

TRIBUNE FINANCIAL PAGE

FINANCIAL DIGEST THE WEEK IN BUSINESS

By STUART P. WEST Special Correspondent of The Tribune. Copyright, 1921, by The Tribune.

New York, Oct. 8.—The incidents of the last week have been mainly favorable, taking the situation as a whole. A further advance in oil prices, continued improvement in the position of copper metal and an enlargement of operations at the steel mills, have been the important contributions in the trade movement. They furnish further testimony to the change for the better in the main business outlook. Three successive advances in oil quotations within a 10-day period, making a total increase of 70 per cent, point to a much greater degree of recovery than the campaign for reducing output than anybody outside of the trade had thought possible.

For the strength in the copper industry much credit is due to the copper export association, the activities of which have made possible the large trading with Germany and Japan, and more recently with France, which is mainly accounted for by the fact that roads which have been made into the enormous unsold supply of six months ago.

Increased Steel Output. The steel corporation is now operating on an average of 35 per cent against a week ago, a very respectable gain. Another \$5 advance in sheet steel prices is scheduled for October 15. In these ways, it has once more demonstrated that it has an open in the past, that the business is on a falling market, that the influx of new buying comes when, after a prolonged decline, the mills begin to mark up their quotations.

Improvements in Exchange. The simultaneous recovery in sterling exchange in France and French government bonds indicates a rather better feeling in financial circles, regarding the German reparations problem. What the basis for this feeling is, however, has not been displaced. It may be the negotiations reported under way between German manufacturers and merchants and an American banking syndicate for a loan secured by German merchandise. On the other hand, the negotiations are really far along and promise a successful issue, it is hard to understand why there has not been more of a recovery in the German market.

We still have a nervous Germany and in Austria the rare spectacle of panic in the shape of a furious buying movement. The population, seeing currency cash to comparatively nothing—meaning its outside value—is drawing its cash out of the banks and flinging it into any form of investment that can be purchased.

Securities are bought, regardless of value, for the purchaser feels that wherever unsafe they may be at their present heights, they are a better chance than cash or bank deposits. It is the same in the case of the result in an anomalous situation where, for this army of desperate investors, any rise in the value of markets at the present juncture would be a calamity. It is the same in the case of a fearful collapse in the inflated surety prices on the bourse.

Grain Markets Weak. Against the improvement which the week has brought in oil and the metals trades must be set, as a depressing influence, the extreme weakness in the grain market. Prices of wheat and corn have fallen to lowest of the season. The export trade is not what it was a while ago. Deliveries from the farms have been reduced, which means it can no longer be said that the farmers are rushing their wheat to market because of the difficulty of obtaining credits. They are selling now because they have little hope of getting better prices at a higher level and are afraid of a still further decline in case the Argentine and Australian harvests turn out as heavy as now promised, thus heating out the forecasts of a world oversupply.

There is no money for the livestock man and the raiser of corn, and very little for the wheat grower under present conditions. This is a fact which must be recognized with securities, seriously, in considering the general purchasing power of the country and its leaning upon the general trade outlook.

body of stocks, continues to mark time. It neither gains nor loses any ground, to speak of. When we observe that steel common has been moving for the last two weeks within a range of little more than a point, we get the proper picture of the market's immobility. Prices are up enough from the bottom to measure the trade recovery that has occurred so far. The market is now waiting to see if this recovery will go further or not. Meanwhile, the investment demand continues very keen and along with quick absorption of new security issues, a large number of list-bottling have taken place this week at new high points for 1921.

DEFINITE SIGNS OF PROGRESS SEEN IN BASIC INDUSTRIES By Wells-Dickey Company. It is an old saying but true that the financial status of a country can usually be measured by the status of its basic industries. There can be no doubt that a considerable improvement in the present conditions has taken place if we may believe the majority of reports which have come to hand from basic industries during the past week. The approach of the winter months does not mean that many business leaders are convinced that within a few months normal conditions will prevail. It must be kept in mind, of course, that with the approach of the winter months those industries which depend upon open waters for their prosperity will suffer somewhat of a decline.

