

**BUSINESS AND SECURITIES  
DURING THE YEAR 1922**

Wellesley Hills, Mass., December 20, 1922. "What's going to happen in 1923?"

That question is uppermost in the minds of 1,000,000 American businessmen and investors who are facing the problem of making plans for the New Year.

Signs are not clear and the usual barometers seem to contradict one another.

In the face of this general confusion we had best fall back on the facts and figures. After a thorough study of the fundamental conditions that govern our market, Roger W. Babson today issued a statement which clears the air and furnishes a basis of fact for your plans.

"We are now at a point in the business cycle," says Mr. Babson, "where you can get almost as many different opinions as there are businessmen. Some are very bullish for the coming year, and others cannot see much hope for business. The reason for such a situation is that we are at present neither at the top of a boom nor at the depth of a depression. If we were at either of these extremes there would be no question of what the next move would be. As it is, we are about half way between them."

"During the past year United States business has steadily advanced until the average for the whole country is what we usually call 'normal' business. Having advanced thus far, shall we immediately continue into a great prosperity period or shall we go into another period of depression and poor business as some predict?"

"If you will only remember the five years preceding 1921 and recall what an enormous orgy of expansion existed, you can see for yourself that it will take some time to get a proper foundation for really good business. We danced during those years, and now we must 'pay the fiddler' his complete bill. Business has really been like a convalescing patient. Everything will go well with the patient if he does not try to get out of bed too soon. If he tries to overdo he will have a relapse. We now have passed the most painful part of the readjustment. The crisis is over, but a process of cost reduction and re-balancing is necessary."

**Price Spread is Wide**

"Today a wide disparity exists between prices of different commodities, and particularly the spread between producers' and consumers' goods. This is a brake on trade. One half of the people cannot earn enough to buy the goods that the other half has to sell. There are one hundred and six million people in the United States and fifty per cent of them get their living from producing and distributing raw materials. It has thus far been impossible to reduce the prices of finished consumer's goods to meet the cuts on these raw materials. The purchasing power of these people is out of its natural proportion.

"It is not entirely a matter of reducing wages, although labor costs are a large factor, nor is it entirely a matter of inefficient management. No, the problem of high costs is not a problem of any one element; and readjustment can come in only one way—drastic competition. All this will take further time.

"Does this mean that there will be no opportunities in 1923? Not a bit! There will be just as many chances to make money as in any year you ever lived. It will be possible for you to make as much during the next twelve months as in any year of your business life, but it will not be along the lines which made money in 1919 and 1920, or in any other boom year. The profits in 1923 will come by giving attention to details, by stopping the little leaks, by saving here and there thru new labor-saving inventions, and most of all, by devising new and more economical means of distributing goods. This was not at all the situation during the business boom. Then the man who stopped to prevent small leaks found himself caught by the momentous rise in prices and changes in general conditions.

"Those days have passed. They were wild and merry while they lasted. Now business has come back to earth. In most industries, an excessive producing capacity was created. During the boom, overhead costs were increased to keep up with an abnormal turnover. Today the amount of business has dropped back more nearly to normal, but costs have not been proportionately reduced. Higher wages, higher rents, more expensive sales organization—in fact, nearly every item of expense is out of proportion with the amount of business done.

"Instead of wild gyrations in the commodity markets, the average

trend thruout the coming year should be more of a sidewise movement. Some commodities are high and others are very low, but the majority at present are about 15 per cent above their levels a year ago. A year from now we shall probably find them averaging at about the same levels they stand today. In between, there may be a further rally from the low of 1922, and agricultural products certainly will do better."

**Earnings Will Be Higher**

"Earnings," continued Mr. Babson, "should average somewhat better than in the year just passed. A survey of 100 leading industrial companies, recently made by my organization, showed that in 1919, 96 per cent of these companies made a net profit, while only 4 per cent showed a deficit. In 1921, the number of firms which could show a profit was cut down to 48 per cent. Over half, or 52 per cent of these industrial concerns lost money on their year's business. 1922 has witnessed a change from red ink figures, but the amount of net profits will not be large when the books are finally balanced. We are just getting back onto the right side of the ledger.

