

BONDS IN DEMAND

Trend Is Toward Conservative Investment Recently.

FRIGHT FROM WAR ENDING

World Adjusts Itself to Conditions and Result Is Ever Increasing Wish By Investors to Get High-Grade Securities.

BY WILFRED SHORE

There is a growing demand for good bonds. People who a few years ago never thought of investing in such a conservative manner are now looking for high-grade bonds.

The effect of the beginning of the European war was to throw the whole world into a panic, even the hardest-headed business man in Europe and America shared in the general rush to throw every form of investment and speculation overboard. The closing of stock exchanges and the declaring of moratoriums followed. A state of fright cannot continue indefinitely. The world therefore has adjusted itself somewhat to the new state of affairs. The worst has happened and so the future must be better than the present. People who owned bonds began to feel that there was perhaps not such pressing need to sell after all. In Europe the small investor hangs onto his bonds because he has become dependent on the income he derives from them. And when we speak of Europe's holdings in American securities it must be remembered that the bonds do not remain in the hands of the great bankers, but are held by the small investors.

Selling by Europe Over.

Many bankers still fear European liquidation, but for the reasons given I believe the main selling has been over and that it is perhaps more likely that we shall see instead a great buying movement at the first sign of the end of the war. While Europe would need great amounts of capital and will borrow billions of dollars, American securities will be sought by many of those who now have their gold and savings scattered away in all kinds of hiding places.

It is this open question of what Europe will do that has kept our own bondholders so low. Municipal bonds have already largely recovered and I think they have discounted better conditions and cannot be expected to show much further advance in the near future. Money is remarkably easy now throughout the greater part of the United States. Banks have more money on hand than they can safely loan and they must invest it. Their tendency will be much more conservative than ever before, and the buying of bonds by small investors is already very noticeable. On some future occasion speculation will have its fling again, for history repeats itself in this as in all other things, but long, long before that takes place, bonds will have advanced in price to an unprecedented extent.

Need for Investment Continues.

Then, too, even in these quiet times, there are many who are making a little more than is necessary to live on, some are making a great deal more, and these must invest also. Their tendency will be much more conservative than ever before, and the buying of bonds by small investors is already very noticeable. On some future occasion speculation will have its fling again, for history repeats itself in this as in all other things, but long, long before that takes place, bonds will have advanced in price to an unprecedented extent.

BANKS NOT BEING COERCED

Federal Reserve Board Denies That State Banks Are Forced to Join.

It is officially denied in Washington that the Federal Reserve Board is forcing state banks to join the reserve system. It is pointed out that the friends of the Federal reserve act are anxious to have all classes of banking institutions co-ordinated, but at the same time they are not disposed to coerce any institution into the ranks of the reserve banks.

The policy is made evident to the trust companies and state banks to the effect that they will of their own accord they will make application for admission. The reserve board is working out suitable regulations which will make it attractive to state banks to join, and, if necessary, the board will ask Congress to pass legislation which will place these banks on a more desirable basis.

The chief drawback complained of at the present time is that under the existing law a state bank entering the system cannot withdraw without liquidating. This phase of the problem is receiving close attention on the part of the members of the board and it is expected that a satisfactory solution will be found.

BANK BUSINESS IS GROWING

Clearings in Portland Show Decisive Lead Over Seattle.

Indicative of a general improvement in business conditions is the steadily increasing volume of bank clearances. Two weeks ago Portland's clearings totaled \$10,245,952 during the week ending March 27, and for the week ending April 3 clearings reached a total of \$12,311,829. For the corresponding weekly periods at Seattle the totals, respectively, were \$10,351,453 and \$10,415,152.

Total clearings at Portland for the past two weeks were \$23,557,801, and at Seattle they were \$20,766,615. Portland's lead over Seattle for the two weeks was \$2,791,186.

Clearings of Portland, Seattle and Tacoma for the past week and corresponding weeks in five previous years were:

	Portland	Seattle	Tacoma
1915.....	\$12,311,829	\$10,415,152	\$1,728,495
1914.....	14,614,478	11,520,280	1,974,845
1913.....	14,813,050	10,560,000	2,371,088
1912.....	14,813,050	10,560,000	2,371,088
1911.....	11,684,792	10,023,898	4,053,041
1910.....	10,078,144	11,279,280	5,020,010

RATE HEARINGS NEAR END

Western Freight Tariff Case Decision Expected to Be Made Soon.

