

NEW YORK STOCKS, BONDS, AND MONEY—WASHINGTON

VALUES ON STOCKS MELT AWAY UNDER MUCH BAD NEWS

New Low Records for the Year—Some of the Causes That Are Responsible.

Rogers, Gates, and Morgan Dodged the Stroke—Bar-gains on the Counter.

NEW YORK, Oct. 19.—Wall Street has had another cataclysm and in the throes of a mighty liquidation prices have melted away in a most discouraging manner.

Wall Street has been learning things lately. It has been finding out the why and the wherefore and some things that were seen but darkly as through a glass are now thoroughly understood.

This liquidation has gone deeper than any that has marked the operations for many years. Conditions were entirely different. In the 1929 panic the holdings of securities were scattered throughout the length and the breadth of the island, and when the smash came it hit the people who could not stand it, but it also affected the business men, the farmers and the small merchants, because therein were the elements of commercial failure, poor crops, inability to pay debts and inability to extend credits.

The serious reaction in stocks has been due to liquidation by big interests while business and crops were alike indifferent. Big interests have been carrying stocks since 1929. Many of the owners of enormous quantities of stocks were only near-big and many of the big fellows unloaded months ago.

H. H. Rogers was the first to lay down his load and wipe out his loans. It was a case of ill health with the Standard Oil magnate, but it may be that it was also a case of much wisdom. It is also believed that many of his associates in the Standard Oil crowd also took time by the forelock, the more so as they were familiar with the industrial situation in general and the copper situation in particular.

J. Pierpont Morgan has not paid much attention to stocks of late. The manner in which he suffered in the 1929 panic in stocks evidently taught the veteran some very useful lessons. His own conditions in the future just as well as anyone possibly could, and sold thousands of shares, so that he has been able to give his time to religious matters, even while Wall Street writhed in the throes.

Gates & Son. As to the innate wisdom of John W. Gates, there can be no question. He not only shook the market, but he forced his son to retire from business. This was the second time that the old man had closed a brokerage business when everything was booming, because he saw the handwriting on the wall. When Charles Gates was with the firm of Baldwin, Farnum & Co., his first venture, with hundreds of accounts on the books, all long on stock, John W. and George Baldwin decided that a closure was proper, as the only way to get their customers out of the market, they were with a four-horse team.

In like manner John W. had perspicacity enough to see a "bum stock market" all summer, and he liquidated his holdings and started after wild boar.

The Downfall of Heinze. The industrial situation has gone from bad to worse. History has repeated again. The Heinze crisis is the fall of the house of Heinze. And with the famous copper king's stress came the reorganization of a big New York bank, the failure of a leading brokerage house and a smash or two on the other side.

Stockholders protected themselves as best they could. They called margins to the limit and sold where margins were not forthcoming. Banks, aroused to the necessity of looking after themselves, made it a matter of liquidation or speedy taking up of loans and there was a rush to exchange to protect their investments many were obliged to get out of other stocks and they butted to the bear movement, as pressure increased all around the room.

Sins Found Out. Railroads have been guilty of rebating, so says the evidence. The Southern Pacific and the Atchafalaya have been added. There may be mitigating circumstances, but the secret rebates against the law and railroads must be taught that laws are for restraining purposes and not ornaments.

Every time a railroad is brought before the bar the public some one sells its stock, taking the loss least the fine be serious.

Fish-Harriman. The Fish-Harriman squabble did not help conditions. These squabbles are making things highly interesting on the Illinois Central board and squabbles are liable to turn out results not unlike those that followed the Alexander-Hyde festivities.

The industrial situation has been against the whole market. Steel shares have been sold right and left by continental holders and by speculators. Remembering the 30 of a few years ago for the preferred many holders who had followed the stock through the 1929 wreck, sold out and quit. Copper was worse than steel, but both were distinctively bad.

Good Rails. There were influences operating against good rails. Of course, with industrial melting there could not gain. The fact that St. Paul and Pennsylvania have been made playthings has a bad effect on the whole list. St. Paul's effort for the coast at this time has been unfortunate. Liquidation in Canadian Pacific, in Pennsylvania, in

New York Stocks

(Quotations furnished by A. O. Brown & Co., Munsey Building; Members New York Stock Exchange.)

Table of New York Stocks with columns for Open, High, Low, Close, and Yest. Includes stocks like Allis Chat, Amer. Copper, Amer. Car & F., etc.

