EARNINGS \$51,500,000

Government Will Receive \$39,000,000 of Year's Total in Lieu of Tax.

The Federal Reserve Bank of New York earned in 1920 approximately \$10 per cent on its capital stock with total earnings of \$51,500,000, disclosed in its monthly review of credit and business conditions issued yesterday.

"These earnings are a direct measure of the credit expansion or contraction which our war financing necessitated. They are also a direct measure of the utility of the Federal Reserve Bank in providing such credit as business conditions necessitated."

"The Federal Reserve Bank is a semi-public institution organized and operated not for the purpose of making profits but to stabilize credit and keep it elastic, and to issue such circulating notes as the business of the community requires. Its surplus earnings, which are derived from the credit making and note issuing power granted to it by the Government, accordingly revert to the Government."

"The reason the Federal Reserve Bank shows such large earnings is because the Government does not tax it, but in lieu of taxes takes the major part of its earnings. A governmental grant of note issuing power to any institution or set of institutions, especially when such notes are of an emergency nature, is quite usually accompanied by a heavy tax."

"Federal Reserve Bank earnings when transferred to the Government may be used by it only to place additional gold behind the greenbacks or to retire Government bonds. In this way the earnings go directly toward correcting the inflation which called the earnings into existence. Presumably, as inflation subsides, the volume of Federal Reserve notes required for hand to hand currency will gradually lessen, and both the discounts and the earnings of Federal Reserve banks will lessen correspondingly."

The bank asserts that Japan has now ceased to import gold from us. Discussing the decline in public debt of about \$2,590,000,000, or 9.7 per cent, from the maximum to December 31, 1920, the bank says:

"The greater part of the debt reduction has been effected in the floating debt, which is composed of unamortized notes. The decline in the outstanding volume of these certificates since August 31, 1919, was \$1,621,000,000, a reduction of 41.2 per cent. During the calendar year 1920 the decline was \$945,000,000, or 23.3 per cent."

RESERVE BANK MEN'S BONUS. Rate for Year's Last Quarter Is Same as Others.

The Federal Reserve Bank of New York announced yesterday that its schedule and rate of bonus or extra compensation payments for the final three months of 1920 was the same as that for each of the three preceding three months periods.

This works out at \$300 for the person receiving \$1,500 a year, \$375 for the next \$500, nothing extra for the next \$2,500 and \$5,000, and no extra compensation for salaries above \$5,000.

NEW BOGUS \$10 RESERVE NOTE. The third counterfeit Federal reserve note to be discovered in a fortnight is reported by the Reserve Bank of New York. It is a \$10 note, drawn on the New York bank with check letter B, face plate No. 497, with a portrait of President Jackson and purports to be signed by D. F. Houston, Secretary of the Treasury, and John Burke, Treasurer of the United States.

FAVORS REDISCOUNT BILL. WASHINGTON, Dec. 30.—The House Banking Committee agreed today to report favorably the Senate bill extending to Federal reserve banks until December 31, 1921, the privilege of rediscounting notes of member banks to the extent of 20 per cent, instead of 10 per cent, of Government bonds and certificates accepted from borrowers as security.

FOREIGN BANK STATEMENT. LONDON, Dec. 30.—The weekly statement of the Bank of England shows the following changes: Total reserve, increased, \$2,238,000; Circulation, decreased, 1,731,000; Bullion, increased, 1,731,000; Other securities, increased, 7,134,000; Public deposits, increased, 535,000; Other deposits, increased, 96,324,000; Notes reserve, increased, 2,241,000; Government securities, increased, 2,241,000; Proportion of reserve to liability is 2.30 per cent; last week 1.76 per cent. Rate of discount, 1 per cent.

PARIS, Dec. 30.—The weekly report of the Bank of France shows the following changes: Gold in hand, \$201,000,000; Silver in hand, \$201,000,000; Notes in circulation, \$475,257,000; Treasury deposits, \$2,545,000,000; General deposits, \$3,119,000,000; Bills discounted, \$5,171,000,000; Advances, \$2,742,000,000.

ASSOCIATED DRY GOODS HAS NO DEBTS AT BANKS

Wild Rumor Nailed After Company's Best Year.

In view of the pessimistic stories afloat in recent weeks regarding the financial position of big dry goods and department stores and the rumors that they have been large borrowers from banks, the statement made yesterday by Samuel W. Reburn, president of the Associated Dry Goods Corporation, was considered especially significant.

Mr. Reburn pointed out that the company and its subsidiaries are in an exceptionally strong financial position and that they do not owe any money to banks. The company is made up of various retail department stores, including Lord & Taylor, James McCreery & Co., Hahne & Co., Newark; J. N. Adam & Co., Buffalo, and a number of smaller organizations, as well as realty companies.