Commissioner Daniels, of the Interstate Commerce Commission, is quoted in a Chicago dispatch as saying that hearings in the Western freight rate case will end May 10, even if it be necessary to hold night sessions. The dispatch adds:

"General opinion is that the commission, because of its general conclusions in the Eastern rate case, will not delay a decision. Because the Eastern lines got an advance and the Western lines have made a very good case, so far as railroad men and their friends can judge, a favorable decision is expected. There is more doubt about the passenger rate case, which will begin May 17. The freight case (scheduled) beginning with the shippers' side. It flows: March 30-April 2, the general proposition of protest; April 3-8, unfinished evidence of railroads; if five days more are required; April 9-10, rates on hay and broom corn; April 12-13, cotton piece goods; April 14-15, coal; April 17-21, grain; April 22-23, fruits and vegetables; April 24, rice; April 26-30, packing house products; May 1-5, live stock; May 6-10, uncompleted testimony. Thirty days will be allowed to file briefs."

STOCK RULING HELPFUL

REMOVAL OF LIMIT IN NEW YORK TRADING GIVES STIMULUS.

Portland Bankers Declare Outlook Promising and Early Return to Normal Basis Expected.

Among incidents of chief interest to financial men during the past week was the decision of the governing committee of the New York Stock Exchange to recommend the abolition of minimum prices which were established December 15 as a safeguard against European liquidation of American securities.

When the news reached Portland there was much comment of a reassuring nature. Bankers and business men here now are convinced that the rift in the financial clouds is expanding and that before long business skies again will become clear and normal conditions in all lines of activity will prevail.

During the past week locally the demand for money was somewhat stronger for taxpaying purposes. Now that the first taxpaying period of the year is over, the way is paved for a more marked activity in ordinary lines of trade. Highly favorable reports of crop conditions in the Northwest are having a stimulating effect. With an unusually large acreage in wheat and with the probable continuance of high prices for grain after next harvest, there is a growing feeling of optimism not only in Portland but throughout the entire Northwest.

Mortgage companies and building and loan concerns report that there are plenty of funds available for properly improved property as well as for substantial building entered that is interesting feature in this connection is the fact that scarcely any effect from the war has been felt in the placing of mortgage loans in Portland.

HIDE MARKET MORE ACTIVE

Call Is Largely for Small Parcels to Fill in Broken Lines.

Reviewing the hide markets the Chicago Daily Hide Report says:

"A little more interest is displayed in all varieties of hides, but the call of late has been largely for small parcels of hides to fill in broken lines. Leather manufacturers are not displaying any confidence in existing values, the trades being largely in necessary replenishments to tide over discrepancies in the calculations on hide arrivals. Some shipments of foreign hides have been delayed and recent purchases of domestic goods go to fill in until hides can be had through the regular channels.

Country buffs sold down to 15c for the current grubby long-haired varieties. Free of grub hides were traded in at 15c and 17c, running largely to firsts. Hides are now available at the inside price and bids are not over 16c.

Packer native cows and extreme light native steers sold freely at 15c, this price generally being considered full market value at present. Branded goods continue rather slow on account of the meager stocks and smallness of the slaughter. Rates are considered steady at 18c to 19c as to quality. California suffered further declines.

DISCOUNT RATES SHOWN

Regional Banks' Figures on Paper of Various Maturities Listed.

Below are shown the rates of discount at the various Federal Reserve Banks of the country. The first column applies to notes, drafts and bills of exchange having maturities at time of discount of not more than 30 days. The second column applies to similar paper with maturity at time of discount of more than 30 days, but not more than 60 days, and the third column to paper with maturity more than 60 days but not more than 90 days.

Whitman Ranch Brings \$40,000.

WALLA WALLA, Wash., April 4.—(Special).—The Lyons estate of this county has just brought for \$40,000 the old Mecklen ranch of 480 acres, three miles from Pullman, Whitman County.

