

NEW YORK MARKET SEEMS CONFUSED

Prospects of German Moratorium Cheering.

BONUS DAMPS BUSINESS

Rumblings of Railroad Strike Also Depress Speculators and Run Call Money Up.

BY MONITOR. Copyright by the Public Ledger Company, Philadelphia. Published by arrangement with the Associated Press. NEW YORK, June 1.—(Special.)—Although a goodly number of advanced reports indicate evidence of bullish sentiment in respect to certain groups and individual issues, the action of the market as a whole indicated more or less confusion of sentiment. Price movements, therefore, might be considered to have reflected the conflicting character of new developments.

On one side was the cheering outlook for a German moratorium, with tangible prospects for a loan amounting at least to \$1,000,000,000, starting and maturing very strong. These were outstanding features of the international situation, and they more than offset the unfortunate affairs in Ireland. On the other side of the ledger must be set the uncertainty with which Congress clings to the soldiers' bonus proposition in the face of almost unanimous opposition from the business and financial community. Rumblings of a railroad strike are not assuring. Call money ran up to 3 1/2 per cent in response to whetstones incident to the first of the month.

As for the railroads and speculation, the major new influence of the day had little effect on prices. Railroad stocks were higher than yesterday, with the exception of isolated spots represented by such issues as Erie, Chesapeake and Delaware Canal, and Virginia, and a few others. The market was leading and lagging, largely by way of rebound from recent selling.

The strength of American International is logically associated with German financial developments. Optimism in this regard also led to liberal buying of Mercantile Marine preferred.

The striking price movements of the day took place in the specialties and the oil. General Petroleum was active and advanced and so were Pure Oil, Marland, Producers and Refiners, and other oil specialties. The equipment, machinery and automobile quiet lately, advanced substantially under the leadership of Baldwin and American Locomotive.

The strong specialties included a wide list of issues, among which were Air Reduction, American Agricultural, Chemical, Macmillan, American Locomotive, Producers, White Motors, Pease Manufacturing and U. S. Food Products.

Baldwin Locomotive will sell \$1,000,000 of 4 1/2 per cent bonds. It is believed that there is an inclination to cancel the subscription of the division from the market price. At the same time it is believed that the company is selling a lot out of line with the rest of the market, and commission houses are usually "filling" this group closely again taking accumulation.

American Hide and Leather preferred is moving in a high trading area this week, with buying emanating from various interests that have been buying along the long side of Coca Cola and Postum Cereal.

While there was no official announcement as to actual consummation, traders are generally committed to the belief that the deal will be taken in at about 42 1/2. Republic at 42 and inland at 60.

The Cuba-American merger with National Sugar will hang fire for a while. It is believed that the deal will be taken in at about 42 1/2. Republic at 42 and inland at 60.

Maxwell Motors issues are again creeping upward to positions of prominence in the motor group. It is understood that a very large block of Maxwell Motors A, which has been hanging over the market, has finally been absorbed.

Burns Brothers B stock touched 48, a new high for the year, according to commission house telegrams. Buying of this issue was based on the general expectation that the B stock should soon be placed on a 4 dividend basis.

Atlas Tack is bound to be selling a bit higher with the rest of the specialties group of improvements in earnings. It is generally considered that when June earnings are out, a substantial betterment will be shown.

Washington Pump is in new ground and Broadway commission house telegrams are bullish on the theory that the stability of the dividend will serve to attract sufficient new investment to further advance. At the same time, Washington Pump is being little recognized by the long and drastic decline, and on surface indications it appears to be selling a bit out of line with other specialties and the standard group.

Strength in American International Corporation may be set down directly to optimism, created by the proposal for a moratorium, as well as the negotiation for a loan for Germany. It is believed that such developments would create a tremendous improvement in the international trade situation. It is not all unlikely that some of the companies in which American International has a large stock interest would be substantial beneficiaries.

Of course you have a legal right to recover from the seller the purchase price of any "securities" which you have obtained from him under misrepresentations, but can you collect from him? Does he have the responsibility? Does he have a reputation to protect?