The statement of the president was issued after the dividend meeting of the board of directors. The regular quarterly dividends of 1 per cent on the common, 1 1/2 per cent on the first preferred and 1 3/4 per cent on the second preferred stocks were declared. The common dividend is payable February 1 to stock of record January 15 and the preferred dividends on March 1 to stock of record February 11.

"The volume of business for 1920," Mr. Reburn said, "was the greatest in the history of the company. Careful estimates have been made of the results of the year's business, and it appears that stocks have been remarked at replacement values as nearly as that figure could be ascertained. Inventories at this time are less in amount than a year ago. Earnings are in excess of dividend requirements and the corporation and subsidiary companies are in stronger financial position than at the same time last year, owing the banks nothing."

CENTRAL PLANS BIG CHICAGO TERMINAL. Proposes to Acquire Property of Chicago Junction Railway Company.

To enlarge its terminal facilities in Chicago and unify related lines that greater economy and efficiency may obtain, the New York Central Railroad Company applied yesterday to the Interstate Commerce Commission for authority to acquire the Chicago Junction Railway Company terminal properties.

It proposes to bind together the inner and outer belts of switching lines now operating in Chicago. The application asks for authority to purchase all the capital stock of the Chicago River and Indiana Railroad Company, the leasing by the Chicago Junction Railway Company for ninety-nine years and thereafter at the election of the lessee in perpetuity of all its property to the Chicago River and Indiana Railroad, granting to the New York Central an option to purchase all of the capital stock of the Chicago Junction Railway Company or all of the properties to be leased by it to the Chicago River and Indiana Railroad Company.

The application provides that the New York Central shall purchase for \$750,000, to be paid in cash or securities as agreed to all capital stock of the Chicago River and Indiana Railroad Company. It provides that the Chicago Junction Railway Company shall lease at an annual rental of \$200,000 all of its properties to the Chicago River and Indiana Railroad Company for ninety-nine years and that the New York Central be granted an option to purchase from the Chicago Junction Railway Company for \$23,987,516 and the Union Stock Yards Transit Company for \$23,323,323, of which \$2,987,516 is to be paid to the Chicago Junction Railway Company and \$10,345,817 to the Union Stock Yards Transit Company.

A. H. Smith, president of the New York Central lines, in commenting on the application, said yesterday that the New York Central has long been in need of an extensive modification of its terminal facilities in Chicago and that the opportunity to relieve that situation to the mutual advantage of the public, the Central's connections and the road itself had been discovered in a surprisingly natural way through the plan announced.

The Chicago Junction Railway, he pointed out, had unlimited opportunity for extension and expansion outside of Chicago but no means to reach the heart of that city. The Chicago River and Indiana Railroad Company, an extensive network of tracks through the heart of Chicago's manufacturing district.

GOODYEAR TIRE AUDIT SHOWS GOOD REPORT. The statement of Price, Waterhouse & Co., auditors of the Goodyear Tire and Rubber Company, as of October 31 last shows current assets of \$71,417,977, made up as follows: Inventories less reserve after charging to income \$9,976,905; adjustment of inventories of raw material from cost to market value, \$21,197,849; customers' notes and accounts receivable, less reserve, \$12,513,035; accounts due from foreign selling subsidiary corporations, \$4,340,680; other accounts receivable and miscellaneous investments, \$11,252,103; cash on hand, \$2,178,695.

Current liabilities amounted to \$49,808,494, giving a working capital on October 31 of \$21,611,483. These liabilities were: Bank loans secured, \$8,189,476; and unsecured, \$10,774,094; brokers' secured, \$1,700,000; and unsecured, \$4,745,500; trade and miscellaneous, \$5,558,284; unsecured rubber and fabric acceptances, \$4,313,637; accounts payable, including estimated Federal taxes, \$12,460,474.

The auditors report showed a technical deficit of \$15,847,628 before providing for possible losses on contractual obligations for rubber and fabric, but this deficit was shown after a charge to income of \$21,197,849 for the stock dividend declared during 1920. Actual there are assets to meet all of the preferred stock and \$44,247,074 to apply on the \$59,874,727 common stock outstanding, there being \$61,211,950 issued stock, with \$1,236,923 due on subscriptions to stock from employees and others.

Had there been no stock dividend the company would have shown a profit and loss surplus of \$15,847,628. In making the audit no allowance was made for good will in the raw materials and supplies were taken at cost or market value, whichever was lower, and only actual additions to property accounts were taken into consideration.

PURE OIL RUMOR DENIED. Reports that the Pure Oil Company contemplated new financing were denied yesterday in quarters close to the company. The company's cash position, according to its balance sheet of October 31, shows current assets of \$24,579,204, including \$3,970,917 in cash, \$4,211,156 in accounts receivable and more than \$18,000,000 worth of crudes and refined oils, materials and supplies. Against those assets immediate liabilities amount to \$6,328,078, which includes \$4,222,323 of accounts and notes payable.