"The shortage of labor is one of the worst features of the 1922 outlook. The moment that business works up to average activity it becomes impossible to get sufficient workers. This raises costs and in turn increases commodity prices and the cost of living. The immigration law is largely the cause of this shortage. This law restricts the number of immigrants in a single year to 3 per cent of the total number already in the United States. Before the war we had an addition of million immigrants a year. Now we are receiving less than 300,000 and at least 60 per cent of these are women, children or other dependents. On the other hand, I doubt if the repeal of this 3 per cent immigration law is the proper solution of the present labor shortage.

"The real solution is not the repeal of the present immigration law but rather the repeal of the Contract Labor Law for as long as the 3 per cent law remains in force. This would make it possible for employers to promise selected foreign workers employment before leaving their own homes. The moment that the immigration law is repealed the Contract Labor Law can again be applied.

"There should be no great difficulty in getting ample supplies of bituminous coal this winter. The car shortage is diminishing somewhat. Ample supplies of bituminous coal are being produced suggesting lower prices. The mischief of this situation lies in the fact that it will again be to the advantage of both miners and operators to close the mines for a time. The difficulties which brought on the strike last year have not been settled. There is serious danger of another strike in the soft coal fields.

"Everybody is worrying about the political situation. There is talk of radical legislation during the coming year. Most of this is merely the echo from campaign speeches. It may be a noisy year. Both the Conservatives and the Radicals have a veto power, but neither is strong enough to push thru any extreme measures of its own. The only kind of legislation that will really be enacted is that which will appeal to members of both groups. Already the Federal Reserve Board has issued a ruling, admitting a large amount of agricultural paper for rediscounting in the Federal Reserve Banks. The Muscle Shoals problem will probably be settled, either by sale to Henry Ford or by development on the part of the government itself. The Soldier's bonus will probably be enacted, although no agreement as to the terms or means of raising the money has yet been made. It is improbable that there will be any increase in the amount of business taxes.

"The political aspect has frightened many stockholders, but it is entirely too early to be worried. The thing to watch is fundamental conditions. We are still in a readjustment period. This means that sooner or later we shall work toward better prosperity. It is true that industrial stocks are much higher than a year ago and are certainly not the bargains that they were. However, as I have already stated, certain lines of industry are just getting ready to go forward. The industrial market will be spotty, but there are a great many issues that should do better in the coming year.

"The rail group is, relatively, not so far advanced as the industrials. I do not believe that rails should be bought indiscriminately, but the rail average will follow up the general market. I am more attracted to the long-haul roads than to the shorter lines. The motor truck is a feeder for the former; but a competitor of the latter. Copper stocks

have really not started yet, but the statistical position of the metal is far better than it has been for some time. Coppers, certainly, are selling at bargain levels.

"Money conditions should continue good. There is no question that the banks are in a strong position. The Federal Reserve Banks today have reserves equal to about 76 per cent of their note and deposit liabilities. The reserve required is between 35 per cent and 40 per cent. It is true, that when foreign countries begin to get on their feet, it will be necessary to send much of this gold back. For the present, however, this gold represents the basis on which a considerable expansion of credit can be built. It guarantees to us a relatively easy money rate, until heavy gold exports are resumed. During the coming year, borrowers need have little fear of lack of funds for all legitimate purposes, and this also applies to long-term money, that is, capital for permanent investment. Mortgage rates during 1923 should work lower. Today, the average rate of real estate mortgages thruout the United States is between 6 and 7 per cent. The time is not far away when this average will stand between 5 and 6 per cent.