These are the questions you should ask yourself, and before you invest, investigate.

You may be smart, but he most often is more experienced in the wiles of the law.

Why take a chance? FREEMAN, SMITH & CAMP CO. LUMBERMEN BLDG., PORTLAND

NEW YORK BONDS

Table of bond prices and yields, including columns for bond names, prices, and yields. Includes sections for New York Bonds, Foreign Government Bonds, and various municipal bonds.

NEW ISSUE \$5,500,000 SPERRY FLOUR COMPANY

First Mortgage 6% Sinking Fund Gold Bonds. Dated June 1, 1922. Due June 1, 1942.

SECURITY. Bonds constitute the sole mortgage indebtedness of the Company upon the redemption of present indebtedness, provision for which is made in this financing, and will be secured, in the opinion of counsel, by an absolute First Mortgage on all fixed assets now owned or hereafter acquired.

Price 98 1/2 and Interest Yielding Over 6.10%



BOND TRADING IS BROAD

PRICE TENDENCIES UNCERTAIN IN NEW YORK MARKET.

Liberties Slightly Lower on Profit Taking Sales—Minor Rail Issues Heavy.

NEW YORK, June 1.—Trading in the bond market today was broad, but without appreciable increase of business and little change from recent unrealistic price tendencies, low-grade rails, for example, showing increased heaviness.

Liberties closed for the most part at recessions from yesterday's maximum quotations, selling being attributed to profit-taking and short offerings, prompted by the progress of bonus legislation. Two \$1,000,000 shares lots of Liberty second 4 1/2s sold at 99 1/2 and 99 3/4.

Mexican, Cuban, South American, Belgian and Scandinavian loans were bettered by fractions to 1 1/2 points, but Czechoslovakian 5s eased moderately and British war offerings made no perceptible response to the record price for exchange on London.

Gains and losses in domestic rails, industrial and utility were mixed, with reactions predominated in the final hour, when bond prices followed the lower trend of stocks.

Among the day's new offerings was an issue of \$12,700,000 of Tennessee Electric Power Company, \$6,000,000 of Cincinnati Gas & Electric Company and \$8,000,000 of Sutter Easton company (California) land mortgages.

Speculative issues, notably those under pool control, were the most conspicuous features of the day's stock market. Many shares of that character scored substantial gains, in contrast to investment or standard issues, most of which were hesitant and occasionally heavy. Sales amounted to \$1,250,000 shares.

Erratic or conflicting movements among rails resulting from the recent decisions of the United States supreme court in the Reading and Southern Pacific-Central Pacific cases were resumed. Transparens as a group, however, contributed little to the day's broad dealings.

Prospective higher prices for crude products placed the oils in the forefront of the day's operations. Many of the new issues, especially Standard Oil of New Jersey, Mexican and Pan-American Oil, Producers & Refiners, Sinclair and Standard Oil of California, made extreme gains of 1 to almost 4 points, these being materially shaded later.

Equipment, especially Baldwin Locomotive, General Electric and American Car, were firm to strong, and International Harvester, Studebaker and various chemical, fertilizer and food specialties continued to improve, the latter again including Coca Cola, Food Products and Postum Cereal, and others.

The stronger miscellaneous issues were Columbia Graphophone preferred and Electric Storage Battery.

The international situation came in for more than casual consideration by reason of the strength of British exchange. Bankers and traders were of the opinion that the year's provisional moratorium granted to Germany would have the effect of stimulating this country's foreign trade.

Prices of raw and refined sugars again moved upward with metals. Improvement in industrial conditions was emphasized by the greater activity reported at automobile manufacturing concerns, and increased earnings of mail-order companies bespoke easier money in western farming sections.

In the local market smaller supplies of money, incidental to the new month's interest and dividend payments, occasioned an increased firmness of demand and time rates. Call loans opened at 4 1/2 per cent, advanced to 5 per cent about 10:15 a.m. and day and night to 5 1/2 per cent in the final dealings. Time funds were stronger and limited almost entirely to 30 and 60-day offerings.