MISCELLANEOUS BONDS

NEW YORK, Oct. 19.—United States Government bond closing:

Table of Miscellaneous Bonds with columns for U.S. Steel, U.S. Gov. 4 1/2%, etc.

New York Bond Market

NEW YORK, Oct. 19.—United States Government bond closing:

Table of New York Bond Market with columns for U.S. Steel, U.S. Gov. 4 1/2%, etc.

BANK STATEMENT

Loans ..... \$1,070,846,900 Increase, \$48,685,000

Table of Bank Statement with columns for Deposits, Circulation, Legal tenders, etc.

The surplus of the banks is \$11,182,650 against \$6,200,950 last year, \$12,883,150 two years ago.

Hill shares, and in Harriman stock has been tremendous.

The Future. Stocks are low. They may be lower. There are bargains on the counter for men with money to pay for them, bargains that will eventually return great big interest. Bargains that have intrinsic merit. Money will work easier. It always does. There is some room going on now, but with a return of confidence it will stop.

Stocks are not a purchase for speculation unless the buyer is willing to keep up his margins and prepared to walk on a sliding scale downward. Prices are low enough to make fortunes for men who have not been proscribed in the market, and whose resources are abundant to stand the campaign. With big crops, agricultural prosperity and business success, securities will not go to the low-boys.

An Interesting Table. The following table shows the low point on stocks in the break last March, and the low of last week.

Table comparing stock prices from March 1929 to October 1930.

Amal. Copper ..... 1907, 444/2

Amer. Car & F. .... 1929, 28 1/2

Amer. Smelting ..... 1929, 51 1/2

Consol. Gas ..... 1929, 21

Columbia R.R. .... 1929, 106 1/2

Gen. Electric ..... 1929, 25 1/2

People's Gas ..... 1929, 25 1/2

Press. Steel ..... 1929, 15 1/2

U. S. Steel com. .... 1929, 21 1/2

U. S. Steel pd. .... 1929, 11 1/2

Atchafalaya ..... 1929, 9 1/2

MISCELLANEOUS BONDS

NEW YORK, Oct. 19.—Stock Exchange bond transactions:

Table of Miscellaneous Bonds with columns for New York City 4 1/2%, 1927, etc.

Total sales, \$1,792,000, against \$2,487,000 yesterday, \$1,273,000 a week ago and \$1,488,000 a year ago.

STERLING EXCHANGE

NEW YORK, Oct. 19.—Pester rates sterling exchange \$368.67, with actual business in bankers' bills at 486.1069

68.15 for demand, and 482.65 for sixty-day bills.

Prime mercantile paper unchanged. London bar silver 27 1/2. New York bar silver 60. Mexican dollars 47 1/2.

THE CURB MARKET

(Quotations furnished by A. O. Brown & Co., Munsey Building; Members New York Stock Exchange.)

Table of Curb Market with columns for Open, High, Low, Close, and Yest. Includes Boston Com, Brit. Col, etc.

