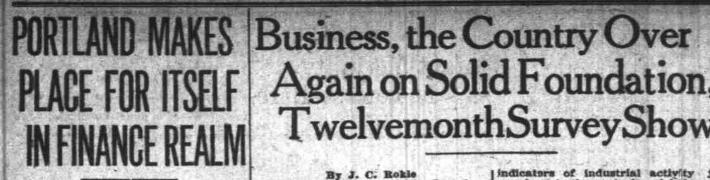
THE OREGON SUNDAY JOURNAL, PORTLAND, SUNDAY MORNING, DECEMBER 31, 1922.



## Securities Market Here Gives Impetus to Development of Investment Banking Business

Portland has become one of the greatest financial centers of the coun-

No boom is in prospect. There are no indications of frensied price move-ments. Competition will be keen and try and fortunately for the well being of the community the temperament of its investing public leans strongly toward conservatism. Securities which profit margins will not be great. But there is every indication from present find a ready sale in this territory are for the most part of a good class and productive of thrift and conservation of savings. The blue sky law has conditions that business activity will continue to increase and the level of industrial and commercial prosperity will continue to rise at least for the next six been effective in keeping out of Ore-son a vast quantity of worthless months.

stocks which otherwise would be offered on the local market, and another important factor in preserving the integrity of the local securities market has been the educational work carried on by the investment bankers. No startling or unusual slutation de-

veloped in the bond business during 1922. A general and steady rise in bond prices began in. February and continued throughout the spring and ummer, reaching its high point about ness.

the middle of September. A general slump in prices set in about September AT NEW NORMAL 15 and continued without any general This country, right now, is experience sign of recovery until the middle of ing a greater prosperity than its citizens generally realize. The pendulum November. Since November 15 the

general tone of the market has of business is hovering at or near that strengthened. Prices have not at new normal mark which this year's tained the high point reached in Sepprogress has established. That pendulum is never still. Careful examination the recovery has been marked and indications are that the of conditions in every section of the sharp recession of the early fall was country indicates that the upward sharp recession of the early fall was merely a temporary decline in the swing of prices and production has not been completed. Its momentum bids seneral upward trend of bond prices and the lowering of interest rates on fair to carry it on for another six months at least, and perhaps longer. long time financing. Any swing back probably will be at the

regulated limits.

FACTORS IN IMPROVEMENT

Three great factors have marked the

lifference between the depression of

READY MARKET During the first months of the year

approximately \$4,000,000 of Oregon county bonds were sold to Portland dealers and distributed for the most part to investors in the Northwest. The fact that, with lower interest rates, a large proportion of Oregon bonds, school district bonds, and the securities of smaller municipalities throughout the state continues tion and management. o find a market in the Northwest, is an encouraging feature of the year's activity. The situation compares favorably with that of a few years ago, when most of these securities were purchased for eastern accounts.

There seems to be a gradual realizanot move, clogging their advance. tion on the part of local investors that our own municipals are a spleniid investment, even at a comparatively low interest return. The majority the city of Portland issues, with the exception of improvement bonds, till seeks a market in the East and obtained at cheaper prices. Buying Middle West and this also is true of

Oregon state highway bonds. bonus bonds, BASIC INDUSTRIES of soldiers' mounting to \$15,000,000, was the largest financing operation undertaken by the state during the past year. A relatively small part of the issue was elatively small part of the issue was pold to Oregon investors, most of the ecurities going east for distribution. Local investment bankers were instrumental in organizing syndicates consisting of their own firms and eastern

and California associates, so that the state received good prices for the two issues of bonus bonds. issue and the \$15,000,000 Cudahay Over \$2,000,000 of Oregon irrigation district bonds have been sold during Packing company issue.

the year, most of them being distribto Pacific coast investors. Gen-

Again on Solid Foundation, TwelvemonthSurveyShows

indicators of industrial activity just as wheat is the agricultural index, has By J. C. Rokle Special Correspondent of The Journal (Copyright, 1922, by The Journal)

(Copyright, 1922, by The Journal) New York, Dec. 80.—The year of 1922 has seen the unscrambling of virtually every great industry in the United States. Business, which for a time rested on the scaffolding and false work of abnormal and sub-normal con-ditions, again is on a sound, solid and of output and for some months have been turning out products at or above 100 per cent of normal. litions, again is on a sound, solid and

permanent foundation. UNEMPLOYMENT DECREASES

Unemployment was a pressing prob-em when 1922 opened. States, municipalities and social and charitable or ganizations were asked to cooperate with the federal government in meet ing it. Today, unemployment prac tically has disappeared. There is a ob for every man who wants one and score of employers to beg him to take So great has been the demand fo

New standards of comparison have been adopted. Merchants, manufacturabor, both skilled and unskilled, that ndustries are still raiding each other ers, farmers and business men in every for men, and scores of enterprises are line have realized at last that neither nampered in their progress by inabilthe pre-war days of 1914, the flurried ty to obtain the workers they need. production of the war period, the hectic Wage advances were an inevitable activity and tremendous profits of the insequence of these conditions. The years immediately after the armistice nor the dark outlook of the years of depression and deflation extending to United States Steel company set the pace for the industrial world by an ad-vance averaging 10 per cent. This ex-ample was followed in hundreds of the beginning of this year represent any longer the normal level of busi-

other industries. In the building trades, skilled artisans have been able almost to name their own terms. Pay-rolls jumped forward in steps of millions monthly and buying power was S. P. & S. systems for joint usage thus increased far beyond any expecta- of passenger and freight terminals on tion this existed at the opening of the west side.