The iron and steel industry as a basic indicator, the signs of progress are favorable indeed. By this it must not be supposed that industry is at or near normal, for it is still far from normal. The industry is now operating at from 35 per cent to 40 per cent of capacity as compared with about 20 per cent in midsummer. Improvement is also to be noted in copper, one large buyer coming into the market last week with an order for five million pounds. The market on crude oil also is showing improvement. The forward-looking investor has shown an increase of about 35 cents per barrel. Many lines are still spotty and irregular. In some cases liquidation is just being completed and the market is not yet begun. These are in the minority, however, and the basic industries which must be considered as barometers of conditions are showing improvement, especially if one compares rates of production, prices and volume of orders with those of six weeks or even two months ago.

The Bond Market. Conservatism is becoming more and more the attitude in security markets. Speculative stocks and bonds are being neglected and securities of known soundness with a reasonably high rate of interest are being sought. This disposition not to risk funds is to be seen in the active and advancing market for the various Liberty issues, six of which are being sold during the past week. It is evidenced too, in the rapidity with which new state and municipal offerings are being absorbed. The forward-looking investor, therefore, who is concerned more with the ultimate income return upon his invested funds than upon any temporary speculative profits is entering the market with a view to placing his funds at present levels. He is convinced that income opportunities at present in the security markets will be of short duration and that any losses incurred by his means will mean ultimate sacrifice of income.

The Foreign Situation. The eyes of the world at the moment are upon Germany and her attitude towards further reparations payments. The decline in the market around 75 cent—the lowest point on record, has been accompanied by reports that every day will be made by Germany to secure a softening in the reparations terms. That such propaganda will be successful and that the terms will be lessened or payments postponed is doubtful. The coming disarmament congress in Washington is in the opinion of economists an event of outstanding importance in the world of business. It has limitless possibilities regardless of which nations are invited to attend. Unemployment throughout the European nations seems to be improving and the industrial unrest so marked a few months ago has subsided in consequence.

There are 49,000 drug stores in the United States.

Table with columns: Bid, Ask, American Tel. & Tel. Company, American Tel. & Tel. Convertible, Anaconda Copper Company, etc.

Stock Market as seen by Bulls & Bears

Table with columns: Open, High, Low, Close, Bid, Ask. Includes Alaska Gold, Am. Beet Sugar, Am. Car. Fy., etc.

Table with columns: Open, High, Low, Close, Bid, Ask. Includes Am. Lumber, Am. Oil, Am. Wool, etc.

Table with columns: Open, High, Low, Close, Bid, Ask. Includes Am. Zinc, Am. Steel, Am. Copper, etc.

Table with columns: Open, High, Low, Close, Bid, Ask. Includes Am. Iron, Am. Lead, Am. Tin, etc.

Table with columns: Open, High, Low, Close, Bid, Ask. Includes Am. Silver, Am. Gold, Am. Platinum, etc.

Table with columns: Open, High, Low, Close, Bid, Ask. Includes Am. Nickel, Am. Cobalt, Am. Manganese, etc.

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New York Market

New York, Oct. 8.—Trading in stocks during today's session was monopolized by oil and tobacco, a majority of these issues showing substantial gains. Impetus to the demand for these shares.

More crude oil price advances in various parts of the country were announced by leading producers and distributors for the period ending Oct. 8. Houston led at a net gain of 3 1/2 points but foreign issues also strengthened after early hesitation. Mexican Petroleum and General Asphalt finishing at advances of 1/4 and 1/4 points respectively.

Recognized leaders of the industrial and railway groups moved within narrow limits, but the popular steels, equipments and motors scored moderate gains. Among specialties an advance in pressure directed against Columbia Graphophone preferred, changes were made. Sales amounted to 255,000 shares.

There was no let up on the demand for Liberty bonds, the greatest gain was made by the first 4 1/2's, which advanced 1/4 point to a new high for the year. The second 4 1/2's and all the 4 1/2's also made new maximums for the period. Total bond sales (par value) \$7,750,000.

