

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. There are two divergent views now taken of the European situation and its reaction upon America. One is that war is impossible because Germany has neither money nor weapons to get the latter now that France is in possession of the great steel mills of the Ruhr.

The other view is that a nation that wants to fight can always find the means and weapons of war. That the imperial and militaristic party in Germany is now organizing for war and that when the time is ripe, it will be able to command the support of Russia, whose Germanized army of 1,200,000 men is well equipped and ready for action against France, when it is called upon.

Correct Theory Unknown. No one can say which of these theories is correct. It is doubtful whether the French government itself can foresee what will be the consequences of its present policy, or to what extremes it may carry the nation.

But here in Wall street we say "the ticker talks," which means that the course of prices reflects the significance of events more truthfully than the published news, and the decline registered last week in markets and francs, as well as in French national and municipal bonds is not reassuring to those who like myself, prefer to be optimistic.

It is therefore safer, though less agreeable, to take the gloomier view and consider what effect a war in Europe, if it occurs, will have upon American business. If happen we shall be mistaken and agreeably surprised by a spring time overhang the valley of the Rhine, our caution meantime will not have cost us much for the market are likely to continue in a state of suspended animation until the outcome is decided one way or the other.

Must Buy From U. S. The most important thing for us to bear in mind is that if war is renewed the belligerents will be compelled to buy largely of us. Just as Germany has already been compelled to buy English coal because France shut off the supply previously obtained in the Ruhr.

Table with 4 columns: Item, Last week, previous week, Last year. Rows include Bank Clearings, Business Failures, Federal Reserve ratio, Security Prices, etc.

Financial

New York, Feb. 4.—Wall street, and with it most of the foreign markets, appeared last week to have arrived pretty definitely at the conclusion that the aspect of the "Ruhr crisis," which financial markets had to consider, was the economic and not the political. The stock exchange, both of New York and Europe, had all along shown by their strength or their indifference that they were wholly skeptical over the earlier predictions of a German military uprising or a move by Russia to Germany's assistance.

Difficult to Analyze. In a situation of this sort it is never possible to determine how far a fall in exchange reflects political apprehension and how far merely economic misgivings. In the present case, however, the certainty of unpleasant economic consequences was admitted on all sides while the uncertainty of foreign political consequences was disappearing.

Last week's dispatches from responsible European trade circles reported steel and iron works in Lorraine and Luxembourg shutting down because of the stoppage of Ruhr fuel supplies. Industrial France was already handicapped in its own operations and no doubt could be entertained over the eventual consequences in Germany. Along with this, there had to be considered the effects of a mutual trade boycott on one another by France and Germany.

Question Open to Debate. This leaves it open to debate, exactly why so excessively violent a fall in the franc should have occurred on the news from the Ruhr. As against last week's low price of 8.754c, the franc stood at 8.770c last April and 7.80c at the end of 1922. Such a decline might reflect, like the fall of the German mark, rapidly increasing inflation or a rapidly increasing balance of trade against the country; but we have seen that neither cause has existed in the case of France.

Withdrawal of English or German or American funds from Paris banks, and their remittance to London or Berlin or New York, is one of them; it would at a certain point cause overwhelmingly large selling of French exchange. Speculation for the decline is another. It is healthy to temporarily apply to the exchange process of shifting credit balances from Paris to foreign markets, because no one can speculate for the fall in exchange on a given market except through directly or indirectly borrowing money in that market and then drawing away the proceeds.

Chicago Grain

Chicago, Feb. 4.—Practically all the surroundings in the wheat market are of a bearish character. With the exception of the possibility of a radical change in the foreign situation or a major crop scare in the winter wheat belt, there seems to be little in the situation at the present time on which bulls can base operations that would tend to bring about a material upturn.

