

ADVANCING WASHINGTON'S INTEREST

BUSINESS AND FINANCE

LATEST NEWS OF FINANCIAL WORLD

Politics Seen As Peril To U. S. Reserve Board

Fred N. Shepherd Defends System in Speech at Opening of District Bankers Convention in Hot Springs, Va.

By HARRY GUSACK

HOT SPRINGS, Va., June 10.—Warnings that if the political attacks that are being made on the Federal Reserve System are successful it will result in the destruction of the great bulwark of defense in the United States against panics such as visited the country before the inauguration of the reserve system, were sounded today by Fred N. Shepherd, executive manager of the American Bankers' Association, speaking before the convention of the District Bankers' Association.

"The greatest menace to the Federal Reserve System is political," Shepherd said. "There are now in Congress some forty bills which would do anything, from the slightest amendment to the act to destroy absolutely its intent and purpose. During stress and depression it seems to be the easy thing to try a short cut and undertake to bring about by legislative enactment that which remains to be done through individual initiative, enterprise and good judgment, assisted by the healing element of time, and politicians are attempting to use the Federal Reserve for this purpose."

Recalls Second U. S. Bank "The present agitation recalls the history of the second United States Bank, which, upon the inauguration of President Jackson, stood in the best of favor, and was doing good service. Jackson questioned its constitutionality, but Congressional investigating committees found nothing that warranted interference with the bank's operations. The attacks on the bank included charges of official misconduct and misuse of funds. The chief witness against it was a former director of the bank, but at that time an insolvent merchant. This man, however, had a certain character who has appeared during the last two or three years, in that he seemed to go on the theory that if you threw plenty of mud, some of it will stick. Before the committee of inquiry, he not only was unable to deny the charges he had made, but was proved a perjurer.

"These charges and investigations, however, unseated public confidence in the institution, thereby inspiring the system to a certain extent, became a political issue and Congressmen did what they do today—they responded to what they conceived to be public opinion and refused to recharter the bank. The inauguration of the Federal Reserve System, there has not been any such thing as a normal situation. The officials of the system met tremendous problems for the general welfare, and to the best of their ability, as they did in certain cases, they have done a great deal of good. No great economic change, however beneficial it may be to the general community, can take place without adversely affecting temporarily certain groups or individuals. The loss of confidence in the general gain. It is true that changes wrought under the Federal Reserve have borne more heavily on some than others, but the benefits have been distributed in a way that has not been compensated for in the general gain. It is true that changes wrought under the Federal Reserve have borne more heavily on some than others, but the benefits have been distributed in a way that has not been compensated for in the general gain. It is true that changes wrought under the Federal Reserve have borne more heavily on some than others, but the benefits have been distributed in a way that has not been compensated for in the general gain.

Board Falsely Charged. "From the United States Senate, the last place from which misstatements should emanate, the members of the Federal Reserve Board have been falsely charged with withholding information from the public. The price of agricultural products today is the greatest decline, did the Federal Reserve banks restrict credits to agriculture? Here are the facts: In nonagricultural districts, the price of goods has increased by 25 per cent, but in agricultural districts that we have heard were discriminated against they were increased no less than 56 per cent. "In the few years that the Federal Reserve banks have been in operation they have accomplished more than the framers could possibly have expected. Although there had been five panics during the thirty years previous to the Federal reserve act, since the system was put in operation there has not been a panic through the greatest period of stress that has ever known without a panic or the semblance of a panic."

The convention opened this morning with an address by John B. Larnier, president of the District Bankers' Association, who outlined the activities of the association during the past year. Recommendations that the association affiliate with the Chamber of Commerce of the United States were made by Mr. Larnier. The annual investment in the automobile field in the District of Columbia is more than \$20,000,000 a year, C. H. Warrington, president of the Washington Automotive Association, told the bankers in an address on "Greatest Relationship Between the Automotive Association and the District Bankers' Association."

Time Payment Plan Grows. The problem of financing the sales of these motor vehicles in the retail field is one of very much larger proportions than the financing required for the sale of any other class of goods. The plan of selling on an even or lesser extent upon time payments, he said. "The growth of time payment sales in the District of Columbia has been such that in 1921 approximately 50 per cent of the cars sold on time. These were made in this manner," Mr. Warrington asserted.

Dividends Today. White Motor Company \$1, quarterly, payable June 20 to stock record June 20. Brooklyn Union Gas \$1, quarterly, no date given. American Wholesale Corporation 1 1/2, quarterly, payable June 15, 1922, it was announced today.

STEEL CORPORATION'S UNFULFILLED ORDERS LEAP NEW YORK, June 10.—The unfulfilled orders of the United States Steel Corporation totaled \$1,244,228 for May \$1 against 5,098,317 for April 29; 4,494,148 for March 31 and 5,432,427 for May 31, 1921, it was announced today.

