INTERESTING INFORMATION FOR Earners, Savers and Investors

Industry, Thrift, Banking, Insurance, Investments

AS THE STRANGER SEES THE NEW YORK CURB MARKET

The Curb Market Furnishes a Surprise—Transmission of Orders Via Wireless—Pups and Wild Cats Defined—Get-Rich-Quick Schemes Naught But Delusions.

The mercury was hugging the zero point, and the intense cold caused a lengthening of the stride of pedestrians on lower Broadway.

My friend Layman and I walked down Exchange Place, crossed New street and turned the corner into Broad street, just below the New York Stock Exchange.

"An accident," he exclaimed, as we rounded the corner. "Or a strike. Look. What does it mean?"

He pointed excitedly toward two or three hundred heavily mufflered and coated men moving in small groups on the street. All, or at least most of them were moving their arms, running hither and thither and shouting.

"The Curb Market," I replied tersely. "Ever seen it before?"

"No," he answered, "nor anything that looked like it, except the 'rooters' at a football game. Why don't they go inside?"

"The reason they don't go inside is that there is no inside for them to go to. They are the Curb Association, and if they go inside they will be something else," I replied.

I was in for an explanation, so continued: "There is a rule of the New York Stock Exchange, prohibiting its members from transacting business with any other exchange dealing in the same securities. The same securities are never bought and sold on the Curb and the Exchange at the same time, so there is no restrictive reason for the Curb Market remaining in the middle of the street. There have been several attempts to house the association, all of which have failed, because of opposition from several quarters, including some of its members.

"The Curb is an open market, where anyone may buy and sell securities whether he is a member of the association or not, but provided his responsibility is recognized by the other brokers."

"Who are the men in the open windows—the cheering section?" he inquired, looking on either side of the street at the four and five-story buildings, the windows of which were filled with men and boys, shouting and signalling with their arms and hands."

"Those are the telephone men," I replied, not at all pleased at the prospect of standing there, kicking my toes and blowing on my fingers to keep warm, while explaining the workings of the curb workers to my information gleaning friend.

"Orders for stock are telephoned from the brokerage houses to these men, who signal to their representatives in the street the kind of stock to be bought or sold, the number of shares and the price. The order is at once executed by the curb broker and the result signalled back by him to the telephone map, who immediately communicates the information to his house. All of this takes almost less time than to tell about it. At each group of men certain stocks are traded in and no others."

"From the way the brokers act, I can easily understand why some curb stocks are called 'pups' and 'wild cats.' It looks like a mixture of both out there," he said.

"'Pup' stocks," I explained, "are new and untested, as the name implies, while the 'wild cats' are apt to scratch or otherwise subject their owners to damages—usually financial."

"Their curb stocks are not a safe purchase?" he volunteered.

"They are, if good," I replied. "But it is sometimes difficult to separate the good from the bad. Many stocks are traded in on the curb before admission to the stock exchange. Bethlehem Steel 8% Preferred, though not listed, was traded in on the curb before it was admitted to the exchange in October, 1917. Some well known good stocks like the Standard Oil issues remain on the curb.

"Many curb stocks sell regularly at cents per share, being quoted daily around five cents and sometimes much lower. But on the other hand Union Sulphur is a curb stock, selling around $18,000 or $20,000 a share of $100 par value, and paying something like $1,000 a share dividends."

"Very interesting," he replied, "I suppose the bosom of many a holder of cheap curb stock burns with the hope that his will some day be such a stock and presto—a new millionaire."

"Yes," I said, "but every man must learn by sad experience that 'get-rich-quick' schemes are a snare and a delusion." The penetrating cold and my friend's absorption in the unusual scene before him were finally too much for me.

"Next summer," I said, "I'll tell you more about the curb market if you're interested then, but now let's to a warm place."

"I agree," he replied cheerfully, "but I will see you again before summer, and for your sake, in your warm office." —Odd Lot Review.

THE MANUFACTURE OF CHEMICALS IN FRANCE AND ITS FUTURE PROSPECTS.