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Coupons Payable January First, 1921, at The American Exchange National Bank

128 Broadway, New York City

- Ashton, Ida. Internat. Silver Co., Debentures
Augusta, Ga. Jackson, Mich.
Beaver Island, N. C. (Jan. 7). Jacksonville, Fla.
Billings, Mont. Jonesville, N. C.
Blaine County, Mont. Lake County, Fla.
Bogansville, S. C. Mexican Eagle Oil Company
Canyon County, Ida. Milltown, Ga.
Carbon County, Mont. Mobile, Ala., Sewer & Water
Cascade County, Mont. Mobile, Ala., Series "H"
Cheboygan, Mich., School District (Jan. 15) Montgomery County, Ala.
Chicago, Ill. Mooresville, N. C.
Chicago, Ill. New Iberia, La.
Cincinnati, O., Board of Education Niagara Falls & Clifton Suspension Bridge Co.
Clarksville, Tenn. Norwalk, Conn.
Cleveland, O. Oneals Township, N. C.
Cleveland, O., Board of Education Oneida, Tenn., High School Board
Coeur d'Alene & P. Ry. Co. Phoenix, Ariz.
Colleton County, S. C. Prairie County, Mont.
Collinwood, O. Punta Gorda, Fla.
Conrad, Mont. Ravalli County, Mont.
Conway, S. C. Redfield, S. D., School Dist.
Cross Keys, S. C. Rice Lake, Wis.
Dayton, O., Board of Education Richland County, Mont.
Denton, Mont. Richmond County, Ga.
Detroit, Port Huron & Shore Line Ry. Rochester, Minn.
Duluth, Minn. Rosebud County, Mont.
Duluth, Minn., School District Roundup, Mont.
East Point, Ga. Rutherford County, N. C.
Elevation Township, N. C. St. Lucie County, Fla., High School District No. 6
Elmore County, Ala. Saratoga, Fla.
Englewood, Fla., Spec. Rd. & Bridge Dist. Sarasota, Fla., Venice Special
Fairfield, N. C., School Dist. Savannah, Ga.
Fish Dam, S. C. Sidney Electric Co.
Florence, Ala. Snow Creek, N. C.
Fort Meade, Fla. South St. Paul, Minn.
Genesee, Ida., School Dist. Spokane International Ry. Co.
Genesee, Ida., Highway Dist. Stanley, N. C., Sch. Dist.
Gladstone, Mich. Swift & Co.
Glyden Hill, S. C. Tarpon Springs, Fla.
Great Falls, Mont. Toole County, Mont.
Hill County, Mont., Sch. Dist. Union, Ore.
No. 16 Union, S. C.
Horry County, S. C. Waycross, Ga.
Yellowstone County, Mont.

INSURANCE TRUCE FAILS. ROAD WOULD RENEW NOTE.

JACKSON, Miss., Dec. 30.—Efforts toward a compromise of the State anti-trust suit against fire insurance companies doing business in Mississippi have failed, according to an announcement today of a local committee of underwriters headed by R. E. Kennington.

McAdoo on Vacation. William G. McAdoo left yesterday for California for a thirty day vacation. It has been reported in Wall Street that he has been employed by several oil companies to go to Mexico in their behalf, but that report was not given credence at his office.

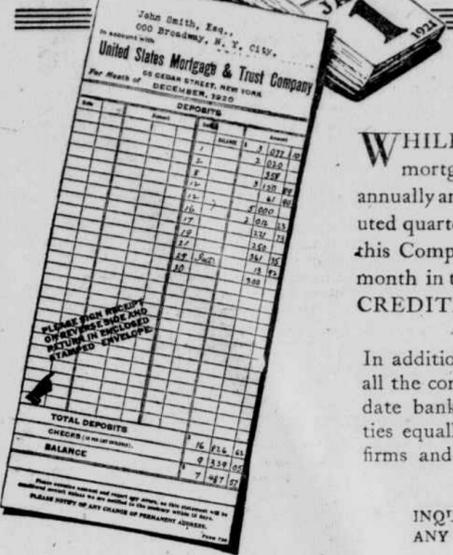
PENNSYLVANIA OIL MARKET. OIL CRUD, Pa., Dec. 30.—Credit balances, \$6.10. Runs, \$4.624 barrels; average, \$5.694. Shipments, 66,501; average, 53,770.

STOCK EXCHANGE QUOTATIONS. Continued from Preceding Page.

Table with columns: Bid, Ask, Div., Sales, Open, High, Low, Close, Net Change. Lists various stocks like Vivandou V, Wabash, Western Maryland, etc.

