

GOSSIP OF THE STREET—PHILADELPHIA MARKETS

BARGAIN BONDS AND SHORT TERM NOTES EXCITE VARIED VIEWS

Some Financiers Think Time Is Ripe for Buying at Present Rates—Others Differ—Gossip of the Street

BARCLAY, MOORE & CO., 123 South Broad street, have just issued a circular letter to their customers advising them that the present is, in their opinion, the best time to purchase long-term bonds, when corporations are financing their requirements by short-term notes.

The issuance of short-term notes indicates that the prominent financiers feel that long-term bonds are selling too low, and that this condition will probably change for the better within a few years, otherwise they would pay the price for long-term loans.

The circular presents a table covering a list of high-grade long-term bonds selected at random from the New York Stock Exchange list and shows, among other things, the return which the investor could have had through the purchase of any of these bonds, within 1 per cent of the low figures of 1907, and their sale within 1 per cent of the high prices of 1908. These returns run all the way from 3 1/2 per cent to 24 per cent.

Mr. Moore says conditions in the bond market today resemble those in 1907, and for that reason he is strongly recommending the purchase of high-grade long-term bonds at the present bargain prices.

Traction Company Passes Bond Interest

Announcement has been made that the Port Wayne and Northern Indiana Traction Company may be unable to meet interest on its bonds on September 1 next. It is said that notwithstanding an increase in net earnings, the operating expenses, particularly the cost of coal and labor, have cut down net earnings very considerably.

Hocking Valley New Issue Active

William Salomon & Co., of New York, with offices in the Stock Exchange Building, announce considerable activity in the new issue of \$5,000,000 one-year 6 per cent notes of the Hocking Valley Railway Company.

These notes are dated November 1, 1917, and are due November, 1918. They are issued to refund a 5 per cent note coming due November 1, 1917, and are offered at 98 1/2, to yield 6 1/2 per cent.

Index to Utilities Commission's Policy

An opinion recently expressed by L. P. Hammond, of Bonbright & Co. (whose local office is in the Lafayette Building), in which he said public service commissions would be inclined to place the burden of increased operating costs on large consumers of power and light, rather than on the small consumers, has received confirmation in a decision of the Public Utilities Commission of Colorado just published in connection with the Colorado Springs Light, Heat and Power Company.

The decision says, in part: "The increase in the cost of coal and labor affects materially the cost of serving such a (large) consumer, and the commission is of the opinion that the rate schedule hereinafter provided should be such that a large portion of the company's increase in operating expenses will be borne by its large consumers."

Good Time to Buy Stocks Outright

"I consider this a good time to buy standard stocks if a man can buy them outright and hold onto them," remarked the principal of one of the centrally located bond and investment houses.

"But I would not advise buying on close margins with so much uncertainty in the air about matters which may influence the market seriously, or otherwise, according to how they are finally decided."

Westward Ho! for Philadelphia Suburbs

"There is really only one direction in which suburban Philadelphia can grow and that is west," said the head of a well-known investment house.

"I wonder," he remarked, "how many people have realized that. To the south from Darby to Chester has all been pre-empted for industrial plants, and the same might be said about Frankford, so that along the lines of the Philadelphia and Western Railway Company is the only part left for suburban homes. I don't know of any traction line better built or one giving better service than the Philadelphia and Western, with its terminal at Sixty-ninth street. I live out that way myself."

He continued, "and all through the summer I find it impossible to read my paper there is so much that is beautiful to be seen through the windows of the cars."

Commends Investment in Standard Stocks

"I think this is a good time for any one to invest in standard stocks," declared the manager of Townsend Whelen & Co.

"Take, for instance, United States Steel," he continued, "that company has not borrowed a cent for years. It has paid off millions of dollars of the bonds of its subsidiary companies; it has put back millions of its earnings into extensions, replacements and improvements, and today it has money to loan."

"There is no one that can tell me," he said, "that the equity in that property represented by the common stock is not worth every cent of what it is bringing today and more—excess profits or no excess profits."

Bargain Bonds vs. Short-Term Notes

"Do I advise the purchase of high-grade long-term bonds at present bargain prices in preference to a good issue of short-term notes bringing 6 to 7 per cent yield?" asked the manager of one of the largest investment houses in the city, repeating the question put to him.

