

SHORT SELLING IS DANGEROUS WARNS BABSON

Millions of Dollars Threatened in Present Market, States Statistician.

—The recent bear raids in the stock market have led a large number of smart speculators to believe that good stock market days are over. Popular fancy in this quarter is turning to short selling. Since the technical position of the market is being undermined by this move, Roger W. Babson's warning against this practice issued today is particularly timely.

"I do not pretend to be able to forecast the short swings of the stock market," says Mr. Babson, "but I do know that the short interest developed since the recent bear raids—probably the largest in recent years—has reached a point where it is very dangerous. This is largely due to the fact that speculators all over the country have been carried away by the prevailing bearish propaganda and have gone 'short' just as they buy stocks when surface conditions look optimistic. It looks as easy to sell as to buy and it is my guess that the majority of these speculators do not understand the position that short selling places them in.

"You Stand the Loss."

"Let us see what happens if you gave your broker an order to sell 100 shares of some stock short, he actually borrows the stock from one of his other customers who owns it, or from some other broker. He actually sells this borrowed stock for you. You put up the cash to guarantee its present value or a margin deposit to protect your broker. If the stock happens to go up, you are called on for more margin. If you can't cover it, the broker buys the stock in at the market and returns it to the original owner. You stand the loss. So far short selling presents only the dangers attending ordinary marginal buying—a few points in the wrong direction and you are wiped out.

"It must also be borne in mind, however, that when you sell the stock and that you do not borrow it off any given time. The owner can call on you at any time for it and you must return it. If your broker can borrow some more for you some-where else, all right; but if he can't, you must buy the stock in the open market and return it no matter how high its price is. How much cash you have to protect your margins. Moreover, if these 100 shares pay a dividend which you are short of, then you must also pay that.

"Multiply your own short position by several thousand and the greatest danger of the practice is apparent. The short interest is very much larger than the number of shares of the given stock that are for sale. Prices advance two or three points and a few of the shorts cannot put up the increased margins. Brokers go into the market to buy the stock, to return it. The demand raises prices a bit then there are more shorts that are forced to cover. The market strengthens and brokers rush in to get the securities they must return—behold, there are no more for sale. Prices skyrocket and the speculators who were short are wiped out. It is interesting to note here that there is no limit to your losses on a short sale. If you buy a stock at 50 you cannot possibly lose more than 50 points, but if you sell it short at 50 it may go to 100 or 200 or even to 1000 and you must cover and stand the loss.

Short Interests.

"The short interests, for instance, were caught in Stutz in April 1922. The stock had been selling between 100 and 145. The moment the short sales exceeded the floating or available supply prices started to climb and went to 724. The N. Y. Stock Exchange then stepped in but the short interest had to settle at the rate of \$50 a share. The same stock may be had today around 29.

"More recently the corner in Piggly Wiggly has illustrated once more the extremely weak position of the speculator who is short. This stock had been trading between 40 and 64. The majority of the short interest probably sold it around 50. When the stock was called for there was none to be had. Prices soared and it was taken off the exchange. Settlement was finally made at the rate of \$100 a share.

"These spectacular cases illustrate

our point but do not represent the great losses resulting from short selling. Millions of dollars are endangered today on the short side of the present market, a growing accumulation that gets shakier as it piles higher. A rise of three to five points would start the drive that would practically wipe this interest out. Moreover, fundamental conditions do not indicate that business has gone to pot. Business is still good. Conditions are against the short sellers and their chances to win dwindle as the short interest grows.

"In fact general business, as reflected in the barometer, is still above normal by 4 per cent," concluded Mr. Babson, "and will doubtless continue into 1924. There is nothing in one fundamental situation to indicate that the stock market has reached its top. Short selling at best is dangerous—short selling against fundamental conditions is apt to be suicidal."

