

NEWS OF THE FINANCE, INDUSTRY AND ENTERPRISE WORLD

Edited by W.H.F. Hession

THREAT OF COAL STRIKE BELIEVED TO BE 'FRAME UP'

Wall Street Thinks Radical Labor Has Joined Unscrupulous Mine Owners to Bleed Public More.

NEITHER SIDE COULD PROFIT

Indigent Would Suffer for Want of Coal and Operators Would Be Forced to Use Fuel Oils.

By Broadan Wall

New York, Oct. 27.—That there will be no coal strike is the belief of persons best informed in financial and labor circles. There is a very strong impression that the threat of strike is what the police call a "frame-up" between certain coal operators and radical labor leaders in order that the price of coal may be advanced. This theory is strengthened by the fact that most of the respectable labor people do not want a strike.

They say that a coal strike would not injure the man on Fifth avenue, nor any member of the so-called "capitalist class" but would immediately seriously injure the wage earners in every department of industry. There are millions of toilers who lack either the foresight, the money or the storage place to lay up a winter's supply of coal. They would begin suffering immediately as a result. They would also be the first to suffer as the country after another shut down for lack of fuel. There would be a reaction in the ranks of the union labor fatal to the ambitions of the radical leaders.

"FRAME UP" SUSPECTED

This is the labor point of view. The capitalists of the "industrial" do not want a strike, because they know fuel oil would replace coal in thousands of factories, and where once installed it never can be dislodged. This idea that talk of a coal strike is only a bluff to cover up an advance in prices is not complimentary to either capital or labor, but unfortunately it is the leading opinion in this case.

With danger of a coal strike out of the way, there is pretty clear sailing for the stock market.

Even if there is a strike it would be short lived. Next in importance to the labor situation, which from a stock market point of view may be accepted as a vanishing factor, is the question of taxation. The cost of the war is a fact that must be faced and it is also a fact that future generations will be saved from a bad situation. It is only fair that a large part of the cost be passed on in the shape of bonds.

TAXES MAY BE TOO HEAVY

If the attempt is persisted in to pay the whole cost of the war in the present generation most of the fruits of the war will be lost, not only to this generation, but to the future. It is all right to make Germany pay through the nose, but the civilized nations should not be bound down with heavy taxes. These taxes are the direct cause of the high prices that seem to justify the charges of profiteering. For it must be remembered that the manufacturer must give anything from a quarter to two thirds of his profits to the government in the shape of taxes. In the hope of keeping himself what he thinks is a fair profit he loads his selling price with enough to give him his profit after handing most of the profit to the government. The thing is interminable. Everybody is doing it from the humblest laboring man to the highest capitalist.

All are guilty and all are innocent. It is waste of energy to be denouncing profiteers. By revising the tax rates and bonding a larger portion of the war debt, prices can be reduced materially and immediately. This is to be done.

NEED PLentiful MONEY

Money is the next consideration in Wall street. The peak of the crop moving period is over. There are many natural reasons why money should be more plentiful.

After many months of hopelessness the railroad stocks seem at last to be emerging into speculative daylight. They cannot be considered as investment issues, but with the promise of passage by congress of the Cummins bill railroad stock may properly be considered from a speculative point of view. They are not as safe even as speculations as the industrials, but a good many people are pining for activity in the railroad list, and will probably get it soon.

In the manufacturing industries the important developments of the last week have been a radical advance in the price of cigarettes, and the further getting together of the textile manufacturers.

Spokane Bank Leads In Long-Time Loans For Farm Purposes

During the month of September 1919, an aggregate of \$5,400,260 was lent to 2841 farmers of the United States by the Federal Land banks on long time first mortgages, according to the monthly statements made to the farm loan board. The Federal Land bank of Spokane leads in the amount of loans closed, the same being \$1,956,750, with the Federal Land bank of St. Paul running next in amount, \$1,044,200. The other banks closed loans in September as follows: Houston, \$922,225; Wichita, \$781,800; Louisville, \$715,700; St. Louis, \$705,875; Omaha, \$689,400; Baltimore, \$677,300; Springfield, \$542,200; Berkeley, \$439,300; New Orleans, \$462,225; and Columbia, \$447,775.

Lumbermens Trust Sells All Holdings In Several Blocks

Since the publication of its general offering circular early this month the Lumbermens Trust company has sold all of its holdings in 15 blocks of municipal bonds, nine blocks of corporation securities, and five blocks of foreign government and municipal bonds. Substantial sales are also reported covering the other securities on the current offering list and in several cases new issues purchased since the first of the month have been entirely disposed of to investors.

LABOR TROUBLES IN JAPAN WORSE THAN THOSE HERE

New Association Called "Kyochu Kwai" Formed to Settle Capital and Labor Disputes.

In a letter received by E. G. Crawford, first vice president of the United States National bank, from a member of one of Japan's leading banking institutions, under date of Sept. 15, the labor situation of that country is one of grave concern. A description of the conditions reads as follows:

"Overshadowing all questions in the empire during the month just closed has been that of the labor situation. The strikes among workers at the government arsenals has been settled for the time being, but there is still dissatisfaction among the workmen. COMPANY HELPS POOR

"The Kanagafuchi Spinning company has done much for the improvement of the condition of labor in Japan. It has set aside large amounts for the relief of its workmen in times of distress, and, not satisfied with benefiting those at present in its employ, has recently offered to lend reasonable assistance to anyone who has ever been in the employ of the company and who may now be in need of help because of lack of employment, sickness or inability to meet living obligations on account of rapidly advancing prices. The welfare work of this company includes medical attendance for sick employes, a hospital, theatre, lectures, amusement halls and educational features, and their workmen are generally looked upon as receiving the best treatment of any workmen in Japan.

translated, means 'An association for the conciliation of labor and capital.' "The prime minister set forth the needs of the workmen and the necessity of bettering their condition, and asked the capitalists present to contribute toward a fund for this purpose. Subscriptions to the amount of 3,500,000 yen were taken at the meeting, and as a number of capitalists from Kyoto, Osaka and other cities, who had been invited to attend the meeting, were unable to be present, it is thought that the prime minister will have no difficulty in raising the remainder of the fund—3,000,000 yen—making a total of \$10,000,000 yen.

