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FINANCIAL NEWS AND COMMENT

Tumble of Mexican Petroleum and Allied Issues Features Week in Stocks.

NO BETTER TRADE SIGNS

Stimulation of International Business Being Discussed in All Capitals.

What happened last week in the stock market was directly the opposite to the events of the autumn of 1919 when the after war boom was approaching its crest. Stocks of late have lent themselves as pliably to operations for the forced fall of prices as they did to the extravagant buyers of that period, less than two years ago, when it seemed as though shares and the prices of goods could have no limit except the sky. And, by the same token which always carries speculative movements to excesses, it is reasonable to believe that the depression of certain industrial issues is going further now than underlying values warrant, just as they went much higher in the last wild upward swing than the boundaries provided by economic facts.

It is necessary, however, before labeling as the product of a sort of speculative hysteria last week's great fall of Mexican Petroleum and its allied stocks, together with the establishment of new low records (for the year) of certain steel, sugar and tobacco stocks, to survey the business outlook. Frankly, it has not improved appreciably. On the contrary there are more evident signs of overproduction and underconsumption throughout the world than there were two months ago. But the question is entirely fair. Is not the stock market merely considering from a closer perspective than before conditions which were practically as clear long ago to those in position to get the facts?

Situation in Oil Industry.

In the oil industry, the situation of which was probably the true bulwark of the bear position last week, an approaching period of overproduction was known to farsighted men in the industry as long ago as last March. Although the price of Pennsylvania crude oil, a grade especially sought after by refiners, turned upward for a time in the early spring, the more important index of the trade was the fact that midcontinent crude received no stimulus from the normal enlargement of spring consumption and fell back at a time when the Pennsylvania price was strong. The midcontinent price movement was the real signboard and was so discussed at the time; but, now, with quotations edging downward toward the level of $1 a barrel, the stock market has appeared to act as though congestion of supplies was something brand new.

In Mexican Petroleum the factor of lessened consumption in this country and abroad was more influential in the the decline of the stock than the Street was aware of. The spectacular struggle between opposing forces, which differ about the life of Mexican oil fields, last week submerged the outlines of economic pressure that have been bearing down on oil shares in all markets, that pressure being the present decline of earnings because of a lessened demand. It is possible that time will show that Mexican Petroleum shares merely held out longer than stocks of any competing companies against the tendencies of the current deflationary period. And when they became unsettled, whether by reason of heavy bear selling because of doubt of the permanency of oil production in the existing Mexican fields or through liquidation from other causes, the fall was intensified by the very resistence that existed before.

Business Outlook Unimproved.

The business outlook is not yet showing much improvement, except in directions in which deflation was carried through grimly during the winter and largely because the situation of foreign buyers is not satisfactory. In South America are many warehouses containing goods sent out of the United States last year which may have to be reshipped back here to find a market. In Europe the prospect for future business is clouded by complications brought about by severe strikes and by the movement in Germany to consume as few imports as possible; at the same time that as much goods are exported as the mills can make and the markets consume. In England a steelmaker reported recently there scarcely a blast furnace was in operation, largely because of the prolonged coal strike, which not only affected producers of iron and steel but consumers as well in Britain and on the Continent, where British coal used to go.

The export situation means a great deal more to the American manufacturer than it did before the war. Industry is so closely interlocked that a lack of demand for so-called surplus products in the export trade cannot slow down in one line without backing up on some other line. Once the way is clear to ship goods abroad on a big scale, for cash or for credit, the effect will be seen soon in mill activity and in business sentiment. It is likely that the initial movement toward a new prosperity will come through an enlargement of domestic demands for home products.

Roads Need Much Steel.

The railroads assuredly need thousands on thousands of tons of steel, and a growth of orders from the carriers would speed up the mills from the current 20 to 30 per cent. of capacity operations, but the employment of present facilities could not be maintained on home orders alone.

The settlement of critical phases of the German reparations matter has cleared the way for the reopening of trade routes long in decay. Although little has been said here or abroad about means to stimulate international business enterprise in the last few weeks, the subject is under active discussion in all capitals. And an easier tone of money and credit in the United States, which seems imminent, may bring before long ways and means for credit extension to foreign buyers.

TOTAL TRANSACTIONS IN THE NEW YORK STOCK EXCHANGE

WEEK ENDED JUNE 18, 1921.

