

The Business Barometer

This Week's Outlook in Commerce, Finance, Agriculture and Industry Based on Current Developments.

By THEODORE H. PRICE, Editor, Commerce and Finance, New York, Copyright, 1922.

In an essay upon the United States written about 60 years ago, the great English economist, John Stuart Mill, said in effect that "the American people, when confronted by a grave economic question, have often seemed upon the point of answering it wrongly but their common sense has in the end prevailed and they have acted wisely."

The history of the United States since Mill made his observations, has justified his confidence in the ultimate economic sanity of the people. The greenback movement, the free silver movement and various other economic heresies that have from time to time been popular, have died a natural death when it came to a final show down, and there seems to be every probability that the ghosts of radicalism by which the stock market has been so much scared since the election will soon be dispersed as by discussion the sun of common sense and intelligent self-interest is directed upon them.

This, at least, seems to be the sober thought of the American financial world and as a result the security markets have been stronger and their tone at the end of the week was distinctly better. There is no reason why a sound investment should be held in anything but such securities as when it was selling 10 points higher, the value of the property which it represents is in most cases greater. The prices of commodities have not wavered, reports from industries and corporations have continued favorable, dividends in some

will be soon available and it is possible that its impact will cause a temporary decline. It is up to 27 cents as the prospect of co-operation in the control and limitation of supply becomes more definite. Cotton is quiet as the market waits for the government estimate due December 12, but the figures, whatever they may be, will not change the facts of supply and demand, which seem fairly equated at the current price level.

Hides have reacted slightly after a prolonged advance, but wool has been climbing higher almost every day for many months and no one in the trade seems to expect an early decline. The much discussed lagging of price of agricultural products, which is held up as the chief obstacle to trade expansion, does not greatly affect cotton or wool, and the advances in grain and livestock have narrowed the price spread between the various groups of commodities more than has possibly been realized. As long as there is no unemployment and wages continue high further declines in commodities are not to be expected, and if the efficiency enforced by competition keeps down the costs of distribution and merchants do not unwisely force up prices by endeavoring to recoup all their inventory losses in this one season continued good trade seems to be assured.

Railroad Earnings Disappointing. Railroad earnings for October were somewhat disappointing. The failure of the roads to keep pace with the transportation needs of the country is clearly shown by the fact that the volume of freight carried has been less than at any time in the history of the country. The roads have not succeeded in carrying as much as they did in the fall of 1920, and traffic congestion has increased the burden business has had to carry.

The intention of the farm bloc to force the much needed reduction in freight rates is therefore announced at an unfortunate time, for public opinion will favor some constructive action looking toward cheaper

year by congress and there is small chance that it will pass the senate. Its defeat will not be as much of a loss as believed by its supporters, who have been viewing it through rose-colored glasses, and with the government's income dropping off steadily its defeat will be a relief to taxpayers.

Little Foreign News. From abroad there was little significant news during the week, though the export of the Greeks in executing a few of the leaders who guided them to military disaster must be set down as worth attention and some may consider it a progressive step. The volume of foreign paper money is increasing so fast that the process threatens to become unmitigated instead of additive, and is only a question of time before the worthless mark is replaced by foreign currency. The reflections of Germany's weakness are apparent in the unsteady undertone of the foreign exchange markets, where further declines, except in sterling, are rather widely expected, and in the virtual cessation of the flotation of foreign loans in this country.

Table with columns: Trade Review, End of Last Week, End of Previous Week, Last Year. Rows include Bank clearings, Business failures, 20 Industrials, 20 Railroads, 40 Bonds, Commodity Prices, etc.

TRADE REVIEW

By R. G. DUNN & CO. The final month of the year begins with the usual seasonal characteristics of stimulation and reticulation. Demand in most other channels. With lower temperatures and development of goods to consumers is expanding, and in many instances the movement of goods is an inventory period in different primary markets, however, and not much in the way of new action in this quarter is to be expected for the present.

There would be larger buying now, even with the advance in prices, if it were not for some time ahead had not been well covered in many cases by recent commitments, or if difficulty was not being experienced in securing supplies of certain commodities. The transportation congestion, if still the main drawback, is not the only obstacle to the prompt delivery of merchandise, for some producers are so fully engaged on previous business that additional orders are not readily filled. Withdrawal of offerings because of a solid position has by no means been general, but this phase has been observed in several instances, notably in textiles, and output in most industries has reached a higher rate than had been anticipated.

Where price reaction has lately occurred, it has been largely a result of the fact that transactions are now chiefly with the holiday requirements, largely for gifts, and the demand is largely for goods that are not the prevailing condition, it is sufficient to indicate that the market has been largely carried beyond the views of buyers.

The current week in financial markets has been featured by a rise in sterling exchange, and a composite rise in the year. It is interesting to recall the fact that the year had begun with a rate of about 4.20 for gold, and that the year had ended with a rate of 4.80. The rise, however, has been in the direction of improvement, and this week a rate of 4.80 has been reached. The rise in sterling exchange rates this year has been the result of a number of factors, including the fact that the United States has been a net creditor to the world, and the fact that the United States has been a net creditor to the world.

Last week, for the first time in many weeks, no excess of advances appeared in the comprehensive list of wholesale quotations, increases and reductions being equally divided. The record for the week was practically an even number of advances and recessions, and it is evident that there is now less buoyancy in commodity markets. In channels where speculative operations are largely incidental, as in wheat and cotton, the first day of this week was featured by sharply declining prices, cotton then yielding \$4 a bale and wheat several cents a bushel. It is important to consider the fact, however, that both of these staples had previously risen rapidly in price, and that the decline reached the higher basis in two years ago in November and wheat having only a few days to run, a new high record for the season. When it is remembered that the general level of prices, as measured by the Dun's Index, has recovered about 15 per cent from the low point of last year, the present conditions now manifest do not seem surprising.