the year. BUYING POWER INCREASED This increase in the volume of money vailable for individual purchases was not confined to wage earners. In-comes of investment holders were increased not only by the general betterment in business conditions, but also by the return to a dividend basis of same steady pace as the advance and will be confined within the same well

ment of plans for joint freight and joint passenger facilities were ancompanies which had reduced or sus-The freight terminal was proposed pended dividend distributions, and by for the Guild lake section and the increased payments by others which had been swept forward on the crest first unit was completed this year at

of the business tide. AN AGGRESSIVE WEAPON

1921 and the prosperity of 1922. They are volume of production and sales, advertising, has been an aggressive increase in the buying power of the naweapon in the hands of the merchants When the year opened scarcely an industry in the Estimates compiled today indicate that the volume of advertising this year exceeded that of any previous year in country was operating on a normal capacity basis. Many plants were closed history and surpassed the volume of entirely. Many concerns had written off 1920, the previous record-breaking pe-riod, by between 12 and 20 per cent. or absorbed high priced inventories but others still had goods which they could Moreover, advertising this year has been free from the tain that it was

Demand, however, began to improve materially in the second quarter of the year. Merchants either wrote off their used as a hiding place for business profits rather than as a developer of losses or averaged out their high priced sales volume. BUILDING ENORMOUS inventories with the movement of goods

It becomes increasingly evident at was conservative but it was steady and demand increased proportionately. the close of the year that building construction was the pillar which upheld the structure of business while the

new girders of other industries were As a consequence, at the end of the year, the great basic industries of the being forged and swung into place. The total value of new construction in 1922 has been well over \$4,000,000,000. country are operating close to capacity and the greater number have orders on The scope of operations was 40 per cent their books which will keep them busy greater than in 1921, and 30 per cent above the totals for 1919, which had at an undiminished rate for months to The steel industry, one of the surest, been the record year up to this time.

geod market also was found here for high eth high ethical standards among security

During the past year The Journal has enjoyed the opportunity which the An increasing market for mortgage bonds, secured either by high class city property or by improved and producing farm index developed the providing its readers with an im-proved financial news service. Every the new tracks and an

Umbrella sheds were erected along the new tracks and an extension

All of the terminal yard tracks were

osoting plant costing in the neighbor-hood of \$40,000. The new purchasing department will handle supplies which will be placed through this new treatained in exchange for several par-als of land on the east side. This uilding will provide permanent head-uarters for the S. P. & S. system ofthe future.

fices in the future. Announcement also was made dur-ing the past month that the Union Pacific planned to have a building as permanent quarters for its offices. The most important plans for rail-road development in Portland for the Southern Pacific company under s \$6,000,000 project for eliminating the numerous street crossings made by the main line of the company in enter-ing the city. Officials of the Southern Pacific

Officials of the Southern Pacific ARREAS A ARREAS ARREAS ARREAS ARREAS ARREAS A ARREAS ARREAS ARREAS ARREAS ARREAS ARREAS ARREAS A ARREAS ARREAS





Broadway 0671



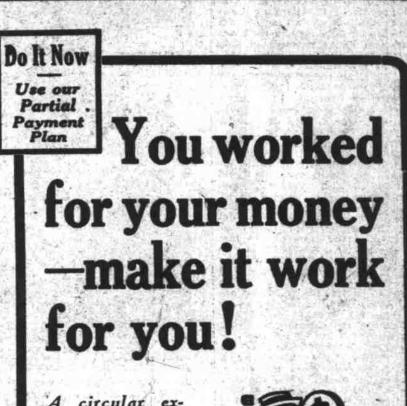
Overbeck & Cooke Co.

Pendleton, Ore.,

Walla Walla, Wash.

Stocks, Bonds, Grain and Cotton

DIRECT PRIVATE WIRES Logan & Bryan NEW YORK AND CHICAGO



A circular explaining our partial payment plan will be sent on

request.



CAMP CO.

a total cost of approximately \$1,200,-000. Of this amount \$700,000 was paid for the land upon which the terminal Advertising, especially newspaper was located. HUGE FILL MADE A huge fill was made at the terminal site, dredges of the Port of

Portland being used to fill the terminal site with 1,500,000 yards of dirt. On this fill a total of 10 miles of trackage was laid. This amount of trackage pro vided for the storage of 600 freight ars. But this was only one unit, for the

railroads announced that ultimately enough trackage would be provided for the storage of 3500 cars. The completed terminal construction cost is estimated at \$4,500,000. The additional

levelopment work at the terminal will follow as needed. An eight-stall roundhouse was com pleted at the terminal for locomotive