	1921.	1920.	1919.
Sales for week	4,575,739	2,161,437	7,504,695
Year to date	85,139,364	121,250,679¼	131,175,679

INDUSTRIALS DROP FAST IN LONDON TOO

Market Is Similar to New York's Except Discount Rate Is Not Cut.

MINERS CAUSE DAMPER

Phelan's Oil Report Gets Little Credence—Credit Situation Better.

Special Cable to THE NEW YORK HERALD.
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New York Herald Bureau, London, June 19.

The London financial market was strangely analagous to that of New York last week, with the exception that the Bank of England did not follow the example of the Federal Reserve Bank in reducing the discount rate. Otherwise industrials showed severe depression with dulness of business on the exchange following dullness in the commodity markets, due to the coal strike and the threatened stoppage in the textile and engineering trades.

Promise of a settlement in the textile and engineering disputes gave some buoyancy and some activity to the market, particularly in the gilt edged group toward the end of the week, but Saturday's developments, with the miners calling for a general strike, gave promise of continued uncertainty Monday.

It is not believed in financial circles that the miners will succeed in their call. In fact, those bankers and brokers who could be induced to talk business, with the Ascot races and the international polo matches occupying the serious side of their minds this week, say they believe the call for a general strike marks the beginning of the end of Great Britain's industrial troubles. They say they believe the mine strike is cracking and its finish will be assured when the leaders find how few other trade unionists agree with their position.

Jumps in London as in N. Y.

The violent fluctuations in Wall Street were reflected here, principally in the movements in Japanese securities. Otherwise business was so dull that the jolt in Wall Street hardly affected it.

The assertion of United States Senator Phelan of California that salt water was again invading a serious portion of the Mexican oil fields had the effect of dampening enthusiasm for oil shares despite the phenomenal annual reports of the Shell, Mexican Eagles and Royal Dutch groups during the week.

Senator Phelan's statement is now accepted as poor authority, however, and attention is being directed to the fact that neither the Bureau of Mines nor the Geological Survey confirms it, while growing attention is turned to the dividend of the Royal Dutch, which is equivalent to 60 per cent. of last year's issues and nearly doubling the Shell profits during the year.

As might be expected, in view of the strike threats, little or nothing was done in the industrial market, that section going begging. It is known that important new industrial issues were held up because of that dulness.

Boost for British Rails.

There was a growing interest in British rails on account of two favorable decisions during the week regarding denationalization of the railways. Scottish railroads will now be permitted to group with their natural partners, the British railways, and an important precedent was made in settling the claims of the North British railway against the Government.

The currency and credit situation was much improved. For the week ended Wednesday the currency notes were reduced by £2,400,000, while the Bank of England's circulation was contracted by £800,000. Despite these contractions, which were largely due to the reduction in the demand for currency for the payment of wages in the present depression, credit showed improvement and most of the prophets asserted that the bank rate would be reduced as soon as the coal strike was settled, and that there was a chance of business resuming, with a lower wage scale to meet.

Commercial credits were easier. The Exchequer's determination against further Governmental expenditures also helped toward an optimistic view of the future.

STOCK EXCHANGE SALES.

New York Stock Exchange sales week ended June 18, 1921:

	1921.	1920.	1919.
Monday	1,070,950	497,133	1,475,055
Tuesday	779,508	308,528	1,323,600
Wednesday	702,390	323,411	1,438,900
Thursday	862,700	304,002	1,242,775
Friday	779,179	538,154	1,266,260
Saturday	381,012	190,000	758,105
Totals	4,575,739	2,161,437	7,504,695
Yr. to date	85,139,364	121,250,679¼	131,175,679

Detailed sales of stocks for weeks ended June 18 and June 11:

	June 18.	June 11.
Industrials	4,120,114	3,838,223
Railroads	557,525	473,100

BONDS (PAR ISSUE).

	1921.	1920.	1919.
Mon.	$14,499,000	$8,530,000	$11,887,000
Tues.	11,232,000	11,893,000	11,058,000
Wed.	14,858,000	18,699,000	9,619,000
Thurs.	10,400,000	11,612,000	9,610,000
Fri.	10,295,000	11,683,000	9,288,000
Sat.	5,042,000	9,822,000	3,687,000
Total	$66,326,000	$72,239,000	$55,149,000
Year to date.	1,463,924,000	1,871,390,000	1,558,248,000

Detailed sales of bonds for weeks ended June 18 and June 11:

	June 18.	June 11.
Corporation	$14,405,000	$15,762,500
Liberty	44,832,000	69,033,000
Foreign	6,286,000	8,145,500
City	123,000	40,000

PENNA. OIL MARKET.