"Of course, the ease of the money market is distinctly favorable to long-time bonds. There is a point in the business cycle when industry becomes so active that money is absorbed by trade. When this occurs bonds are sold and develop a downward tendency. This point in the cycle has not yet appeared. Moreover, history shows that following the Civil War bond prices, barring temporary fluctuations, rose for a long period of years, the advance culminating about 1900. From this point, a descent was gradually made to a low point at the end of the European War. Since this low point, history is repeating itself, bonds having reached a middle ground, but still far below the 3.80 or 4 per cent basis of the 1900 period. All these factors suggest that well selected bonds, both municipal and corporation, are a distinct purchase.

"Bonds money," concluded Mr. Babson, "are certainly sound factors in the situation. As for business as a whole, there is no doubt that it will average better this coming year than it did in 1922. This does not mean that there will be any boom, but that there will be plenty of money making opportunities for those who know fundamental conditions."

General business according to the index of the Babsonchart stands at only 2 per cent below normal, the same as a week ago.

**FOR SALE**—Modern house, attractive home close in. A bargain. See W. L. Turner. 52tf.

Suitable for Bread, cake or lard containers. Sugar Bowl.

**SOUTHEAST UNIT DRAINAGE DISTRICT**  
**NOTICE OF ELECTION**  
NOTICE IS HEREBY GIVEN, That a meeting of the land owners within the SOUTHEAST UNIT DRAINAGE DISTRICT, in Malheur County, Oregon, is hereby called to meet at the residence of C. W. Garrett, in Section 12, T. 18 S., R. 46 E., W. M., in said District, on Saturday, the 30th day of December, 1922, at the hour of 2 o'clock P. M. for the purpose of electing two supervisors for said District, one to serve for the term of two years and one to serve for the term of three years.

By order of the Board of Supervisors.  
Dated this 11th day of December, 1922.  
O. E. CARMAN,  
Secretary, Southeast Unit Drainage District.  
First publication Dec. 14, 1922.  
Last publication Dec. 28, 1922.

**NOTICE TO CREDITORS**  
IN THE COUNTY COURT OF THE STATE OF OREGON FOR MALHEUR COUNTY  
In The Matter of the Estate of Herman Thomas Bierman, Deceased  
Notice is hereby given by Frances Josephine Bierman, administratrix of the estate of Herman Thomas Bierman, deceased, to the creditors of, and all persons having claims against, said estate, to present such claims, with the necessary vouchers according to law, within six months after the first publication of this notice, to Frances Josephine Bierman, administratrix of the estate of Herman Thomas Bierman, deceased, at the law office of W. H. Brooke in Ontario, Oregon.  
The first notice hereof is published this 14th day of December, 1922.  
FRANCES JOSEPHINE BIERMAN,  
Administratrix of the Estate of Herman Thomas Bierman, Deceased.  
Last publication Jan. 13, 1923.

**Attention  
Sheepmen**

I can save you \$2.50 per ton on your hay with Fordson Tractor and Hay Grinder. We take what you save the first year for pay. **V.B. STAPLES** Ford Garage

**NOTICE TO CREDITORS**  
Notice is hereby given that the undersigned, has been appointed as Administrator with Will Annexed of the Estate of Elsie A. Fairchild, deceased, by the County Court of the State of Oregon for Malheur county. All persons who may have any Claim against the estate of the said deceased are hereby notified to present the same duly verified as by Law required, to the undersigned at my office in Ontario, Oregon, within six months from the date of the first publication of this notice.  
C. McGonagill,  
Administrator of Estate of Elsie A. Fairchild, deceased, with Will Annexed.  
Date of first publication, Nov. 30, 1922.  
Date of last publication, Dec. 28, 1922.

**SUMMONS**  
IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR MALHEUR COUNTY  
RICHARD L. SCOTT, Plaintiff,  
vs.  
ELIZABETH JOHNSON, MAUD CAMMANN, MONA CAMMANN, FLORENCE BRASWELL, heirs at law of Franklin Camman, deceased, and to the heirs both known and unknown of Eliza Ellen Westfall, Defendants.  
TO ELIZABETH JOHNSON AND TO ALL OF THE HEIRS OF ELIZA ELLEN WESTFALL, Deceased.