"If I thought that these bargain prices were soon to give way to higher prices I would, but there is where I differ from some other people. I don't think we will see much higher prices for that class of securities for some time to come. Yet, I am, of course, assuming that the second issue of Liberty Bonds will come along as expected, course, assuming that the second issue of Liberty Bonds will come along as expected."

"Now," he continued, "from my experience in selling the last issue of Liberty Bonds I have concluded that we need not expect to sell any of the next issue to the very 'little fellows,' as many of them bought the first issue through their employers on payments to extend over many months, and as they have not completed their payments for the bonds yet, naturally, they will not be in line for any more."

"Take, for instance, the millions bought by the employees of the Bethlehem Steel Corporation. Of course, they don't count for this city, but they illustrate in a big way what happens in a smaller way in many of the industrial establishments here. It will be months before many of the employees of the Bethlehem Steel have finished their payments."

"The banks here did not have to take any, but they must take a share of the next issue, and the big savings institutions must also take a lot of them."

"As I figure it," he continued, "in order to make room for what will be absorbed by the banks, they will have to part, from time to time, with their high-grade low-yield rails and municipals and for that reason I believe the prices of such securities will remain as low or lower than that opinion when I see Bethlehem Steel paying 8 per cent for money and 6 per cent commission to get it. That is a sign that cheap money is not in sight."

U. S. May Try War Certificates

It is said the sale of war certificates in Canada has brought to date more than \$10,000,000. These certificates were placed on sale at all banks and postoffices. They sell for \$8.50 each and return the purchaser \$10 at the end of three years.

This information is timely in view of the announcement from Washington regarding the plans for the sale of war certificates in the United States. One of these plans is similar to a plan which has been in operation in Great Britain for many years in connection with the postal savings banks. It encourages very small savings, particularly among the very poor classes and children. An amount as small as a half-penny (one cent) can start an account. All that is necessary is to purchase a postage stamp and stick it to a page of a book prepared for the purpose, when a page is filled a credit will be given for the value of the stamps purchased, and another page can then be started.

Is Washington Moving Too Fast?

A point came up for discussion yesterday in the board room of a downtown investment house as to whether the Government was not spending money too far ahead.

One man called attention to the orders for locomotives, railroad cars and equipment, ships, etc., which even at high pressure could not be completed inside three months or four years. He contended that the enormous sums being raised by bond issues or created by the Government that they are to be spent immediately and that the effect has been to depress the people as regards investments. The majority of effect has been to depress the people as regards investments. The majority of effect has been to depress the people as regards investments.

As to Steel Price Fixing

A well-known local financier who has the reputation of being close to the steel interests says he believes when it comes to the fixing of steel prices the cost will be determined according to each company's special conditions. He claims that the regulation of prices for the Allies and the public has been abandoned.

Silver and Gold Production of the U. S. in 1916

It was reported yesterday that the United States Government had made arrangements with the Republic of Panama, owing to the scarcity of silver, whereby the currency of that country could be exchanged for United States paper currency.

At the same time it was reported from Washington that the gold and silver produced in the United States, including Alaska, for the calendar year 1916 were valued at \$141,543,300. The figures of the bureau of the mint and the Geological Survey, just made public, show a gold production of 4,479,057 ounces, valued at \$92,580,300, and a silver output of 74,414,802 ounces, of a value of \$48,963,000.

In the above production California ranked first in gold, Colorado second, Alaska third and Nevada fourth. Montana led in silver production.

It is said that the scarcity of silver has seriously affected several of the countries and that the United States has been the beneficiary.