Waldo Stoddard Nominee For 1924 Junior Class Week-End Management

CORVALLIS, May 19.—Waldo Stoddard of La Grande, sophomore in commerce at Oregon Agricultural college, has been nominated for the office of junior week-end manager of next year's junior class. The meeting was featured by numerous withdrawals and declinations. An amendment to the constitution providing for having class nominations in the future follow student elections was passed unanimously by the class.

Stoddard is a member of Phi Delta Theta fraternity, Stafford Sadler of Corvallis and Max Turner of Pasadena, Cal., are the other nominees for junior week-end manager.

TO NAME FORD IF PRESIDENT

David S. Beach, Of a "New Party," Has it All Planned Out; Selects Cabinet.

(By Associated Press)

SALT LAKE CITY, May 19.—David S. Beach, of Bridgeport, Conn., aspires to be president of the United States, and Mrs. Beach wants the job as vice president. He has already selected his cabinet. In a letter received by state authorities here Mr. Beach stated that he and Mrs. Beach plan to run on the "People's National Independent Corporation ticket," and requested that the Utah ballots for the 1924 election be made accordingly.

Among the chief principles of the new party is the elimination of all state governments and governing the land under the central government.

In participation of occupying the White House, Beach informed the Utah state officials that his cabinet line-up will be as follows: secretary of state, Charles E. Hughes; secretary of the treasury, Henry Ford; secretary of war, General John J. Pershing; secretary of the navy, Theodore Roosevelt; secretary of commerce, Robert M. LaFollette; secretary of agriculture, William E. Borah; secretary of labor, John J. Davis; secretary of the interior, Hiram Johnson; postmaster general, Josephus Daniels; attorney general, Samuel Untermyer.

Blind Man Sponsors City Beautiful Plans

(By Associated Press)

TOPEKA, Kan., May 19.—The first campaign inaugurated by A. E. Van Patten, the newly elected president of the Chamber of Commerce here, who is totally blind, was one for the beautification of this city.

Despite the fact that President Van Patten is destined never to look upon the beauties of nature his campaign may bring out, he declares he appreciates his new honor as president of the local civic body mainly because it gives him the opportunity to sponsor a movement that has always been close to his heart.

A systematic organization for beautifying the city was perfected by Mr. Van Patten and includes ward and precinct committees, headed in each instance by someone vitally interested in the campaign, and also includes every school child in the city.

ANOTHER HEALTH CRANK

Louisville Courier-Journal: "I wish to get a coconut."

"Yes, ma'am. Here's one that's full of milk."

"But is it sterilized?"

Valor and Hope Winning Back Homes in France

PARIS, April 24.—(By Mail).—Of devastated France, it may be said today that, due to no small measure to the dogged fortitude and tenacity of its returned inhabitants, the area has nearly passed the crisis in its recovery from the wounds suffered through more than four years of systematic destruction. The 741,292 acre-wide estimates of various reconstruction agencies the end of next year, if all goes well, should see this vast area in the side of France practically healed with the exception of course, of some of the cathedrals and other historic monuments which never can be replaced.

Work Progressing.

A general idea of how the work is progressing may be had from the fact that 55,177 of the 741,292 dwelling houses which were crumpled by cannon have now been completely restored. Other forms of reconstruction are going forward, and in less than five years after the greatest military struggle the world has ever seen, more than 4,000,000 of the 5,000,000 terror-stricken people who fled from the German invader are back on the soil they love, and are beginning to catch a glimpse of normal, undisturbed contentment. While the world talks of reparations and the political aspects of the occupation of the Ruhr, these weather-hardened refugees are plugging away from sun to sun to restore their cottages and replant their gardens.

Ideal Exists.

This is their one object. True to the temperament of the average provincial Frenchman, these repatriated men and women want only the opportunity of remaking homes for themselves; places where they will no longer be patronized as refugees; places where they may till the soil and enjoy its fruits. They waste no time discussing the Ruhr, and are willing to leave such things to their political leaders if only they themselves may be left unhampered in their efforts to prosper the land which, once formed such a fertile part of France.