RAILROADS BACK

FAITH BY LARGE

Completion of Two Units of

of two freight terminal projects, im-proved and enlarged passenger ter-

The passing year has proved the permanency of the railroads entering the city and it has brought about a

period of cooperation unrivaled since

the beginning of railroad construction

Most important of the construction

work undertaken by the railroads was

the completion of the first unit of the Guild lake freight terminal for point

usage by all the railroad lines. This

work was carried along in connection

with the agreement reached between the Southern Pacific, Union Pacific, Northern Pacific, Great Northern and

Since the first days of railroad con-

struction there always has been a

the northern lines and by the Union

Pacific and Southern Pacific systems

Insistent public demand caused the

railroads to confer on joint terminal

usage with the result that announce-

maintenance of separate terminals by

JOINT FREIGHT TERMINAL

permanent quarters.

in the Northwest

storage, the ultimate plans on the roundhouse being for a circular build-ing containing 40 stalls. Early last fall when the freight storage yards were placed in order the terminal company abandoned its storage program at the Union station yards. Old freight yard buildings, in-

cluding the former terminal round-house, were razed and tracks were reaved so that two new passenger track were placed in operation.

eral recognition among Pa investors of the protective features farm lands, has been developed by local of the Oregon irrigation district law dealers during the year. Sale of \$300,-bas been a strong factor in estab-000 of J. K. Gill company 7 per cent has been a strong factor in establishing a ready market for bonds of bonds was accomplished in less than this character.

JUNIOR FINANCING

A great deal of effective work has been accomplished by the larger public utilities of this territory in their junior financing and the preferred stocks of these companies have been distributed thousands of Oregon investors. It is highly desirable that the people who are served by these companies should have financial interest in them and the readiness with which large amounts of these issues have been aborbed by local investors lends a wholesome tone to the investment market. Diversity of investment is an important factor in the establishment of a well balanced and stable securities market. During the past year Portland investment bankers have been included in a number of important national syn-dicates. One of the most important bits of nation-wide financing was the \$100,000,000 loan of the Dominion of Canada and practically every invest-ment banking house in Portland partic-ipated in the distribution of this issue. Financing long time credits of nations to whom we propose to sell our surplus products is highly important, in the establishment of permanent markets. Oregon has taken her place in the world's commerce, and local investors are not overlooking the opportunities afforded by well selected foreign loans to provide a broader market for agricultural and industrial products. King-dom of Denmark 6s, Chile 7s, Department of the Seine 7s, Paris-Lyons-Mediterranean 7s and two new loans to Braall are among the foreign issues which found favor with Portland investors

ties command a market in Portland and during the year local dealers have distributed bonds of the Cleveland Union Terminal company 7s. Los Angeles Gas & Electric 515s, Kansas City Power & Light 5s, Pacific Telephone & Telegraph company 5s, Canadian Pacific deben-ture 4s, Sinclair Oll company 7s. A

Pacific University Founded 1849 Forest Grove, Oregon A STANDARD COLLEGE Strong Conservatory of Music A fine Gymnasium SUMMER SESSION SEASIDE Ore. " July 16-August 24, 1923 **COURSES OFFERED** ce-Marine Laboratory Sociology and Economics Education Music—Piano, Volce and Violin Physical Training, Coaching and Playground Work. For Further Particulars Address President W. C. WEIR

during the year. A wide variety of high grade securi-Another Milestone in

**Bergmann Achievement** 

Pacific University Forest Grove, Ore.

day it publishes the bond transactions high shed leading from the passenger in the New York market and business station was made. The passenger ternews from all parts of the country. Its minal improvement cost approximately service in this line, which is far supe- \$75,000. rior to that provided by any other newspaper in this field, has been two days and an excellent secondary market established for the bonds. A

number of good first mortgage farm loans also have been distributed to loaccorded cordial recognition by its readers. cal investors. The Investment Bankers' association

We Are Moving Into Our New Factory

at 28th and Thurman Streets

HOUSANDS of men in the Northwest, who wear

moving into our big new daylight factory. It means

that we can now produce more shoes and, if possible,

better shoes, and will be able to fill orders more

promptly. This business was founded twenty years

ago by Mr. Theo. Bergmann, who is still the active

Portland

Oregon

Theo. Bergmann

Shoe Mfg. Co.

head of the company.

Bergmann Outdoor Shoes and Bergmann Business Shoes, will welcome the news that we are

IMMUNE FROM BEETLE The coast forests of Douglas fir

is deserving of credit for its successful efforts in maintaining a high standard and hemlock are nearly immune from | in the character and quality of securi-ties handled in the Portland market the attacks of bark beetles which are so active in the pine forests of Eastand in educating the public along lines ern Oregon and Eastern Washington. of conservative investment. The Port-The humid climate and the exceedingly land association is cooperating with the Pacific Northwest group of invest-ment bankers in an effort to secure betrapid growth of the trees in the coast may be responsible for this immunity from bark beetle atforests ter state legislation governing issues of local securities and in maintaining tacks.

cooperated in the improvement of east side terminal facilities. A total of \$40,000 was spent in filling in more. and, relaying old tracks, placing new tracks and providing cement drivetracks

Mole

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way company moved into the Cham-ber of Commerce building, which it ob-