The London exchange rate eased at the outset, but heavy buying of bills forced that remittance to highest levels in three years as the day progressed. The demand bills were quoted at 84.42% in the final hour and as high as 84.45% after the close of the market. British market was strengthened, but allied exchanges eased 2 to 3 points, and Dutch and Scandinavian exchanges were mostly lower.

CLOSING STOCK QUOTATIONS. Furnished by the Overbeck & Cooke company of Portland.

Table of closing stock quotations, listing various stocks and their prices.

NEW ISSUE \$24,000,000 Republic of Bolivia

External 25-Year Secured Refunding 8% Sinking Fund Gold Bonds. To be dated May 1, 1922. To mature May 1, 1947. NOT CALLABLE FOR FIFTEEN YEARS.

Coupon bonds in \$500 and \$1,000 denominations, registrable as to principal. Interest payable semi-annually, May 1 and November 1. Principal premium and interest payable in United States gold, free of all present and future Bolivian imposts, contributions and taxes, at the principal office of THE EQUITABLE TRUST COMPANY OF NEW YORK, Trustee.

Redeemable as a whole only at 105 and accrued interest upon 90 days' notice, at the option of the Government, on any interest date on and after May 1, 1937; and redeemable in part at the same price on May 1 of each year beginning May 1, 1938, through the operation of the sinking fund.

Application will be made to list the Bonds on the New York Stock Exchange

Bolivia, one of the largest of the South American republics, is more than ten times the size of the State of New York and larger than England, France and Germany combined. In mineral resources, Bolivia is the third richest country on the Western Hemisphere, being surpassed only by the United States and Mexico. Its silver, tin, copper and bismuth mines are among the richest in the world. Rubber, coffee, cacao, tobacco, sugar cane and other products of the Tropical as well as many of the Temperate Zone are successfully cultivated. Coca, from which cocaine is derived, is raised and exported in large quantities, and the forests contain numerous species of valuable woods. Oil deposits have also been discovered and Chiquisaca is said to contain among the largest oil fields in the world. The population of the Republic is over 2,800,000.

SECURITY OF BONDS: The bonds will be the direct obligations of the Republic of Bolivia and, in addition to the full faith and credit of the Republic, will, upon completion of present financial operations, be specifically secured by:

- (1) A first lien and charge upon all import and export duties, surcharge on import duties, and taxes on the following: Mining claims, alcohol monopoly, 90% of tobacco monopoly, corporations (other than mining and banking), interest on mortgage credits, net income of banks and net profits of mining companies.
(2) A first lien and charge upon the Government's continuing controlling stock interest in the Banco de la Nacion Boliviana (National Bank of Bolivia) and the dividends declared upon such stock.
(3) A first mortgage upon the Atocha-Villazon Railroad, now under construction, and the Potosi-Sucre Railroad, about to be constructed, together with a pledge of the net income of such railroads.

If the foregoing taxes and revenues should at any time be insufficient to meet the service of the loan, the Government agrees to provide the deficit out of its general revenues. Additional taxes or revenues, to be approved by the Trustee, will be pledged as security for the loan if the proceeds derived from those pledged fall below one and one-half times the amount required for the annual service of the loan.

RECEIPTS FROM PLEDGED REVENUES: According to officials of the Republic of Bolivia the average receipts from the taxes and revenues to be specifically pledged for the service of this loan amounted, for the ten years ended December 31, 1921 (1921 partly estimated), to a sum which if converted into dollars at the average rate of exchange prevailing during this period, would have been equivalent to over \$4,800,000, or more than twice the fixed annual service charge of \$2,400,000 on the bonds to be presently outstanding.