You and each of you are hereby required to appear and answer the complaint filed against you in the above entitled court and cause, on or before the expiration of the time prescribed in the Order for Publication, to-wit:  
On or before the expiration of six weeks from the date of the first publication of this summons, and if you fail to answer for want thereof, plaintiff will apply to the Court for the relief demanded in said complaint, to-wit: For a decree of this court decreeing the plaintiff to be the owner of the following described real property.

The South half (S½) of the Southwest Quarter (SW¼), the Northwest Quarter (NW¼) of the Southwest Quarter (SW¼) of Sec. 18; The Northeast Quarter (NE¼) of the Northwest Quarter (NW¼) of the Southwest Quarter (SW¼) of the Southwest Quarter (SW¼) of the Southwest Quarter (SW¼) of the Southeast Quarter (SE¼) of Section 19; The Southwest Quarter (SW¼) and the Southwest Quarter (SW¼) of the Southeast Quarter (SE¼) of Section 19; and that tract of land commencing at the Southeast corner of Section 19; running thence North on Section line to Bully Creek; thence up the bed of Bully Creek to a point where the North line of the Southeast Quarter of the Southeast Quarter (SE¼SE¼) of Section 19 crosses said Bully Creek; thence West to the Northwest corner of the Southeast Quarter of the Southeast Quarter (SE¼SE¼) of Section 19; thence South to the Section line; thence East to the place of beginning, containing 25 acres and the whole of said land containing 225 acres, more or less, all being in Section 19, Township 18, South, Range 41 E. W. M., Malheur County, Oregon, together with the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, including all water rights; and forever foreclosing and barring all their right, title, and interest of defendant Elizabeth Johnson and all of the heirs, both known and unknown of Eliza Ellen Westfall, in and to said described property, and for such other and further relief as to the Court might seem meet and equitable in the premises.

This summons is published pursuant to an order of the Honorable Dalton Biggs, Circuit Judge, made and entered on this 20th day of December, 1922, the first publication thereof is made on the 21st day of December, 1922, and the last publication thereof, on the 1st day of Feb., 1923.  
P. J. GALLAGHER,  
Attorney for plaintiff,  
residing at Ontario, Oregon

"See McFall and See Better"  
**DR. J. A. M'FALL**  
Eyesight Specialist, Ontario, Ore. Phone 147J  
WE GRIND OUR OWN LENSES

**Holiday Rates**  
Between points on  
**Oregon Short Line Railroad**  
December 22-23-24-25-29-30-31  
and January 1st  
LIMIT JANUARY 3D  
D. S. SPENCER  
General Passenger Agent  
SALT LAKE CITY  
Consult Local Agents

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Taste is a matter of tobacco quality  
We state it as our honest belief that the tobaccos used in Chesterfield are of finer quality (and hence of better taste) than in any other cigarette at the price.  
Liggett & Myers Tobacco Co.  
**Chesterfield CIGARETTES**  
7 Billion!  
Over 7 billion Chesterfields are smoked every year—20 million every day  
**Chesterfield CIGARETTES**  
Liggett & Myers Tobacco Co.  
Mrs. Lott Johnson is now prepared to do sewing at residence two blocks north of west-side school. Phone 87 M. 52 4t  
**FOR SALE**—Two cars dry land rural seed potatoes, field selected and rogued \$1.50 per 100. Ell Keller, Ririe, Idaho. 52 6t\*  
**FOR SALE**—5 room shingle bungalow with 4 lots and garage. 3 blocks north and 2 west of High school. Price \$1000. Easy terms. Write C. A. Carter Box 972, Boise, Idaho. 50 7t.  
**FOR RENT**—Six room modern furnished house. Call 74 M. 3