PHILADELPHIA MARKETS

GRAIN AND FLOUR

WHEAT—Receipts, 40,000 bush. Market was quiet and without important change. Quotations for No. 2 soft winter wheat, No. 2, 1917, No. 2, 1918, No. 2, 1919, No. 2, 1920, No. 2, 1921, No. 2, 1922, No. 2, 1923, No. 2, 1924, No. 2, 1925, No. 2, 1926, No. 2, 1927, No. 2, 1928, No. 2, 1929, No. 2, 1930, No. 2, 1931, No. 2, 1932, No. 2, 1933, No. 2, 1934, No. 2, 1935, No. 2, 1936, No. 2, 1937, No. 2, 1938, No. 2, 1939, No. 2, 1940, No. 2, 1941, No. 2, 1942, No. 2, 1943, No. 2, 1944, No. 2, 1945, No. 2, 1946, No. 2, 1947, No. 2, 1948, No. 2, 1949, No. 2, 1950, No. 2, 1951, No. 2, 1952, No. 2, 1953, No. 2, 1954, No. 2, 1955, No. 2, 1956, No. 2, 1957, No. 2, 1958, No. 2, 1959, No. 2, 1960, No. 2, 1961, No. 2, 1962, No. 2, 1963, No. 2, 1964, No. 2, 1965, No. 2, 1966, No. 2, 1967, No. 2, 1968, No. 2, 1969, No. 2, 1970, No. 2, 1971, No. 2, 1972, No. 2, 1973, No. 2, 1974, No. 2, 1975, No. 2, 1976, No. 2, 1977, No. 2, 1978, No. 2, 1979, No. 2, 1980, No. 2, 1981, No. 2, 1982, No. 2, 1983, No. 2, 1984, No. 2, 1985, No. 2, 1986, No. 2, 1987, No. 2, 1988, No. 2, 1989, No. 2, 1990, No. 2, 1991, No. 2, 1992, No. 2, 1993, No. 2, 1994, No. 2, 1995, No. 2, 1996, No. 2, 1997, No. 2, 1998, No. 2, 1999, No. 2, 2000, No. 2, 2001, No. 2, 2002, No. 2, 2003, No. 2, 2004, No. 2, 2005, No. 2, 2006, No. 2, 2007, No. 2, 2008, No. 2, 2009, No. 2, 2010, No. 2, 2011, No. 2, 2012, No. 2, 2013, No. 2, 2014, No. 2, 2015, No. 2, 2016, No. 2, 2017, No. 2, 2018, No. 2, 2019, No. 2, 2020, No. 2, 2021, No. 2, 2022, No. 2, 2023, No. 2, 2024, No. 2, 2025, No. 2, 2026, No. 2, 2027, No. 2, 2028, No. 2, 2029, No. 2, 2030, No. 2, 2031, No. 2, 2032, No. 2, 2033, No. 2, 2034, No. 2, 2035, No. 2, 2036, No. 2, 2037, No. 2, 2038, No. 2, 2039, No. 2, 2040, No. 2, 2041, No. 2, 2042, No. 2, 2043, No. 2, 2044, No. 2, 2045, No. 2, 2046, No. 2, 2047, No. 2, 2048, No. 2, 2049, No. 2, 2050, No. 2, 2051, No. 2, 2052, No. 2, 2053, No. 2, 2054, No. 2, 2055, No. 2, 2056, No. 2, 2057, No. 2, 2058, No. 2, 2059, No. 2, 2060, No. 2, 2061, No. 2, 2062, No. 2, 2063, No. 2, 2064, No. 2, 2065, No. 2, 2066, No. 2, 2067, No. 2, 2068, No. 2, 2069, No. 2, 2070, No. 2, 2071, No. 2, 2072, No. 2, 2073, No. 2, 2074, No. 2, 2075, No. 2, 2076, No. 2, 2077, No. 2, 2078, No. 2, 2079, No. 2, 2080, No. 2, 2081, No. 2, 2082, No. 2, 2083, No. 2, 2084, No. 2, 2085, No. 2, 2086, No. 2, 2087, No. 2, 2088, No. 2, 2089, No. 2, 2090, No. 2, 2091, No. 2, 2092, No. 2, 2093, No. 2, 2094, No. 2, 2095, No. 2, 2096, No. 2, 2097, No. 2, 2098, No. 2, 2099, No. 2, 2100, No. 2, 2101, No. 2, 2102, No. 2, 2103, No. 2, 2104, No. 2, 2105, No. 2, 2106, No. 2, 2107, No. 2, 2108, No. 2, 2109, No. 2, 2110, No. 2, 2111, No. 2, 2112, No. 2, 2113, No. 2, 2114, No. 2, 2115, No. 2, 2116, No. 2, 