COLLECTION OF PLEDGED REVENUES: So long as any of these bonds are outstanding, the collection of all taxes, revenues and income of the Republic will be supervised by a Permanent Fiscal Commission to be appointed by the President. This Commission will consist of three Commissioners, two of whom will be appointed upon the recommendation of the Bankers. One of the Commissioners appointed upon the recommendation of the Bankers will be Chairman and Chief Executive of the Commission. All taxes, revenues and income pledged as security for the loan will, as collected, be deposited in a special account in the Banco de la Nacion Boliviana and such deposits will continue to be made until the amount deposited each month shall be equal to one-twelfth of the annual service of the loan. The amounts so deposited will be remitted monthly by the Banco de la Nacion Boliviana to the Trustee in New York.

PURPOSES OF ISSUE: The Bolivian National Congress has authorized \$33,000,000 of External 25-Year Secured Refunding 8% Sinking Fund Gold Bonds, of which \$26,000,000 will be issued immediately. Of this amount, \$19,000,000 will be issued for refunding purposes and for railroad and highway construction, and \$7,000,000 for exchange for a like amount of External (Railroad Loan) Bonds of 1922 (\$2,000,000 of which will not be delivered until January 1, 1924). The remaining \$7,000,000 of bonds will be reserved for issue under careful restrictions to provide for the completion of the Atocha-Villazon Railroad and the Potosi-Sucre Railroad, and of this amount \$2,000,000 will not be issued until January 1, 1923, and the balance not until after January 1, 1924.

The building of the Atocha-Villazon Railroad will give the Republic of Bolivia direct railroad connections with Argentina. This railroad will be operated in connection with the Antofagasta & Bolivia Railway, thus providing a network of trunk lines radiating to Peru, Chile and Argentine Republic. The Potosi-Sucre Railroad will provide railroad communication with Sucre, the legal capital of Bolivia, and will open up one of the most fertile agricultural sections of the country.

The legal matters in connection with this loan, including the contract with the Republic and the form of bonds, will be passed upon by Messrs. Curtis, Mallet-Prevost & Colt of New York.

We offer the above bonds, subject to prior sale, if, as and when issued and received by us, at 101 and Accrued Interest

Spencer Trask & Company The Equitable Trust Co. of New York
Stifel - Nicolaus Investment Company
Hallgarten & Co. Halsey, Stuart & Co. E. H. Rollins & Sons
Cassatt & Co. Kissel, Kinnicutt & Co. J. & W. Seligman & Co.

The information and statistics given herein, while not guaranteed, have been obtained by us, partly by cable, from official or other sources which we believe to be reliable.

Van Steel 2,000 51 50 1/2 100%
Vivandon 400 12 1/2 12 1/2
Wabash 4,000 13 12 1/2 12 1/2
do A pref. 3,200 22 1/2 22 1/2
do B pref. 600 22 1/2 22 1/2
Victory 4 1/2 100 100 100 100
do 2 1/2 100 100 100 100
do 3 1/2 100 100 100 100
Western Pac. 200 21 1/2 21 1/2
do pref. 200 62 62
West Union 200 97 97
West B. 200 97 97
West B. & M. 1,000 63 1/2 63 1/2
Wgt. Md. 400 12 12
Wt. Mo. 10,000 61 1/2 61 1/2
Wills-Over 6,200 9 1/2 9 1/2
do pref. 47 47
Wilson-Farr 300 43 43
Wis. Central 200 30 30
World Pump 2,000 16 1/2 16 1/2
W & L 200 13 1/2 13 1/2
White Oil 3,900 10 1/2 10 1/2

Why Wait? In commenting on what will happen after the "hyater" of road building is past, the Oregon Motorist says that taxpayers will first give attention to the saving of the tire by having a yielding surface to the road and legislate against a rigid granular surface that increases wear of the tire and absorbs, as far as is possible, the impact of traffic. Examples of the long life of shock-absorbing pavements are found in Warrenite-Bitulithic in every section of the northwest where good pavements are used.

Liberty Bond Quotations. Liberty bond and victory note quotations furnished by the Overbeck & Cooke company, Portland:

Open High Low Bid
Liberty 3 1/2 100.00 100.00 100.00
do 2 1/2 100.00 100.00 100.00
do 3 1/2 100.00 100.00 100.00

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