A correspondent of the Associated Press who has made a tour of the devastated regions comes away with the outstanding conviction that, of all the elements entering into the work of reconstruction, the greatest factor of all has been and still is the sheer will on the part of the people to restore.

Contrast Startling.

Although there are still many vivid signs of war, the contrast between the wartime aspect of the countryside and that of reconstruction is startling. There are great stretches of rolling, sun-kissed fields still so full of lead and steel and sawn shell holes that cultivation so far has been impossible; but there are everywhere stretches of green now carpeted with a fuzzy growth of green spring grain. There are miles of weed-grown hillside still matted with barbed wire, but there are also great piles of it that have been combed out, particularly from the Champagne-Dumes region, like tangled skeins of hair, and are rolled up along the roadsides to rust and disintegrate.

Business Prevails.

Everywhere everybody is at work. Adolescent striplings, who were mere children when the great exodus occurred and who are yet too young to do the heavy work of building, are following ox-drawn harrows over the fields while their sturdy, horny-handed fathers are lifting heavy beams and stones into place while their wrinkled but wiry mothers are

LA GRANDE MAN NOW ENROLLED IN CLASS

CORVALLIS, May 19.—Ted Hansen of La Grande, vocational student at Oregon Agricultural college, is one of the fifteen men now taking training at O. A. C. under the state industrial commission, according to Professor Frank H. Shepherd, director of vocational rehabilitation. All the men taking training under this commission were partially or totally disabled and are being trained for work to enable them to take their places again in industry at good salaries.

The men are nearly all registered in the school of agriculture. A great many of the courses are purely vocational. One student, H. W. Gott of Forest Grove, has been graduated from pharmacy, and F. B. Greene of Portland and Felix English of Salem

10 Year Forest Grazing Permits Are Approved

Beginning in 1923 a new policy just approved by the secretary of agriculture will enable stockmen using the national forests to secure ten-year permits for grazing their stock, in its own country.

according to notices just received at the Portland forest service office. A large number of the users of the national forests in Oregon and Washington will qualify for practically all of their stock under this new term permit arrangement. The plan will affect approximately a million head of sheep and over 200,000 head of cattle and horses in these two states. This period of assured use is double that heretofore allowed. The longer term permit is being granted largely for the purpose of enabling stock men who are dependent upon national forest ranges to better finance their operations, forest officials state. It will also encourage better management which will be possible under the certainty of a longer period of range use.

A dollar is not without honor, save in its own country.

C-T-C Tires Conserve The Car

Examine C-T-C Cords Then Make Your Own Driving Tests

THE beautiful, custom-made appearance of C-T-C Cords immediately appeals to the experienced motorist. Superior quality is apparent from the heavily fashioned bead down the specially constructed sidewalls to the powerful, clean-cut, heavily buttressed tread.

And behind that appearance is a quality in materials and hand-workmanship never before seen in tire building.

Then drive C-T-C Cords—using 30% less than the usually prescribed air pressure for cords, if you care to make riding more comfortable and to keep down car upkeep expense, and measure mile for mile the long-distance performance they will deliver.

Rough roads, steep hills and slippery pavements hold no terrors for C-T-C Cords. Traction and suction are both built in with the specially compounded road-gripping rubber in that massive tread.

C-T-C Cords 30x3 1/2 to 35x5; Fabrics 30x3 and 30x3 1/2 only. C-T-C Inner Tubes are the heaviest, strongest standard tubes on the market.

Harris F. French, Branch Manager, 1113 Washington Avenue, La Grande, Oregon Dealers Throughout the County.

Columbia Tire Corporation
PORTLAND, OREGON.
General Sales Offices: Broadway and Burnside. Factory: Columbia Blvd. and Mississippi Ave.

HIS MOVE

Ladies' Home Journal: Willie— "Won't your pa spank you for staying out so late?"