2117, No. 2, 2118, No. 2, 2119, No. 2, 2120, No. 2, 2121, No. 2, 2122, No. 2, 2123, No. 2, 2124, No. 2, 2125, No. 2, 2126, No. 2, 2127, No. 2, 2128, No. 2, 2129, No. 2, 2130, No. 2, 2131, No. 2, 2132, No. 2, 2133, No. 2, 2134, No. 2, 2135, No. 2, 2136, No. 2, 2137, No. 2, 2138, No. 2, 2139, No. 2, 2140, No. 2, 2141, No. 2, 2142, No. 2, 2143, No. 2, 2144, No. 2, 2145, No. 2, 2146, No. 2, 2147, No. 2, 2148, No. 2, 2149, No. 2, 2150, No. 2, 2151, No. 2, 2152, No. 2, 2153, No. 2, 2154, No. 2, 2155, No. 2, 2156, No. 2, 2157, No. 2, 2158, No. 2, 2159, No. 2, 2160, No. 2, 2161, No. 2, 2162, No. 2, 2163, No. 2, 2164, No. 2, 2165, No. 2, 2166, No. 2, 2167, No. 2, 2168, No. 2, 2169, No. 2, 2170, No. 2, 2171, No. 2, 2172, No. 2, 2173, No. 2, 2174, No. 2, 2175, No. 2, 2176, No. 2, 2177, No. 2, 2178, No. 2, 2179, No. 2, 2180, No. 2, 2181, No. 2, 2182, No. 2, 2183, No. 2, 2184, No. 2, 2185, No. 2, 2186, No. 2, 2187, No. 2, 2188, No. 2, 2189, No. 2, 2190, No. 2, 2191, No. 2, 2192, No. 2, 2193, No. 2, 2194, No. 2, 2195, No. 2, 2196, No. 2, 2197, No. 2, 2198, No. 2, 2199, No. 2, 2200, No. 2, 2201, No. 2, 2202, No. 2, 2203, No. 2, 2204, No. 2, 2205, No. 2, 2206, No. 2, 2207, No. 2, 2208, No. 2, 2209, No. 2, 2210, No. 2, 2211, No. 2, 2212, No. 2, 2213, No. 2, 2214, No. 2, 2215, No. 2, 2216, No. 2, 2217, No. 2, 2218, No. 2, 2219, No. 2, 2220, No. 2, 2221, No. 2, 2222, No. 2, 2223, No. 2, 2224, No. 2, 2225, No. 2, 2226, No. 2, 2227, No. 2, 2228, No. 2, 2229, No. 2, 2230, No. 2, 2231, No. 2, 2232, No. 2, 2233, No. 2, 2234, No. 2, 2235, No. 2, 2236, No. 2, 2237, No. 2, 2238, No. 2, 2239, No. 2, 2240, No. 2, 2241, No. 2, 2242, No. 2, 2243, No. 2, 2244, No. 2, 2245, No. 2, 2246, No. 2, 2247, No. 2, 2248, No. 2, 2249, No. 2, 2250, No. 2, 2251, No. 2, 2252, No. 2, 2253, No. 2, 2254, No. 2, 2255, No. 2, 2256, No. 2, 2257, No. 2, 2258, No. 2, 2259, No. 2, 2260, No. 2, 2261, No. 2, 2262, No. 2, 2263, No. 2, 2264, No. 2, 2265, No. 2, 2266, No. 2, 2267, No. 2, 2268, No. 2, 2269, No. 2, 2270, No. 2, 2271, No. 2, 2272, No. 2, 2273, No. 2, 2274, No. 2, 2275, No. 2, 2276, No. 2, 2277, No. 2, 2278, No. 2, 2279, No. 2, 2280, No. 2, 2281, No. 2, 2282, No. 2, 2283, No. 2, 2284, No. 2, 2285, No. 2, 2286, No. 2, 2287, No. 2, 2288, No. 2, 2289, No. 2, 2290, No. 2, 2291, No. 2, 2292, No. 2, 2293, No. 2, 2294, No. 2, 2295, No. 2, 2296, No. 2, 2297, No. 2, 2298, No. 2, 2299, No. 2, 2300, No. 2, 2301, No. 2, 2302, No. 2, 2303, No. 2, 2304, No. 2, 2305, No. 2, 2306, No. 2, 2307, No. 2, 2308, No. 2, 2309, No. 2, 2310, No. 2, 2311, No. 2, 2312, No. 2, 2313, No. 2, 2314, No. 2, 2315, No. 2, 2316, No. 2, 2317, No. 2, 2318, No. 2, 2319, No. 2, 2320, No. 2, 2321, No. 2, 2322, No. 2, 2323, No. 2, 2324, No. 2, 2325, No. 2, 2326, No. 2, 2327, No. 2, 2328, No. 2, 2329, No. 