The clearing house statement was developed by the clearing house, except for an actual cash gain of \$38,456,000 which more than cancelled last week's deficit of \$2,000,000. Sterling or British bills dominated the foreign exchange market, a gain of 8 cents on the pound from the week's low quotation. Changes were better, but the German and central European rates lost ground. Greek bills also making another recession.

LIBERTY BONDS. New York, Oct. 8.—Liberty bonds closed: 3 1/2's \$99.88; first 4's \$92.30; 4 1/2's \$91.50; third 4 1/2's \$95.30; fourth 4 1/2's \$93.30; Victory 3 1/2's \$99.40; Victory 4 1/2's \$99.40.

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Babson Sees Collapse of the German Mark

By ROGER BABSON. A friend of mine has recently been in Germany. While there he won some money in a poker game. When he went to cash in his chips he was told to wait a minute. He waited two hours and got his roll of bank notes and all of them were wet from the printing press. That is the way German marks are being turned out today. Germany is full of marks; but they are only made of paper. So long as the Germans can sell American paper at such a fancy price a pound, they will continue to print marks.

The value of paper money depends on two things: the gold reserve to redeem it, and the credit of the government behind it. There are millions of marks in circulation which can never be redeemed in coin. In fact, it is a joke to think of that as a possibility. As for credit, the German government is not on its feet yet and no one has very much confidence in it.

The international bankers are extending credit to German business firms, in spite of the German government, because they have confidence in the industry of the German people. These qualities are entirely independent of the number of marks turned out in Berlin. German business men and German workmen can and will practice the future of the mark as they know it, and for that reason they will continue to arrange credits for German firms in spite of the fact that the mark is still falling.

Now that the mark has "hit bottom" and some through the German people, rushing the stock market and buying stock like crazy again. That country is in a fever of speculation. We saw that kind of fever here two years ago. Stocks hit the top of the boom, then, but came down again and a lot of people got hurt.

Grain Bulletin. Prices Paid at Points in Montana. Quotations ending noon, Oct. 10. Dates ending noon, Oct. 10. No. 1, 58 lb. test, \$1.33; No. 2, 58 lb. test, \$1.28; No. 3, 58 lb. test, \$1.23; No. 4, 58 lb. test, \$1.18; No. 5, 58 lb. test, \$1.13; No. 6, 58 lb. test, \$1.08; No. 7, 58 lb. test, \$1.03; No. 8, 58 lb. test, \$0.98; No. 9, 58 lb. test, \$0.93; No. 10, 58 lb. test, \$0.88; No. 11, 58 lb. test, \$0.83; No. 12, 58 lb. test, \$0.78; No. 13, 58 lb. test, \$0.73; No. 14, 58 lb. test, \$0.68; No. 15, 58 lb. test, \$0.63; No. 16, 58 lb. test, \$0.58; No. 17, 58 lb. test, \$0.53; No. 18, 58 lb. test, \$0.48; No. 19, 58 lb. test, \$0.43; No. 20, 58 lb. test, \$0.38; No. 21, 58 lb. test, \$0.33; No. 22, 58 lb. test, \$0.28; No. 23, 58 lb. test, \$0.23; No. 24, 58 lb. test, \$0.18; No. 25, 58 lb. test, \$0.13; No. 26, 58 lb. test, \$0.08; No. 27, 58 lb. test, \$0.03; No. 28, 58 lb. test, \$0.00.