Tommy (whose father is a lawyer)— "Naw, I'll get an injunction from ma postponing the spanking and then I'll appeal to grandma and she'll have it made permanent."

Well, anyway, it enabled Europeans to borrow money to carry on their wars.

How to Buy Insurance



Property Vacated Means a Policy Voided.

Select an agency that will advise you and keep you out of trouble. Remember that if you vacate your property without notifying the agent your insurance policy will be void by the conditions of the contract.

Let This Agency of the HARTFORD FIRE INSURANCE COMPANY Advise You.

Security Insurance Agency

CHAS. H. REYNOLDS, Manager, La Grande, Oregon "Insurance With Service"

STANDARD LAUNDRY CO.

Send the soiled linen HERE and it will be laundered better and last longer—because of our careful methods, and A-1 equipment.

Phone MAIN 56

ROAD CONDITIONS IN EASTERN OREGON

According to the weekly report on the conditions of Eastern Oregon state highways, by the Oregon State highway commission, the roads in this section are in the following condition:

Oregon-Washington Highway

Pendleton-Washington State Line: Paved.

Pendleton-Pilot Rock: 5 miles good earth road; 10 miles macadam.

Pilot Rock-Vinson: 15.7 miles macadam in good condition.

Vinson-Butler Creek-Jones Hill: Hill: County road, very rough and rocky but passable.

Jones Hill-Heppner: Standard grade in good condition.

Heppner-Gilliam County Line: Entire distance macadamized and in excellent condition.

Gilliam County Line-Heppner Junction: Fair condition except on detours. Road down Willow creek to Heppner Junction is better than cut-off at Rhea Sliding; careful driving required. Construction work underway.

Old Oregon Trail—East of Pendleton.

Ontario - Huntington - Baker - La Grande-Mecham: Macadamized en-

tire distance and in excellent condition.

Mecham - Deadman's Pass: Approximately five miles new grade; remainder excellent macadam. Local inquiry should be made at La Grande or Pendleton before attempting trip over Blue mountains as rains may cause road to be blocked at any time.

Deadman's Pass-Pendleton: Excellent macadam.

La Grande-Joseph Highway.

La Grande-Island City: Paved.

Island City-Allece: Excellent condition.

Allece-Imbler: New grade in fair condition.

Imbler-Elgin: Old road over hill very rough but passable.

Elgin-Minam-Lostine: Macadamized and in excellent condition.

Lostine - Enterprise: Under construction; turn off at Wade's crossing and take hill road to Enterprise.

Enterprise-Joseph: Excellent macadam.

Baker-Cornucopia Highway.

Baker-Halfway: 19 miles macadam; 21 miles graded roadbed; balance fair county road. New grade on lower Powder River between Love Bridge and Black Bridge, now open to traffic.

Money No Measure Of Value

The value of telephone service cannot be measured in dollars and cents. No community without telephone service can exist in competition with another community that has telephone service.

Home Independent Telephone Co.

Why Rebuilt Franklins Offer You Big Value for Your Money

Many Franklin owners drive their cars five, six and even ten years.

Some others trade in their Franklins every year or two.

The cars which are traded in after one, two or three years use, possess the same performance qualities and durability as the ones which remain in the hands of original owners for long periods. They have all the unusual characteristics which have made the Franklin famous—air-cooling, which eliminates all radiator trouble; comfort in riding, ease of handling and road-ability which is unequalled. They are capable of rendering to someone a most satisfactory service for years to come.

They possess the economy in operation for which Franklin cars are noted—big mileage on gasoline and tires. The used Franklins which we trade in are put in first class condition in our shops. The purchaser of a used Franklin receives the same attention and courtesy and service from us that is accorded the buyer of a new car.

We have for sale these two models just out of our shop:

1919 SEDAN	1919 4-PASSENGER
All new tires, new paint, license, upholstery like new.	Five wire wheels, all new tires, license, new top and paint. A wonderful road car for
\$1350	\$985

W. H. Bohnenkamp Co.