Too much credence has been given to a time-worn legend rumored about, tending to establish a belief that France finds herself in a state of evident inferiority when compared with other great nations, in regard to the manufacture of chemicals, and that she is, in a measure, dependent on the foreigner. An impartial examination of facts that have arisen since the war began, will, on the contrary, prove that France is in no way inferior to any other country as a producer of the raw materials required in the manufacture of chemicals. The various improvements made in the working and management of her 9,000,000 horsepower of hydraulic force enables her to amply supply her own works and factories. By making a reasonable use of coal, she is able to dispose of more than 470,000 tons of tar a year, for the manufacture of coloring matter. In regard to the production of sulphuric acid, the very base of chemical manufactures, the situation in France is at least equal to Germany's, being quite as favorable. Prior to the war Germany produced 411,000 tons of acid, and imported from abroad those stocks required for the manufacture of 1,200,000 tons. French production amounted to 905,000 tons, of which 62 per cent were obtainable from home sources. As regards chloride of sodium—the source of hydrochloric acid—chlorine and soda—the generators of soaps,—France produces from her salt-marshes, mines and works, nearly a million tons of them. The treatment of sea-water easily supplies her with bromine. Phosphates abound in French Northern Africa, nickel and chromium in New-Caledonia. Lastly, France posseses the best layers of aluminum in the world, as well as mines of lead, antimony, arsenic and iron-ore. The departments of the south, and her colonies yield large quantities of oleaginous seeds, resin, turpentine, and plants used in perfumery.

The number of factories engaged in the manufacture of chemicals before the war has now been greatly increased, and special schools are training up, each year, 200 chemists possessing all that is required in the way of a thorough technical education. In November, 1916, the Compagnie nationale des Matieres colorantes was founded, starting with a capital of 40,000,000 francs.

Other societies have been formed, or have extended their sphere of action. It is advisable; more especially, to call attention to the founding, at the beginning of 1917, of the "Compagnie francaise de Produits chimiques et Matieres colorantes, de Saint-Clair-du-Rhone." The Societe de Saint-Denis has increased its capital from 4,374,000 to 7,000,000 francs. The Etablissements Kuhlmann have raised theirs to 40,000,000 francs.

After the war, French chemical manufactures, possessing such resources and plant, will contribute, in a very large degree, to the economic expansion of the country.

WILL RUSSIA REPUDIATE HER LOANS?

While Russia has threatened to repudiate her loans it has not been definitely settled that she will do so. Repudiation, however, would at the most be only temporary, as Russia sooner or later would want to re-establish commercial relations with the other nations. Russia also would want to raise new money, and as a discredited debtor would find this practically impossible. France would be the heaviest loser through Russian repudiation. There has, however, at no time been even a suggestion that the French Republic would not make good its obligations to the United States. All of the loans now being made by the United States to England and France are protected by the deposit of Government securities of the borrowing nations.

WALL STREET CONDITIONS.

The market is already beginning to reflect the near approach of the next Liberty Loan, as is also the money situation as the time draws near for the payment of the excess profit taxes. As time loans come due on stock market collateral, the banks are not renewing them on time, but are converting them into call loans. The ruling rate on money for some time now has been around 6 per cent, and would doubtless be considerably higher were it not for the Bankers' Money Committee, which is equipped with $200,000,000, and has power to control much more if occasion arises. Under these circumstances coupled with the fact that the total amount already provided for, out of the money market since November 30 for payment in the Government, amounts to $3,156,000,000, it is not reasonable to expect any violent changes in prices of stocks on the upward trend, but it is none the less clear that there is plenty of money in the country as is evidenced by the continuous transfer of good dividend paying stocks to individual owners. Many of these investors began buying stocks on margin and through the partial payment plan are paying for the stocks in full and taking them out of the market altogether, all of which greatly strengthens the situation of those left. The market has much inherent strength just now, and while adverse war news and domestic money requirements to meet the demands of present war activities may tighten the money market somewhat, there is nothing for holders of good reliable stocks to fear. The operations, which made these stocks of present and much higher values, still continue, and in many cases, with increased earning capacity. The railroad bill has passed, and the dividends of the last three years on railroad stocks are assured to holders, until eighteen months after the war closes. These securities are safe and are good earners at present prices.