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LAWSON'S NOTE OF ALARM.

Tom Lawson is warning the world against American securities, says stocks are inflated far above their actual value, and that there must soon be an overwhelming crash. It is hard to quite understand Tom Lawson. No one doubts his ability, no one has any special faith in his integrity, and when in the name of the public welfare he attacks any combine, no one knows whether he is working upon a great principle or whether behind him is merely a desire to work his own private savings.

As to a possible crash, that is not impossible, but is it probable? Most of the industrials are paying fair dividends. The purely speculative stocks are limited in volume and then this country is a billion and a half richer than it was only one year ago, a billion by the products of field and mine and half a billion through foreign trade. In addition to the increase in moveable wealth, the securities behind it have increased in like proportion. There is no default anywhere in natural production, no real form of property is shaky; interest is so low that men are seeking solid investments everywhere and there is no sign in earth or air that forbids another increase in the coming year as great as in the last. It is almost an absolute certainty that the mines of the west will in product next year, exceed that of this year by many millions, especially in Utah, Nevada and California, and the mines supply the vitalizing force to commerce and trade.

In agriculture, Secretary Wilson shows in his last report that its profits could, in a brief time, buy and pay for all the railroads in the United States. When did a disastrous panic ever come to a people when 35 per cent of the whole were agriculturists and all were prosperous? Mr. Lawson should particularize. He should name the inflated securities, and if he is right should explain that the test of values is the interest that can be paid on them.

The steel trust is a mighty combine, but surely it pays better interest than any national paper at home or abroad.

The oil trust is another, but its profits, instead of being an anxiety, are almost a menace.

In almost every city in the country men have bought stocks on margins. Of course they are liable to lose their margins any day, but if they

should, there would be no loss of wealth; it would simply be another case of big fish swallowing little ones. For instance, if Mr. Lawson was able to short the stock of some great mining corporation and throw the stock down 15 or 25 points, probably 1,000 investors would lose all they had put up on margins. But the real value of the property would not be lessened, and after a few days or weeks, when the stock from natural causes rallied, the margins that the thousand investors lost would be in Mr. Lawson's vest pocket. As we look upon Mr. Lawson's note of alarm, it is quite possible that the thought behind it is that if enough interest can be awakened, the opportunity will come when a mighty bear movement will be possible, and so the prudent thing to do is for men to avoid buying on margins, for that is always a dangerous thing to do.

Speaking of possible panics, there are such guards against them as no country ever had before. The amount of money in the banks of the country is something almost incomprehensible; then the treasury of the United States groans under its weight of treasure, and the stockings of the thrifty are all distended with money. It is in the interest of all these that there should be no panic. Of course none would get under speculative stocks to hold them up, but they would all combine to save the great industries if they needed help. But they will not need help until the crops fail or the market for them fails, or the mines fail or the market for the baser metals fails, and this mighty volume of wealth steadily increases and the area over which men work, of both field and mine, is perpetually widening. A failure of crops may, of course, come at any time, but no failure is liable to extend over 2,500,000 square miles, and while the wheat or the corn or the cotton might on some year be a failure, it never yet has happened that they have all in the same year been failures.

It looks to us as though the first note of depression to be feared will be when foreign market for American manufactured goods begins to fall off. This ought to be about ten years hence, when manufacturing in the Orient begins to be felt by the generous nations, and it is strange to us that the far-seeing business men of this country are not already trying to get into closer relations with Spanish America, especially South America, by building roads and establishing stations and swifter means of communication with those states. It will soon be "the Orient for Orientals." We should begin to offset that by the other thought, "America for Americans." There is room for many millions in those states, room and opportunity for immense trade and for the expansion of work. In the mean time, with the new year there will 2,000,000 more Americans want fields in which to work than there were last year, and 1,000,000 more who a year ago were beyond the sea, so the outlook is not very bad; indeed, there never was a sky so rosy with hope as is that above our country today. At peace with all the world, with the good will of all the world, with all the industries in harmony, with more than eighty millions of people all speaking the same tongue, all singing the same songs, all inspired with the same hopes and all more generally prosperous than any other people on earth,

why should a raven croak of near disaster disturb the country?

Not that competition is not close, not that men should not be prudent, not that thrift and industry do not count for as much as ever.

What we mean is that there should be no lack of effort, for there are new mines still to open, new fields yet to be subdued and cultivated, new enterprises yet to create, new industries yet to be pursued, but the work should go on with hope, and not in fear of some pending great disaster, for to us there is no sign of one in the air or on the earth. Rather, the poor of all the earth turn to ours as the promised land where industry is rewarded and where manhood is given full freedom to expand and full appreciation on the part of a generous, great people.

OUR AMBASSADOR TO ST. JAMES.

A distinguished American returning from London says Ambassador Reid is seeking to make Londoners forget the masterful Choate in the kingly magnificence of his own entertainments; that no other former ambassador ever tried to approximate to the lavish entertainments given by Reid. This will be interesting news to west-coast men, for they will naturally feel an interest in the matter. If not interest certainly principal, for many of them were in the old days contributors to the fund which Mr. Reid is using in order to astonish Londoners.

Those who bought Overman at \$58 or Ophir at \$127, or Sierra Nevada at \$126, or Bullion at \$34—almost any of them, helped to make up the fund on which Mr. Reid is splurging, because it was so fixed that when all the professional men, all the business men, all the miners, all the servant girls and hostlers from Mount Davidson to Telegraph Hill made a big losing in the old days there were a few who did well and told philosophically of the advantages that lay in buying stocks when they were low and selling when they were high. At that time Mr. Whitelaw Reid was a gentleman who wore a tremendously high collar and carried around with him the biggest pair of feet that the great middle west ever produced, and was known as a newspaper correspondent of reasonable descriptive powers when close adherence to the facts was not an absolute stipulation. But at the same time another gentleman who later became Mr. Reid's father-in-law, was in the far west and possessed many advantages over the masses in seeing some things that were going to happen. Indeed it was sometimes whispered that he was endowed with powers that enabled him to plan what was going to happen; that he was endowed with the hypnotic powers of the Indian magician, who makes the audiences see him throw a rope into the air which takes the form of a ladder and then sends men to climb the ladder, but when a photograph is taken of the scene only the fakir is in evidence.

All the boys and girls in the west saw the ropes thrown on the Comstock, a great many of them believed they knew the ropes and invested accordingly, but when a photograph was taken the negative revealed nothing but two or three magicians who had headquarters in the neighborhood of California street, San Francisco.

In those days the father-in-law of Mr. Reid did remarkably well, so well that he soon became a national financial power. He had a small