OIL CITY, Pa., June 19.—Credit balances, $2.50. No runs or shipments reported yesterday.

Range 1921 High.	Range 1921 Low.	Div. Yield.	Div. in $.	Sales.		High.	Low.	Last.	Net Chge.
27¼	17	..	..	4700	United States Food Prod.	19¼	17½	17⅝	— 1⅝
74½	52⅝	15.09	8	39000	U S Industrial Alcohol	59½	52⅝	53⅛	— 6⅛
99	90	7.78	7	100	U S Industrial Alcohol pf	90	90	90	— 7
58¾	44⅛	..	..	2700	U S Realty & Imp	48¼	45¼	45½	— ¾
79¾	55	14.16	8	85000	U S Rubber	60½	55⅝	56½	+ ½
103⅞	93	8.60	8	1600	U S Rubber 1st pf	95¾	93	93	— 3
35½	26	..	..	300	U S Smelt R & M	31½	30	30	— 2
86½	73½	6.76	5	251300	U S Steel	76⅞	73½	74⅛	— 2¾
112	106⅛	6.60	7	900	U S Steel pf	107⅝	106⅛	106⅛	— 1¼
59½	45¾	4.12	2	11000	*Utah Copper Co	50⅞	48¼	48½	— ¾
12⅝	8½	..	..	400	Utah Securities	10	9¾	9¾	— ⅛
41	26	..	..	16000	Vanadium Steel	30½	26⅛	27	— ½
42½	24⅞	..	..	6600	Virginia-Carolina Chem.	28	24⅞	25	— 2⅝
102¾	66	11.76	8	2100	Virginia-Caro Chem pf	75⅛	66	68	— 7
9¼	5⅝	..	..	1500	Vivaudou	7⅞	6⅞	7	..
[illegible]	7	..	..	1800	Wabash Railway Co	7⅝	7¼	7¼	— ½
24½	18	..	..	4000	Wabash Ry Co pf A	21¼	19⅞	20	— ½
15½	12⅝	..	..	100	Wabash Ry Co pf B	13	13	13	— 1½
13	8½	8.33	1	1300	*Weber & Heilbroner	12¾	12	12	+ ¼
72	49½	4.69	2½	1900	Wells Fargo Express Co.	57	52	53¼	— 4
11½	9⅛	..	..	4100	Western Maryland Ry	10	9⅛	9¼	..
21	15	..	..	1200	Western Maryland 2d pf.	18¼	17½	18	+ 1
30⅞	23¾	..	..	2800	Western Pacific	27	25	25	— 1
70½	62¼	9.60	6	200	Western Pacific pf	62½	62¼	62½	— 3
94	84	7.78	7	1000	Western Union Tel	90	87	90	+ 2½
96⅞	90	7.78	7	200	Westinghouse Air Brake.	91	90	90	— 2
49⅞	42⅝	9.20	4	8000	Westinghouse El & Mfg.	45⅛	43⅝	43½	— 1½
11⅛	8	..	..	1900	Wheeling & Lake Erie	9	8⅛	8⅛	— ¾
19½	14⅛	..	..	2600	Wheel & Lake Erie pf	16	15	15½	..
44	33	12.12	4	1500	*White Motor	34¾	33	33	+ ½
17⅝	9¾	..	..	6100	White Oil	10¾	9⅞	9⅞	— ¼
10½	5¼	..	..	16000	Willys Overland	7½	7⅛	7¼	— ⅛
42	30	..	..	1800	Willys Overland pf	34½	32	34	..
47	32½	15.15	5	1300	Wilson & Co	35	33	33	— ¼
117½	108¼	7.27	8	1200	Woolworth, F W	113	110	110	— 2¾
55¼	43	13.96	6	2000	Worthington Pump	46	43	43⅛	— 1⅝
65¼	60	10.00	6	300	Worthington Pump pf B.	60⅛	60	60⅛	— ⅞

*Ex dividend. †Ex rights.

NOTE—Odd lot transactions are not recorded in separate line unless sales were made at price outside of the regular full lot range.

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