STRIKING OPPOSED

"Baron Shibusawa is the leading spirit in this movement, and, while he favors the inauguration of labor unions, he condemns strikes as a method of accomplishing desired ends. Baron Shibusawa believes that the association above referred to—the 'Kyochu Kwai'—should be an effective organization for the conciliation of misunderstandings and diffidence between labor and capital, but the criticism has been raised that the organization is too largely composed of men of capitalistic sympathies, and some have been invited to join the association have refused on this ground. Hopes are

entertained, however, that the organization may be so formed that it will constitute a real board for the consideration and adjustment of differences between these two factors of constructive force—capital and labor."

Morris Bros. Get Bond Issue The Morris Brothers were the successful bidders for the recent issue of \$100,000 worth of Baker county road bonds. Twelve firms presented bids and the best premium offered was that of the

buying firm of \$785.55. Ralph D. Moore represented Morris Bros.

LIBERTY BOND SALES Table showing Liberty bonds sold in New York market at the following prices: Monday, 3 1/2% \$100.70, 4% \$100.70, 4 1/2% \$100.70, 5% \$100.70, 5 1/2% \$100.70, 6% \$100.70, 6 1/2% \$100.70, 7% \$100.70, 7 1/2% \$100.70, 8% \$100.70, 8 1/2% \$100.70, 9% \$100.70, 9 1/2% \$100.70, 10% \$100.70.

PACIFIC COAST BANK STATEMENT Table showing clearing balances for various banks: Portland Banks, Tacoma Banks, Seattle Banks, San Francisco Banks, Los Angeles Banks.

\$250,000,000 United Kingdom of Great Britain and Ireland Ten-Year 5 1/2% Convertible Gold Bonds, Due August 1, 1929 and Three-year 5 1/2% Convertible Gold Notes, Due November 1, 1922 Dated Nov. 1, 1919. Interest payable Feb. 1 and Aug. 1. Direct Obligations of the Government. We are advised that the Bonds and Notes are legal investments for savings banks in California, Connecticut and Vermont. Principal and Interest payable in United States Gold Coin at the Office of J. P. Morgan & Co. without deduction for any British taxes, Present or Future. COUPON BONDS IN DENOMINATIONS OF \$100, \$500 AND \$1000, REGISTERABLE AS TO PRINCIPAL. COUPON NOTES IN DENOMINATIONS OF \$100, \$500 AND \$1000.

Rate of Exchange based on sale of National War Bonds at 100 Based upon maturity value of 105. Table with columns: Rate of Exchange, Amount Realized (Based on Sales, Based on Maturity). WE OFFER THE ABOVE OBLIGATIONS FOR SUBSCRIPTION AS FOLLOWS: Ten-year Bonds at 96 1/4 and interest, yielding over 6%. Three-year Notes at 98 and interest, yielding about 6 1/4%. Subscription Books are now open at the office of J. P. Morgan & Co., and will be closed in their discretion. THE RIGHT IS RESERVED TO REJECT ANY AND ALL APPLICATIONS, AND ALSO, IN ANY EVENT, TO AWARD A SMALLER AMOUNT THAN APPLIED FOR. Amounts due on allotments will be payable at the office of J. P. Morgan & Co., in New York. Funds to their order and the date of payment (on or about November 1, 1919) will be stated in the notices of allotment. Temporary obligations of the Government, or trust receipts of J. P. Morgan & Co., will be delivered pending the engraving of the definite obligations.

Government Bonds

Right now international conditions enable the investor to buy GOVERNMENT BONDS at prices which will net much higher rates of interest than in normal times. This is due to a number of existing conditions, but chiefly because an inflated prosperity has compelled interest rates for money to increase. In other words, if a dollar has but a fifty-cent value when it comes to its purchasing power, then the interest rate on that dollar goes up as its value decreases. Consequently, Government Bonds now bring from 3 1/2% to 6 1/4% interest, whereas in normal times they are eagerly absorbed on a 2 1/2% to 3 1/2% basis.

Government Bonds have behind them all the taxable resources of the respective country issuing the bonds. Every farm, mine, home, industry and business enterprise; every piece of taxable property, all the revenue derived from any and all sources is behind Government Bonds—is pledged to pay both interest and principal as they become due.

For over a quarter century we have devoted ourselves to the bond business, handling countless issues of both Government and Municipal bonds. During this entire period not a single one of these bonds has ever defaulted in the payment of either interest or principal. For this reason we know them to be the world's safest investments.

There are two things a man can't dodge—death and taxes. Government Bonds are paid by taxation. They are as safe as the country itself which issues the bonds.

The full faith and credit—the whole economic life of a nation is back of Government Bonds. The indomitable spirit of a people, united by patriotic and sentimental devotion—a devotion which meets either life or death with the conviction that national honor is personal honor—makes Government Bonds as secure as the spirit of national pride is undestroyable.

Now is the time to invest your money in Government Bonds—the outstanding and matchless investment securities.

We are participants in the Morgan syndicates.

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