Bishop Kilgo Improved. CHARLOTTE, N. C., June 10.—The condition of Bishop John C. Kilgo, removed to his home here from a Memphis hospital, was pronounced greatly improved today. Bishop Kilgo, attended by a physician and two nurses, arrived last night. He expressed great satisfaction at reaching his home.

STOCKS BECAME LOSSES DUE TO BEARS' ATTACKS

After Opening Unsteady New York Market Stages Comeback Led by Oil List.

By W. S. COUSINS, Cosmopolitan News Service.

NEW YORK, June 10.—After a somewhat unsteady and irregular opening, in which prices in some of the speculative leaders dropped even lower than the levels established by yesterday's reaction, the stock market staged a modest comeback in the short session today and most of the active oil and motor stocks, the objects of the latest bear attacks, regained a substantial portion of their losses. At the end of the first hour the level of prices would compare quite favorably with yesterday's average, but at that time a new selling movement developed which wiped out a large portion of their early advances.

Despite the continued reports of business extension and the favorable developments in the money markets, there was a well-defined trend in today's market to reduce rather than to add to speculative holdings. In many departments of the market stocks were offered in good volume either at concessions or at the best prices they would bring, and the natural result was a tendency to lower price in these particular stocks.

Oil Head in Activity. Oil shares furnished a major part of the market activities in the short session. Standard Oil of California was sold quite heavily in the first hour and lost 1/4 points at 108, a reaction of 1/4 points from yesterday's closing. Later it recovered 3/8 of the loss. Mexican Petroleum, which was near 137 at the opening, got back to 139 1/2, in response to reports that the company had brought in well No. 2 at Chapopte, Nueces, a 100-barrel recovery. One of the most important developments in its spectacular career. Conden opened at 47 1/2 and sold up to 49 1/2. Sinclair held firm around 37. Texas Company at 47 1/2, and Royal Dutch around 63. Motor stocks were fairly active, re-acting a portion of their early losses; especially was this true of the low-priced shares like Republic, Pierce Arrow, Willays Overland and General Motors. Studebaker was erratic for the most part, rarely reacting above 121. Republic Motors sold as high as 13 1/2, for a gain of 2 points over yesterday's close.

Bond Market Quiet. Business in the listed bond market was reduced volume today with few important price developments. Mexican bonds were in better demand, the 5 per cent selling up to 57 1/2. Railroad bonds were active and strong. Baltimore and Ohio convertible 4 1/2's sold at 82 1/2. Pennsylvania 4 1/2's at 109 1/2. New York Central 5's at 94. New Haven 6's at 78 and Chesapeake and Ohio 4 1/2's at 87 1/2.

Foreign government bonds were steady on light volume. Liberty bonds sold around par.

OHIO RADIO FANS GET WARNING ABOUT WIRES

TOLEDO, June 10.—Amateur radio fans have been warned by officials of the Ohio State Telephone Company and Toledo Edison Company against using their poles for the stringing of wires for their aerials. Recent deaths in other cities resulting from wires coming in contact with charged wires have resulted in officials of both companies instructing linemen to remove all antennae found attached to telephone poles. "We are not trying to discourage the radio fans," said Fred Derge, of the Edison Company, "but we want to protect them from some of the high tension lines of which they have no knowledge."

ENGLISH SCIENTISTS DECLARE WAR ON MILK

LONDON, June 10.—Boiling whiskey may be the cause of controversy in America, but here in "wet" England a controversy is raging over milk. "Never drink milk; it is an unnatural food save for the young," declares Dr. C. Webb Johnson. "Great nations have been fed upon milk and have prospered. The Scotch and the Irish for instance," retorted Prof. H. E. Armstrong. "That was enough, the fight is on. The pro-milk and the anti-milk advocates are now up to their elbows in ink writing letters to 'The Times'."

ARMY DIVISION BADGES TO BEAR FRENCH NAMES

Silk streamers authorized for units of the American army in the Expeditionary Forces in the future will bear names of the old French provinces in which any defensive sector was located in place of the name by which the sector was known to the division or other unit occupying it. The War Department announced today. The names of the Second Division will have "Lorraine" embroidered on its streamers as a substitute for "Toulon and Tryon sectors, and the provincial name 'Ile de France' will replace the name 'Chateau Thierry Sector'."

Steel Corporation's Unfulfilled Orders Leap

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NEW YORK STOCK EXCHANGE

Quotations Received by W. B. Hibbs & Co.

Table of stock market quotations including columns for High, Low, Close, and various stock symbols like Adv. Rumley, Alax Rubber, Alaska Gold, etc.

Foreign Bonds

Table of foreign bond quotations including Berlin 4's, Bremen 4 1/2's, Coblenz 4's, etc.

Curb Stocks

By Cosmopolitan News Service

Table of curb stock quotations including Boston & Mont., Candalaria Mining, Comer Co. Min., etc.

Oil Stocks

Table of oil stock quotations including Anglo-Am. Oil Co., Borneo-Scripps, etc.