Open. High. Low. Close. Yest. Boston Com ..... 10 1/2 10 1/2 10 1/2 10 1/2

Brit. Col ..... 4 1/2 4 1/2 4 1/2 4 1/2

Curt. Coal ..... 10 1/2 10 1/2 10 1/2 10 1/2

Col. Silver ..... 1 1/2 1 1/2 1 1/2 1 1/2

Cum. Ely ..... 4 1/2 4 1/2 4 1/2 4 1/2

Lav. Day ..... 3 1/2 3 1/2 3 1/2 3 1/2

Man. Cop ..... 2 1/2 2 1/2 2 1/2 2 1/2

Fl. Rayo ..... 2 1/2 2 1/2 2 1/2 2 1/2

Ely Central ..... 3 1/2 3 1/2 3 1/2 3 1/2

Grout Copper ..... 4 1/2 4 1/2 4 1/2 4 1/2

Gold Hill ..... 15 1/2 15 1/2 15 1/2 15 1/2

Green-Can ..... 6 1/2 6 1/2 6 1/2 6 1/2

King Edward ..... 1 1/2 1 1/2 1 1/2 1 1/2

McKinley Dar. II-16 11-16 11-16 11-16

Miner. Co. of A. ..... 1 1/2 1 1/2 1 1/2 1 1/2

Nevada Con. .... 2 1/2 2 1/2 2 1/2 2 1/2

Nevada Utah. .... 2 1/2 2 1/2 2 1/2 2 1/2

Nipissing ..... 6 1/2 6 1/2 6 1/2 6 1/2

Trump Con. .... 1 1/2 1 1/2 1 1/2 1 1/2

Tri. Bullion ..... 1 1/2 1 1/2 1 1/2 1 1/2

United Copper ..... 10 1/2 10 1/2 10 1/2 10 1/2

RAILWAY AND INDUSTRIALS

Amerl. Tob. .... 202 202 200 201 200

Ch. Sub. .... 134 134 131 135 134

Manh. Tr. .... 6 1/2 6 1/2 6 1/2 6 1/2

Standard Oil. .... 465 465 465 465 462

NEW YORK MONEY

NEW YORK, Oct. 19.—Money on call nominally at 8 per cent. Rates during the week have ranged between 10 and 2 1/2 per cent, averaging about 5 per cent.

The whole market has been very active and higher, governed by the unsettled condition resulting from the collapse of Heinze shares and the clearing house action with reference to assisting the Mercantile Bank. Rates were very firm. On Monday loans were made at 6 and 2 1/2 per cent, Tuesday at 4 and 2 1/2 per cent, Wednesday at 6 and 2 1/2 per cent, Thursday at 7 and 4 per cent, and Friday at 10 and 5 per cent.

Time money has been scarce throughout the week, and rates firmly held. Brokers reported a small demand. Rates 6 1/2 to 7 per cent for ninety days, 6 1/2 to 7 per cent for other maturities.

Mercantile paper has been extremely tight, there being almost no demand. A fair assortment was offered by brokers. Rates 7 1/2 to 8 per cent for four to six months indorsed bills receivable and prime single notes, 7 1/2 to 8 per cent for others.

Sterling was weak, demand rates declining 1/2 cent to below 4.8.

Rates for actual business were: Sixty days, 4.82 to 4.82 1/2; demand, 4.85 to 4.85 1/2; 4.85 to 4.85 1/2 for demand, and 4.82 to 4.82 1/2 for sixty-day bills.

Prime mercantile paper unchanged. London bar silver 27 1/2. New York bar silver 60. Mexican dollars 47 1/2.

FINANCIAL GOSSIP

The market price for copper is about 1 1/2 cents a pound.

Railroads are only buying as their necessities demand.

Pessimism is more pronounced than ever.

A. O. Brown & Co. say: The fact that banks are discriminating more than ever against industrials leads to the belief that there must be much more selling. Copper, Smelting and Steel will feel the pressure of long stock for some time to come.

The short side must from this time on be attended with more or less danger because stocks are low and rallies may be frequent, and when they come, sharp.

Atlantic Coast Line, Baltimore and Ohio, and Southern Pacific look mighty cheap to investors with money to take the stocks out and pay for them.

The United States Realty Company declared its regular dividend and transferred \$400,000 to surplus. The surplus of the company today is \$2,365,000. Its yearly income has increased from \$350,000 to \$1,350,000, and yet the stock of the company is quoted around 41 and the bonds paying 5 per cent at 77.

Conditions are entirely different from those prevalent in 1929. There can be no such panic. There has been a divorce between general business on the one hand and Wall Street on the other. For all that, prices on Wall Street ought to be low enough to tempt the careful man with money in the bank, or in his box, to take it out and buy stocks outright.

The whetting of the bull movement in the wheat resulting from the unloading of the farmer of wheat that he could not haul to market last winter.

MORAN DEFEATS TOMMY O'TOOLE

PHILADELPHIA, Oct. 19.—Owen Moran, one of the toughest light fighters ever sent from England, outfigured Tommy O'Toole, of Port Richmond, in a six-round bout at the National Athletic Club tonight.

As Moran is the bantam weight champion of England and O'Toole is regarded as the best boy of his pounds in the East, the fight excited great interest. Hundreds were turned away from the clubhouse, unable to gain admission. Those who did get in the inside watched a rare fight.

WASHINGTON STOCKS

WASHINGTON STOCKS SLIGHTLY LOWER

Market Feels the Effects of Wall Street's Demoralization, But Only Slightly.

Washington securities have been more or less dormant for a week. That this has been the case is nothing more than might be expected with New York stocks in a madstrom of liquidation, paper values fading away as hall on a summer's day and uncertainty and calamity in the air.

That there wasn't a rush of liquidation is a tribute to the strength and conservative character of Washington investments, and it is to be hoped that the holders of these securities may see their way clear to keep them locked up in their safety vaults until such time as the general situation improves. To sell them now means to make needless sacrifices, because even such high grade railroad stocks as Pennsylvania, Northwestern, New York Central, and Union Pacific are being marketed at prices that will seem very low before many moons.