2, 2330, No. 2, 2331, No. 2, 2332, No. 2, 2333, No. 2, 2334, No. 2, 2335, No. 2, 2336, No. 2, 2337, No. 2, 2338, No. 2, 2339, No. 2, 2340, No. 2, 2341, No. 2, 2342, No. 2, 2343, No. 2, 2344, No. 2, 2345, No. 2, 2346, No. 2, 2347, No. 2, 2348, No. 2, 2349, No. 2, 2350, No. 2, 2351, No. 2, 2352, No. 2, 2353, No. 2, 2354, No. 2, 2355, No. 2, 2356, No. 2, 2357, No. 2, 2358, No. 2, 2359, No. 2, 2360, No. 2, 2361, No. 2, 2362, No. 2, 2363, No. 2, 2364, No. 2, 2365, No. 2, 2366, No. 2, 2367, No. 2, 2368, No. 2, 2369, No. 2, 2370, No. 2, 2371, No. 2, 2372, No. 2, 2373, No. 2, 2374, No. 2, 2375, No. 2, 2376, No. 2, 2377, No. 2, 2378, No. 2, 2379, No. 2, 2380, No. 2, 2381, No. 2, 2382, No. 2, 2383, No. 2, 2384, No. 2, 2385, No. 2, 2386, No. 2, 2387, No. 2, 2388, No. 2, 2389, No. 2, 2390, No. 2, 2391, No. 2, 2392, No. 2, 2393, No. 2, 2394, No. 2, 2395, No. 2, 2396, No. 2, 2397, No. 2, 2398, No. 2, 2399, No. 2, 2400, No. 2, 2401, No. 2, 2402, No. 2, 2403, No. 2, 2404, No. 2, 2405, No. 2, 2406, No. 2, 2407, No. 2, 2408, No. 2, 2409, No. 2, 2410, No. 2, 2411, No. 2, 2412, No. 2, 2413, No. 2, 2414, No. 2, 2415, No. 2, 2416, No. 2, 2417, No. 2, 2418, No. 2, 2419, No. 2, 2420, No. 2, 2421, No. 2, 2422, No. 2, 2423, No. 2, 2424, No. 2, 2425, No. 2, 2426, No. 2, 2427, No. 2, 2428, No. 2, 2429, No. 2, 2430, No. 2, 2431, No. 2, 2432, No. 2, 2433, No. 2, 2434, No. 2, 2435, No. 2, 2436, No. 2, 2437, No. 2, 2438, No. 2, 2439, No. 2, 2440, No. 2, 2441, No. 2, 2442, No. 2, 2443, No. 2, 2444, No. 2, 2445, No. 2, 2446, No. 2, 2447, No. 2, 2448, No. 2, 2449, No. 2, 2450, No. 2, 2451, No. 2, 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2606, No. 2, 2607, No. 2, 2608, No. 2, 2609, No. 2, 2610, No. 2, 2611, No. 2, 2612, No. 2, 2613, No. 2, 2614, No. 2, 2615, No. 2, 2616, No. 2, 2617, No. 2, 2618, No. 2, 2619, No. 2, 2620, No. 2, 2621, No. 2, 2622, No. 2, 2623, No. 2, 2624, No. 2, 2625, No. 2, 2626, No. 2, 2627, No. 2, 2628, No. 2, 2629, No. 2, 2630, No. 2, 2631, No. 2, 2632, No. 2, 2633, No. 2, 2634, No. 2, 2635, No. 2, 2636, No. 2, 2637, No. 2, 2638, No. 2, 2639, No. 2, 2640, No. 2, 2641, No. 2, 2642, No. 2, 2643, No. 2, 2644, No. 2, 2645, No. 2, 2646, No. 2, 2647, No. 2, 2648, No. 2, 2649, No. 2, 2650, No. 2, 2651, No. 2, 2652, No. 2, 2653, No. 2, 2654, No. 2, 2655, No. 2, 2656, No. 2, 2657, No. 2, 2658, No. 2, 2659, No. 2, 2660, No. 2, 2661, No. 2, 2662, No. 2, 2663, No. 2, 2664, No. 2, 2665, No. 2, 2666, No. 2, 2667, No. 2, 2668, No. 2, 2669, No. 2, 2670, No. 2, 2671, No. 2, 2672, No. 2, 2673, No. 2, 2674, No. 2, 2675, No. 2, 2676, No. 2, 2677, No. 2, 2678, No. 2, 2679, No. 2, 2680, No. 2, 2681, No. 2, 2682, No. 2, 2683, No. 2, 2684, No. 2, 2685, No. 2, 2686, No. 2, 2687, No. 2, 2688, No. 2, 2689, No. 2, 2690, No. 2, 2691, No. 2, 26