U. S. TO RADIO CROP REPORTS FOR FARMERS

Weather and Market Conditions Also to Be Sent By Wireless.

By Universal Service.

Beginning next Thursday the Department of Agriculture will broadcast weather, crop and market reports daily from the Arlington and Great Lakes wireless stations of the Navy Department. "This makes possible the receipt of agricultural reports by radio throughout virtually the entire United States," said W. A. Wheeler, in charge of the work, today, "and is the most important step yet made in broadcasting agricultural information."

The use of the Arlington and Great Lakes stations is part of an extensive plan to utilize existing Government facilities for establishing a dependable, nationwide system for broadcasting agricultural news. Under favorable static conditions both the Arlington and Great Lakes stations can be heard over the entire country. Under average conditions the range is about two-thirds the normal part of the United States. The reports under the new arrangement will be received by State departments of agriculture and agricultural colleges for rebroadcasting by radio; by local and private stations licensed to broadcast agricultural reports; county agents, shipping and local farmers who make a business of copying for local individuals and agencies the agricultural reports broadcast by radio telegraph.

The tentative schedule of reports to be broadcast from the Arlington and Great Lakes stations follows: (After a two weeks' trial a fixed schedule will be established.) From the Great Lakes station a report of live stock receipts at five markets will be dispatched at 8 a. m. at 8 a. m. from the Arlington station. The reports from the Arlington and Great Lakes stations will be released. A brief report of the hog markets will be flashed at 9:15 a. m. A report of fruits and vegetable shipments and prices will go out at 10 a. m. from the New York and Chicago dairy report at 10:40 a. m. From 11 a. m. to 1:05 p. m. complete live stock reports from the Chicago, Kansas City, St. Louis, St. Paul and Omaha markets will be broadcast. A report of the grain markets will go out at 1:45 p. m.; fruit and vegetable markets, 2:30 p. m.; hay and feed, 3:45 p. m.; special weather report, 4 p. m.; dairy and poultry, 5 p. m.; summary of all markets at 5 p. m. Arrangements are also being made to dispatch crop information. The program for Arlington is similar, but will include more detailed information regarding fruits and vegetables.

Local Wholesale Prices

Eggs—Strictly fresh, selected, per doz., 35; average receipts, 35; southern, 34. Chickens—California, 1.00; turkey, per lb., 25.30; spring chickens, per lb., 42.50; keota, young, each, 60; Iowa, 50.

Girls to Give Play

The Girls' Friendly Society of Nativity Church will give a three-act comedy, "Mrs. Tubbs Shanty Town," at the Northeast Temple, Eighth and F streets northeast, at 8 o'clock, Tuesday.

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RUMORS OF INTERVENTION IN CUBA DENIED HERE

Rumors current in Havana that the United States would intervene in Cuba by July 1 were characterized by State Department officials today as "ridiculous."

Indicted Man Shot

NASHVILLE, Tenn., June 10.—Murdry Moore, under indictment for murder, is having breakfast and death today. He was shot last night by James Allen, a magistrate's son. Moore is charged with killing a man last Christmas.

DAUGHERTY IS HIT AGAIN FOR FRAUD ARREST

Phillips Case Called Blind to Shield Attorney General's Plans.

By Universal Service.

After a week's lull, the attack on Attorney General Daugherty flared up in the House again late yesterday. Congressman Larsen (Dem.) of Georgia, and Woodruff (Rep.) of Michigan, co-author of the resolution for an investigation of war frauds, assailed the Attorney General in connection with the case of John Lewis Phillips, Republican national committeeman of Georgia, recently arrested on a charge of conspiracy to defraud the Government.

Larsen asserted that "the action of the Attorney General and his detectives in trying to incriminate the arrest of Phillips appears nonsensical." The Georgia Congressman expressed particular objection to the fact that agents of the Department of Justice trailed Phillips and that he was arrested before a grand jury indictment was returned against him. Larsen characterized the case as "a big scheme of the Administration, especially of our Attorney General, not to prosecute Phillips, but simply to shield him from the public criticism that is being well directed against him."

Scores G. O. P. Leaders. The Georgia Congressman denounced the Republicans in the House for their refusal to permit a vote on the Woodruff-Johnson resolution for an investigation of war frauds. He asserted a Congressional inquiry is necessary to "satisfy the demands of the public, let the public know and understand, that the Attorney General, who himself is under fire, has not the opportunity and will not be given the opportunity to cover up testimony that might show the guilt of various parties." Larsen criticized President Harding for alleged efforts to prevent the General from carrying out the investigation of the attacks on the Attorney General. Woodruff said that a week before Phillips was arrested "it came to me through three different and very reliable sources that J. E. Phillips had stated to some of his intimates that conditions had become such 'on the hill' that probably would have to be indicted, but that it would not go any further than that."

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W. T. CHAPMAN

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