Steel Industry Still Active. From the standpoint of production, November closed with the steel industry at a strong position. Output at approximately an 80 per cent rate had not been expected this year, but is now reported, and further additions have been made to active plant capacity. A recent feature has been the development of more interest in the pig iron market, although actual contracts are still largely deferred. The price trend in this quarter, as for more than two months past, is downward, and a composite pig iron price is nearly \$8 a ton below the basis at the end of last September. For the first time in about a month, moreover, a composite finished steel price shows a recession. In the main, new business in steel is moderate, and mill operations are principally on accumulated orders. Even so, further additions to capacity, further demand for railroad equipment is noted, with \$4,000,000 in contracts taken this week in the Chicago district.

Inventory Period in Textiles. It is to be expected that the primary textile markets, and new business in this quarter is naturally quieter. Meanwhile, the further readjustment of prices has occurred on many finished goods, in keeping with the high levels of raw materials. The fabrics on which prices have been advanced include napped cottons and some of the specialties, and the trend of woolen prices is upward. With mills in a well sold position, additional contracts for early delivery cannot be taken in various instances, and the only offerings of some kind of merchandise have come from the inventory of stock. A more active spot demand for winter goods has followed the decline of the market, however, but the frequency with which small orders are placed indicates that retailers are hastening operations within conservative limits.

Hide Markets Depressed. A decided reversal of conditions has lately been witnessed in hide markets. Whereas the preceding week a moderate tor had been featured by active demand and rising prices, November has been conspicuous for a sudden lessening of business and appreciable price yielding. Requirements had evidently been largely covered on the previous buying movement, and tanners were not unreasonably disposed to postpone further commitments when they saw that the markets were beginning to weaken. The decline in some

Omaha Grain

Omaha, Dec. 2. Liverpool cables were higher and our grain markets displayed some steadiness in the early trading but week-end liquidation soon took the edge off the market and despite disquieting news regarding the growing wheat crop in Argentina, values dragged lower and closed about the lowest of the day. Long grain came out on the bulge and speculative trade was so light that the market was easily influenced.

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WHEAT. No. 1 dark hard: 1 car, \$1.17; 1 car, \$1.19; 1 car (smutty), \$1.15; 1 car, \$1.14. No. 2 dark hard: 1 car, \$1.17; 1 car, \$1.19; 1 car (smutty), \$1.15; 1 car, \$1.14. No. 3 dark hard: 1 car (smutty), \$1.16. No. 4 dark hard: 1 car (2 per cent heat damaged, live weevils), \$1.16.

Butter. Creamery—Jobbing price to retailers, extra, 50-55 lbs. tubs, 20-25 lbs. standards, 50c; firsts, 45c. The demand for butter is strong for selected lots of dairy, 20c for best packing stock; cheap and dirty considerably less.

Butterfat. Omaha buyers are paying around 44c per lb. at their country stations; delivered Omaha, or direct shipper price, 52c per lb.

Eggs. The price being paid for fresh eggs delivered Omaha, is around 45 cents per dozen, but the top price is being paid only for selected lots of extra quality; No. 2, and small eggs, about 25c per dozen. Receipts are light.

Poultry. The poultry market is unsettled. Prices have been low for several days past, but after heavy purchasing, however, are slightly higher. Local buyers are now paying close to the prices listed below: Live—Heavy hens and pullets, 13c; spring chickens, all sizes, 10c; old cocks, 8c; leghorn poultry about 3c; ducks, fat, full feathered, 15c; geese, fat, full feathered, 12c; turkeys, fat, 10c; guinea, 10c each; pigeons, doz., \$1.00. Sick, scrawny, and crippled poultry, not wanted.

Dressed—Prices being about as follows: No. 1 dry picked turkeys, both hens and young, 28c; old tom turkeys, No. 1, 25c; No. 2, 22c; No. 3, 19c; No. 4, 16c; ducks, fat, 20c; No. 1, 18c; No. 2, 15c; No. 3, 12c; No. 4, 9c; geese, fat, 15c; No. 1, 13c; No. 2, 10c; No. 3, 7c; No. 4, 4c.

OMAHA PRODUCE MARKET

(Wholesale.) By State Department of Agriculture Bureau of Markets and Marketing. Carlot potato report for 24 hours ending Nov. 30, 1922. Temperature and weather at 8 a. m., 33 degrees, and light. Seven Idaho, six Nebraska cars arrived. Forty-four cars, 11,000, 1 car broken. Supplies liberal. Demand and movement slow, market dull. Carlot market, Nebraska, Ohio, 8 cars, grade No. 2, two cars at 55 cents per cwt.

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This progressive company makes a specialty of handling consignments of all kinds of grain in the Omaha, Kansas City, Chicago, Milwaukee and Sioux City markets, and the large volume of business handled by us for country shippers on consignment is the best proof of our unexcelled service.

Our consignment departments are in charge of experienced, conservative men, who have had many years of experience and training in the handling of cash grain and who devote their entire time and attention to the handling of consignments for country shippers.

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Ample finances assure country shippers that drafts will be paid promptly and balance due always remitted with returns.

Advertisement for Victory Bonds, A to F, due December 15th. Includes text: 'Turn in Your Series A to F Victory Bonds', 'Chicago Grain Consignment Corporation', 'A Reliable Consignment House', and contact information for Omaha, Kansas City, Chicago, Milwaukee, and Sioux City.

Table with columns: Art, Open, High, Low, Close, Yes. Rows include Whl. Dec, May, July, Rye, Dec, May, July, Oats, Dec, May, July, Jan, Feb, Mar, Apr, May, June, July, Aug, Sept, Oct, Nov, Dec.

First National Bank of Omaha