PORTLAND FINANCIAL MEN WHO FORESEE GENERAL BUSINESS IMPROVEMENT.



Edgar H. Sennels, Cashier of Northwestern National Bank.

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BANKER THINKS STRAIN IS NO CAUSE FOR WORRY

Business Conditions Fundamentally Sound, Land Yet Valuable, Crops Abundant and Prices Good, Insuring Recovery of All Lines of Trade, Says E. G. Crawford.

BY E. G. CRAWFORD, Vice-President of Lumbermen's National Bank.

Just passed through. Our wonderful resources are still here. The Great Empire that has been talked of so much at banquets still remains. The soil is just as fertile. We have the same rain and the same sunshine. The era of speculation when men attempt to get rich by trading paper with each other, which they call wealth, has entirely ceased, but the property still remains.

Speculation's End Expected Soon.

That the fundamental conditions of the country are sound, however, has been demonstrated the past year. The public at large never realized the severe strain that was suddenly put upon the financial resources of this country last August, when war was declared throughout Europe. It shows the enormous resources of our country, to have passed through such a period without any more disasters than have happened.

Fortunately for us, we had been going under slow bell for some time. Liquidation had been in process and speculation was about to end. The resources of the country were being closely guarded; we had established a new banking system, and although not yet in operation, it served to inspire confidence in not only the banker's mind, but the public at large, as well. We were blessed with good crops, which have been sold at high prices; the farming community was never more prosperous.

Banks Have Money in Vaults.

In a few months we have turned the deficit of large obligations to Europe into surpluses in the shape of credit balances due this country. We have paid off a tremendous amount of temporary emergency currency. The money for crops has been returned to the banks, and the easing up in the situation all along the line has been such that at no time in the history of the United States have the banks been in a more secure position.

Instead of defending honest business, business men allowed the professional politician to take the reins and mislead the public into passing many drastic laws which have finally resulted in breaking down incentive and individual effort. While perhaps many of these laws were needed in a moderate way, many of them have served to stifle individual effort.

Coming down to local conditions, I see no reason for pessimism and while no false hopes should be held out to any one, the signs point plainly to recovery from the severe illness we have

Finance and Industry.

CARL S. KELTY, cashier of the Lumbermen's Trust Company, has gone to San Francisco on business in connection with his company. He also will visit other cities in California and expects to be absent about two months.

J. H. Albert, president of the Capital National Bank at Salem, and Leslie Butler, a Hood River banker, together with E. Benson, of Portland, have been appointed by Governor Withycombe as members of an advisory committee to the State Highway Commission.

E. O. Blanchard, cashier of the First National Bank of Hood River, visited among Portland bankers last week.

Ralph H. Burnside, one of the leading lumbermen and financiers of the Willapa Harbor district, was in Portland last week from Raymond. Mr. Burnside reported a general improvement in



E. G. Crawford, Vice-President of Lumbermen's National Bank.

business conditions in the Willapa Harbor territory.

The amount of gold still held at Ottawa for the Bank of England account is said to be approximately \$90,000,000. Only \$10,000,000 of the original gold shipments from New York have been returned.

The Oregon Iron & Steel Company's plant at Oswego has resumed operation with a full crew. The reopening was made possible through the company's receiving an order to supply a considerable portion of Portland's water pipe. The plant's output now is about 100 tons of pipe a month.

San Francisco bankers are confident that business and financial conditions of the country are on the upgrade, according to the announcement of Ralph Stacy, president of the National Bank of Tacoma, who returned recently from a trip to California. There is more money in California than there is demand for it for legitimate business and enterprises, according to Mr. Stacy. He is convinced that the Pacific Northwest will witness much better times from this time on.

Charles S. Hamlin, Governor of the Federal Reserve Board, has left New York on a tour of inspection of reserve banks. He will be met in San Francisco by A. C. Miller, a member of the board. Portland bankers will inquire Mr. Hamlin and Mr. Miller's coming here for the purpose of conferring on the subject of establishing a branch reserve bank in Portland.