Chicago Market. Chicago, Oct. 8.—A late rally resulted an otherwise depressing session of the board of trade, with corn and oats had all recorded new low figures for the season. The close was unchanged for corn, and 1/4 cent lower for oats. Lard finished unchanged to 1/2 cent higher, and rib cuts 1/2 cent higher. Wheat started weak and made its lower mark early. An initial rally caused by reports that the government report was short lived and the market sagged steadily until December 1st, when it recovered. Sentiment was mixed and the news generally bullish, export demand being reported liberal with big receipts in prospect at Winnipeg next week. Corn turned weak unexpectedly and shorts who sold freely on the way down, were driven into cover. To the unusual extent of 100,000 bushels were added reports that India, ordinarily a exporting country, had bought two cargoes of No. 2 white wheat with further shade in sight. There was also a report that Italy would be back in the market on Monday, which raised the price of oats to 1/2 cent higher. Sentiment was mixed and the news generally bullish, export demand being reported liberal with big receipts in prospect at Winnipeg next week. Corn turned weak unexpectedly and shorts who sold freely on the way down, were driven into cover. To the unusual extent of 100,000 bushels were added reports that India, ordinarily a exporting country, had bought two cargoes of No. 2 white wheat with further shade in sight. There was also a report that Italy would be back in the market on Monday, which raised the price of oats to 1/2 cent higher.

Livestock. AT CHICAGO. Chicago, Oct. 8.—Cattle—Receipts 1,000; compared with week ago; desirable stock mostly 25 to 30c higher; 75c higher; medium and plain short fed and grassers steady to 25c higher; fat stock mostly 25 to 30c higher; hogs up most; canners and cutters steady to 25c higher; pigs 25 to 30c higher than yesterday's average; hold-over light; top \$8.70; bulk light and light hogs steady to 25c higher; range \$6.25 to \$7.00; pigs strong; bulk desirable \$7.75 to \$8.50. Sheep—Receipts 1,000; receipts today; compared with week ago; all prices around 25c higher.

AT OMAHA. Omaha, Oct. 8.—Hogs—Receipts 2,500; market active; 15 to 20c higher than yesterday's average; bulk packing grades \$6.25 to \$6.75; bulk of sales \$6.25 to \$6.75. Cattle—Receipts 500; compared with a week ago; choice fed yearlings and 2-year-olds steady to 25c higher; top yearlings \$10.50; other westerns and stock steady to 25c lower; bulk 20 to 25c lower; yearlings steady to 25c higher; stockers and feeders steady to 25c lower. Sheep—Receipts none; compared with week ago; lambs steady to 15c lower; sheep and yearlings 25c; feeding lambs strong.

Stocks

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Mining News of Butte During the Past Week

Butte, Oct. 8.—Production of a metallic shingle at the Washoe reduction works of the Anaconda Copper Company was a feature of interest the past week in metallurgical circles, this experiment appearing to promise much in the way of the development of a new enterprise for the Anaconda and, incidentally, further emphasizes the attention this copper corporation is giving in the matter of a diversification of its activities. This shingle is made up of an alloy of copper and zinc and in consequence of the chemical qualities of the two constituent metals is impervious to rust. The shingles are 10 inches by 24, are thin, tough and impart the neat appearance to a roof, a small building at the smelting establishment having been believed with the product. It is thought that any desirable color within the range of architectural harmony can be produced, although the color subject is not diluted upon by any one in authority at the Washoe works. All that remains to be done is to experimentally whether the shingle can be made in the mill and placed upon that point where it can be placed upon the market in successful competition with the wooden article, and it is believed that this can be done. Attention is being given to the manufacture of a shingle nail made up of the same alloy, and the metallurgists believe they have a product which will be heard from later. The experiments at Anaconda are in line with the program of the copper producing companies to promote the uses to which copper may be applied.

Both the German government and the speculators have been busily engaged in an effort to get something for nothing. That attempt, however, has never succeeded and never will. Something for nothing does not exist. What we get we pay for some way or another. The common people in Germany know it, and the New York banks realize that they know it. This is Germany's situation. When the leaders of Germany also learn this, they will reorganize. In the meantime look for financial fireworks. With the German government following its present practice the future of the mark depends upon the market price for waste paper.

There is a little change in the situation in the United States. Business is now 7 1/2 points below normal, compared with the same time last year, and the low of 110 points below which occurred during March. If, however, we will learn a lesson from Germany and quit trying to get something for nothing business revival will be greatly accelerated.