It is fortunate that there is not such an enormous quantity of local securities, that the capitalization is not so widely scattered, that the bulk of it is held in strong hands.

And yet if there was not latent merit to the various securities listed on the Washington Stock Exchange nothing could keep them from a ruinous decline.

Wait Gas Decision. The Georgetown Gas case is still in abeyance and the market for Washington Gas halts for a decision in this case.

There are those who do not believe that Georgetown's victory for the averting of a gas tax will be taken to reflect a favorable chance for a similar concession in connection with Washington Gas, but it is believed that a surplus of \$3,000,000 or more will be distributed in the event of failure to make the stock dividend.

Bonds Are Strong. Bonds have been fairly strong, with Capital Traction 5's advancing to 113 bid, with none offered at the close under 114 1/2.

Columbia Railway 6's have been active on the market at 105 1/2 to 106 1/2 for a closing range. The last sales were at 102. Washington Railway 4's, 79 1/2; small lots to 80. These transactions represent investments that are safe and sound.

Stocks. There has been but little doing in stocks, and at no time has the market been active. Early in the week the price of Washington Gas dropped quickly to 75, and lower prices seemed probable, but it recovered, and on Saturday a small lot sold at 77, with 78 bid for round lots, ex-dividend, and 77 asked.

Mitchell Mining made a new low at 27. L. Moscorer, 3 1/2 was the best bid at the close. It is speculative stock at the best, and will be subject to the irregularities of Wall Street.

Bank stocks have been slightly easier, but only traded in to a limited extent, as some one wanted to realize.

The Commercial National Bank celebrated the third anniversary of its establishment October 18. A year ago on that date the bank had \$2,474,877.01 in deposits, but on the anniversary the deposits totalled \$2,628,525.13, a most gratifying increase. The surplus and undivided profits of the bank are now \$222,373.01.

An important event in the golf world of Washington and one which is looked forward to with much interest will be the open tournament held under the auspices of the Banockburn Golf Club next Saturday. As this is the first open tournament ever held by this club, it marks the opening of a good field for ambitious amateurs.

The tournament will be an eighteen-hole medal play stroke competition. The tournament is of special significance to the members of the Columbia Golf Club, which intends to send over a large delegation to Chevy Chase Club will also be well represented, and Columbia will be given a chance to redeem itself for its loss in its own tournament.

A MEAN FELLOW. "Mr. Dumley's just the meanest man," said Miss Koy. "He told me last evening he'd teach me how to whistle if I'd pick up my lips." "O' that old scheme!" exclaimed Miss Wise. "Then he kissed you, eh?" "No, the stupid thing; he didn't kiss me at all."—Exchange.

Washington Prices

Columbia Railroad 5's, \$1,990/102

Mitchell Mining, 106 1/2

Washington Gas, 86 1/2

Washington Railway and Electric 4's, \$2,500/75 1/2, \$500/80

Washington Railway and Electric preferred, 109 1/2

Mergenthaler, 109 1/2

Wash. Gas 4's, 105 1/2

Wash. Gas 5's, 105 1/2

RAILROAD BONDS

Capital Traction R. R. 5's, 113 1/2

City and Suburban 5's, 105 1/2

Columbia R. R. 5's, 105 1/2

Metropolitan R. R. 5's, 105 1/2

Wash. Ry. and Elec. 4's, 79 1/2

Wash. Ry. and Elec. 5's, 79 1/2

MISCELLANEOUS BONDS

Potomac Electric Light 5's, 102 1/2

North and Wash. Steamboat 5's, 109 1/2

Che. and Pot. Tel. 5's, 101 1/2

Washington Market 5's, 104 1/2

Washington Market 5's, 104 1/2

PUBLIC UTILITY STOCKS

Capital Traction, 113 1/2

Wash. Ry. and Elec. 4's, 79 1/2

Wash. Ry. and Elec. 5's, 79 1/2

Georgetown Gas, 75 1/2

Che. and Potomac Tel., 101 1/2

G. T. and O. 5's, 65 1/2

Mergenthaler, 109 1/2

Lanston, 111 1/2

NATIONAL BANK STOCKS

American, 120

Capital, 120

City, 120

Commercial, 120

Farmers & Mechanics, 120

Metropolitan, 120

Riggs, 120

Traders, 120

Washington Exchange, 120

Washington Trust, 120

TRUST COMPANY STOCKS

American Sec. and Trust, 120

Washington Trust, 120

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