Figures specially compiled by the Journal of Commerce show that in April a total of \$178,104,466 will be paid to investors, representing dividends and interest on debentures. This compares with \$180,413,548 last year. Next month the sum of \$85,104,466 will be distributed among the stockholders in the way of dividends, or a decrease of \$9,509,082. This is due to the fact that a number of corporations have either reduced or omitted dividends. Interest payments will approximate \$92,000,000, compared with \$88,800,000, the increase representing new bond and note issues.

How American securities are viewed by investors on the other side of the Atlantic Ocean, is indicated through the death recently of Earl Roberts, thirty per cent of the personal property left by him was in the hands of S. A. His will shows that he owned 729 shares of Great Northern Railway stock, valued at \$79,086, and 849 shares of Northern Pacific stock, valued at \$25,000. The total personal property is given at \$375,897. Most of the personal property, the will shows, was given to his wife, and he left to him by Great Britain for his services in the Boer War.

NOTE ISSUE IS POSTPONED

Reserve Banks Not to Issue on Government Bonds Until December.

Advices have been received in Portland that Government officials have decided that the Federal reserve may not issue Federal reserve notes based upon Government bonds until December of this year, which will be two years after the date of the passage of the Federal reserve act.

It was the general expectation that when the reserve banks invested their idle funds in Government bonds they would be permitted to issue Federal reserve bank notes on them, just as circulation is now being issued by the National banks, when the demands for money would begin to grow during the summer and especially to meet the situation during the moving of crops. On account of the indefinite provisions of the Federal reserve act on the question of redemptions, it is apparent that this will not be permitted.

The act says that in two years after the passage of the act the National banks may retire their circulation and sell their Government bonds, which are now deposited with the Treasury, to secure such circulation. In another section of the act it is stated that the reserve banks may issue circulation by the deposit of Government bonds which they own. The question has been raised as to whether the reserve banks may issue circulation on the basis of Government bonds owned. The opinion has been expressed by officials at Washington that the reserve banks might issue technically such circulation at the present time, but it would be best for the Federal Reserve Board not to permit them to do it until the end of the two-year limit, because such was the clear intent of the act.

The Alabama Theater, London, offers two private boxes, each with a bay window, to the wounded soldiers from the front.

WOOL BEGINS TO COME

FIVE TOWNS SEND NEARLY 100,000 POUNDS TO PORTLAND.

J. W. Creath, Back From Growers' Convention at Baker, Says Market Here Offers Big Advantages.

Five towns in Oregon and Washington sent close to 100,000 pounds of mixed wool to the Portland market Saturday, according to information last night given by J. W. Creath, a prominent commission man, who returned yesterday from Baker, Or., where he attended the wool growers' convention. The towns were Hanford, Alderdale and Toppish, Wash., and Rufus and Rock Creek in Oregon.

The Portland Wool Warehouse Company here will handle the wool, which is the first big output from these places this year.

William Tollman, of Baker, one of the largest Eastern Oregon wool growers, and also prominent in financial circles there, has identified himself with the Portland Wool Warehouse Company and is of the opinion that it is one of the biggest propositions that has established headquarters in Oregon for many years.

The fact that the Eastern Oregon wool growers endorsed Portland as the most available wool market is another instance of the feeling in the West

against Eastern buyers," said Mr. Creath. "This year, with Portland as a watery market, with cheaper transportation rates to a much nearer buyer, the grower can eliminate the middleman and ship his wool direct to a home market, thereby getting better prices, which may run from 25 to 27 cents a pound or even higher."

"The Hanford wool shipped in heretofore cost the grower 45 per 100 pounds. When the Cello Canal is opened, the same grower can ship his wool on boats to Portland for 45 cents a 100 pounds."

Roseburg Growers Favor Cannery.

ROSEBURG, Or., April 4.—(Special).—The first move for a co-operative cannery was launched here today, when the ranchers and fruitgrowers met at the Commercial Club and talked over the project. L. P. Harrington, who is interested in the Cello Canal, made a brief address. It was the consensus of opinion that a cannery should be maintained here to care for the fruit products which are now shipped to foreign markets in their raw state.

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