NOTE—Odd lots transactions are not recorded in separate line unless sales were made at price outside of the regular full lot range.

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WHILE the interest on bonds and mortgages is ordinarily paid semi-annually and dividends on stock distributed quarterly, a deposit account with this Company yields an income every month in the year for INTEREST IS CREDITED MONTHLY thereon.

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A well-known St. Louis bank has written us a letter which we think will be of much interest to any manufacturer or wholesaler. Here it is:

"In analyzing the statements of Manufacturers and Jobbers in connection with applications for bank loans, we pay considerable attention to the element of Fire Insurance on the property and Life Insurance on any of the officers or members.

"Inasmuch as the annual turn-over of a merchant is several times the value of his stock on hand at any given time, it is also of vital importance that his credit accounts be insured against unusual loss through bad debts.

"We, therefore, have no hesitation in stating that in our opinion a Manufacturer or Jobber should carry Credit Insurance, and that his doing so is an important consideration to a bank."

Bankers appreciate that it takes more skill to do business successfully when prices are falling, as now, than when prices were increasing. And they therefore endorse precautions that prevent, else pay, bad debt losses beyond the normal, which the American's "Unlimited-Interim-Payment" Policy does.

Manufacturers and wholesalers, write or phone for particulars. No obligation.

Payments to Policyholders about \$10,000,000.00

THE AMERICAN CREDIT-INDEMNITY CO. OF NEW YORK

E. M. TRENT, PRESIDENT Greater New York Department, Down Town Office, 91 William Street Phone—John 533-534-3365 Up Town Office, 104 Fifth Avenue Phone—Watkins 2403 New York City.

Stone & Webster INCORPORATED

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EXAMINATIONS AND STUDIES of Industrial and Public Service Properties

REPORTS on Valuation and Operating Efficiency

CUSTOM HOUSE RECEIPTS, which \$104,044.86 was for merchandise Receipts for duties at the Custom House yesterday were \$22,333.33 for recent importations.

GRAIN Provisions

For the benefit of those interested in commodities we maintain a complete wire service office being furnished with Chicago Board of Trade and New York Produce Exchange quotations. Information or statistics may be had upon request.

HUGHES & DIER Stocks—Bonds—Grain

Chicago Bd. of Trade, New York Produce Exchange, Philadelphia and Pittsburgh Stock Exchanges. 42 New Street, New York Telephone Brokers 5140 509 Fifth Ave. Tel. Vanderbilt 9533 67 W. 125th St. Tel. Harlem 5691 Philadelphia Pittsburgh Cleveland

City of Vienna

48, 43, 58 Bought—Sold—Quoted R. A. Soich & Co. 10 Wall Street New York Telephone Rector 6529-6530

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Weekly Market Letter

Upon Request. EDWARD EPPS & CO. CURB STOCKS. ESTABLISHED 1903 Members N.Y. Curb Market Assn. 25 BROAD ST. NEW YORK. TELEPHONE BROAD 2121.

American Chicle Co. Brooklyn City R. R.

WEBB & CO. 35 Broad St., N. Y. Tel. Broad 3005

M. S. WOLFE & Co.

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of New York, 80 Broadway. BRANCHES 818 Avenue at 60th Street Madison Avenue at 42nd Street Capital and Surplus \$1,000,000 Profits \$30,000,000

TO THE HOLDERS OF CENTRAL POWER & LIGHT COMPANY Seven Percent Collateral Trust Gold Notes (due August 1, 1921). You are hereby notified pursuant to the provisions of Article 4 of the Collateral Trust Indenture, dated July 24, 1918, between the Central Power & Light Company and the Equitable Trust Company of New York, as Trustee, six thousand four hundred Dollars (\$4,000.00) principal amount of Seven Percent Collateral Trust Gold Notes issued under said indenture and bearing the following serial numbers, have been designated for redemption on January 10th, 1921: Nos. M-1, M-2, M-3, M-4 and M-5 at \$1,000 each. Nos. D-12 and D-13 at \$500 each. The above numbered notes will be redeemed and paid upon presentation hereof, together with all unexpired coupons, to said Trustee at its office, No. 37 Wall Street, Borough of Manhattan, City of New York, N. Y., on January 10th, 1921, at 10% and accrued interest to that date. DATED NEW YORK, N. Y., December 29th, 1920.

Orders executed and inquiries invited in all listed stocks and bonds

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Lehigh Valley Coal Sales Maryland Coal FREDERIC H. HATCH & CO. 74 Duane St. Tel. Rector 6400 BOSTON, CHICAGO, PHILA., MONTECAL, PITTSBURGH

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CLINTON GILBERT 2 Wall Street, N. Y. Tel. 4848 Rector

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