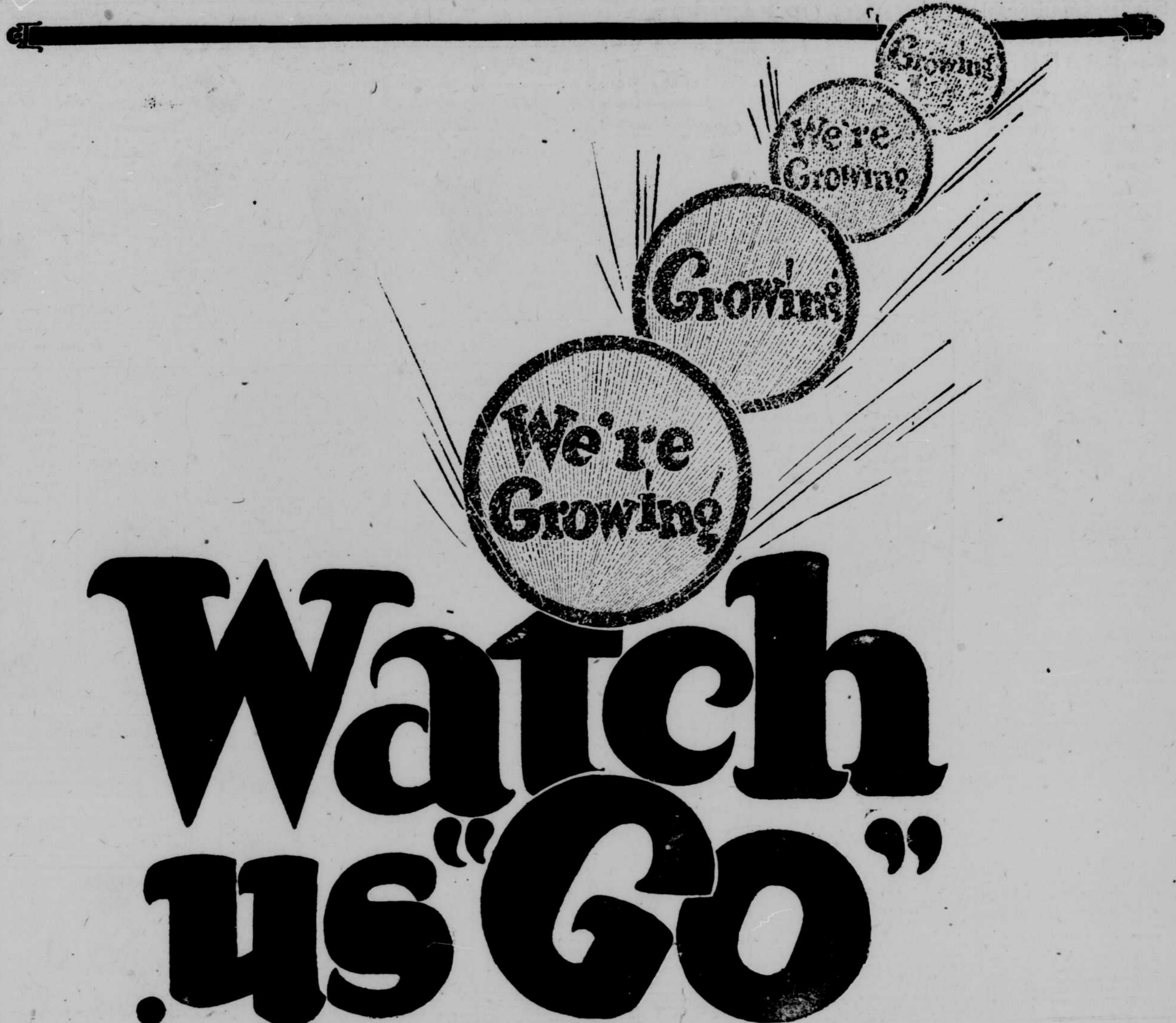
The mysterious buying of May wheat which checked declines time after time, is said by those in a position to know to have been backspreading between Chicago and Winnipeg, the buying having been done here. Millions of bushels were spread when the difference was 7@10c per bushel, and profits have been taken on an extensive scale of late.

Market Weakened. Technically the market has been greatly weakened by the buying, and while there is less hedging pressure than would normally be expected under prevailing conditions, the burden is gradually growing, and lower prices than heretofore witnessed would not surprise many traders before long.

Kansas City Grain. Kansas City, Mo., Feb. 5.—Cash wheat—No. 2 hard, \$1.10@1.14; No. 2 red, \$1.22@1.26; No. 3 white, 70c; No. 2 yellow, 71c@72c.

Minneapolis Flour. Minneapolis, Feb. 5.—Wheat—Cash No. 1 northern, \$1.14@1.18; May, \$1.18; July, \$1.17.

HOME LIFE INSURANCE CO. NEW YORK. Wm. A. Marshall, President. The 68d Annual Report shows—Premiums received during the year 1922—\$7,569,536



During January, just closed, The Omaha Bee gained in every department of Advertising, over January of 1922. The total gain paid advertising, less legal, in lines being 53,774. And during 1922 The Omaha Bee made very material gains in its circulation. The increase in the daily average being over 14,000 and the increase in the average Sunday circulation being more than 18,000.