AT SOUTH ST. PAUL. South St. Paul, Oct. 8.—Cattle, receipts 500; Saturday's receipts were practically all western range cattle on grading bill to Chicago. The few sold locally were nominally steady compared with a week ago. Common to medium grass beef steers and butcher cows and heifers 25 to 50c higher; hogs 25 to 50c higher; sheep 25 to 50c higher; calves mostly 50c lower; bulk best light to packers today \$9; few \$9.50; stockers and feeders mostly 25c to 50c higher; spots more. Quotations at the close: Grass hogs \$4.25 to \$4.75; steers \$4.75 to \$5.25; butcher stock \$3.25 to \$3.75; hogs \$3.25 to \$3.75; canners and cutters \$2.75 to \$3.25; pigs \$2.75 to \$3.25; sheep \$3.50 to \$4.00; calves \$2.25 to \$2.75.

TEXAS OIL BULLETIN. The sensational New Oil Field of Louisiana, known as the "Big Hole," is now conceded to be one of the greatest oil fields in the world. It is estimated that it contains over 100,000,000 barrels of oil. The current issue of the Texas Oil Bulletin will be mailed to you.

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TEXAS OIL BULLETIN. 50 Broad St., New York City.

ing is regarded as the best thus far had on this level. Elkhart Milling operations at the Elkhart concentrator of the Boston & Montana are awaiting only the completion of the building of the power line to start. Some delay has been experienced through the fact that men to string the wires and do the necessary wiring at the mill. Plenty of help is available but not of the experienced character. However, the construction of the line is being pushed as rapidly as possible. The course of the east fork of the Wise river was changed last week to afford ample territory for slum ponds in which the waste tailings from the mill will be run and impounded. Waste rock from development operations in the mine are being used for the building of the impounding dams.

Eastern Road Will Cut Rates on Iron Ore Hauls. Philadelphia, Oct. 8.—The Pennsylvania railroad announced Friday that it will cut rates on iron ore hauls from the Elkhart concentrator to the furnaces in the Pittsburgh and Youngstown districts, the Schuylkill valley and elsewhere in Ohio. The local reduction would remain in effect only until December 31, 1921. "The purpose of the reduction," the announcement stated, "is to assist the iron and steel producers in accumulating a supply of ore before winter closes navigation of the Great Lakes, or compels the shutdown of northern mines; ore from both the Great Lakes and the seaboard, to the furnaces in the Pittsburgh and Youngstown districts, the Schuylkill valley and elsewhere in Ohio. The local reduction would remain in effect only until December 31, 1921.

AUTO ACCIDENT FATAL. Wenatchee, Wa., Oct. 8.—Mrs. A. Greenfield, 39, is dead, her daughter, Boyline, 17, is in the hospital with two broken bones in her right wrist, and Ian, 18 years old, son and driver of the car, is in the hospital with a broken arm and a half mile from this city at 6:45 o'clock Saturday morning. The driver attempted to avoid a bad spot in the road, drove too near the edge and the car plunged down a 15 foot embankment.

PUBLISHER DIES. Omaha, Oct. 8.—Samuel J. Perkins, of Sioux City, Ia., part owner of the Sioux City Journal died in a hospital here Friday night following a nervous breakdown.

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Stanton Trust and Savings Bank. Capital and Surplus - \$255,000.00. Officers: Geo. H. Stanton, President; P. H. Jones, Vice President; S. J. Doyle, Cashier; H. M. Emerson, Assistant Cashier. Directors: Geo. H. Stanton, P. H. Jones, M. S. Kleppe, S. J. Doyle, Philip Jacoby, J. O. Patterson, J. W. Freeman, P. H. Buckley, Jacob C. Fey, Bart Armstrong, H. M. Emerson. THE SUNNY SIDE OF THE STREET. A savings account puts its owner on the sunny side of life. Despite reverses, lay-offs and ups and downs of various kinds, the man who saves can still afford to smile. His account is the lubricant that makes life run more smoothly and speeds his upward progress. We particularly invite the wage earner to open an account with us. Small accounts are cordially welcomed.