

WHAT'S DOING IN THE MONEY AND STOCK MARKETS TODAY

Business Situation

(Business Bulletin, La Salle Extension University, Chicago)

Recent developments in commerce and industry have a most attractive surface appearance. Seemingly the country as a whole is forging ahead in good old American fashion. However, further examination of the present situation brings to light unmistakable signs of an approaching readjustment. In spite of all efforts to the contrary, business and economic forces are not keeping in the equilibrium that appeared relatively favorable a month ago.

First of all, the situation in the building industry is approaching—if it has not already reached—the danger stage. Skyrocketing materials and labor costs portend an early arrest of the record-breaking building activity. Contributing to this is the total lack of reserves of building materials at a time when they are most needed. This building boom has been one of the foundation stones of present business activity—its effect reaching back into countless trades and industries.

Added to this is the rapidly advancing scale of commodity prices that is forced by the recent widespread wage increases—higher costs followed by higher prices, with the prices generally out of proportion to the costs.

The reaction of the farmer and "fixed income" classes to this situation may perhaps signal the termination of present conditions. The farmer must, on the one hand, compete with industry for his labor supply—a one-sided competition in which the farmer is rapidly losing out. His production costs will probably be greatly increased this year. On the other hand, the farmer's income bids fair to be greatly curtailed. Virtual stagnation in buying of American grain seems to be the present situation. The country's surplus wheat, approximately 170,000,000 bushels yearly, is not finding European buyers. This condition is not favorable to increased prices for the farmer's products this fall.

Briefly, in efforts to make up shortages in manufactured goods and other products, industry is apparently going to such an extreme—over-ordering property—that it will shortly make it most unprofitable for some producers of raw materials to exchange their products for manufactured goods. Add to this the gradually increasing difficulties of the "fixed income" classes, in face of rising living costs. Under these conditions it is very probable that the securities markets are right now forecasting a readjustment in our present state of activity.

MORNING STOCK LETTER

(McDougall & Cowans)

New York, May 12.—A more pronounced slowing up in business, coming largely from seasonal influences and let-down after the tremendous activity of a few months ago is the dominating factor in the stock market. As a number of financial leaders have recently pointed out, this movement is a safeguard from the dangers of inflation and as such is a healthy condition. The market gave every indication of the unwillingness of the public to follow rallies up with buying orders at this time. Consequently we expect the market to be irregular for some time to come, with rallies and reactions dependent largely on the technical condition of the market. Later, as a new buying movement starts in this summer, we expect a new phase of the bull market, which we do not think has terminated. At present, it looks as though the selling move which started yesterday would continue temporarily.

There is a large increase in the short account which next week should result in another rally.

LIVINGSTON & CO.

FINANCIAL NOTES

Montreal, May 12.—Cables 470.4-4. London, May 12.—Bar silver 32.5-16 in ounce.

New York, May 12.—Foreign bar silver 66-64.

MUSICAL INSTRUMENTS

Piano Bargain
One Second Hand
Upright
PIANO
Good Tone and Action
\$125.00
Terms \$25 Cash. \$10 Per Month
Bell's Piano Store
86 GERMAIN ST.

FURNITURE STORAGE
Store your furniture in our large, dry warehouse. Two capable men in charge. Special care taken with stored articles.
Rates moderate.
ST. JOHN STORAGE CO.
(Under new management)
Phone M. 3882. 44 Dock St. 16702-5-14

SITUATIONS VACANT
\$5—SELL Household Necessities; greatest imaginable demand; have business of your own; make five dollars up daily; capital or experience unnecessary. **Bradley-Garretson, Brantford, Ont.**
EARN money while learning. Can place you on good job with good pay—Movie School, 61 Sprout street, Detroit, Mich. 16735-5-12

FINANCIAL

NEW YORK MARKET.

(By direct private wire to McDougall & Cowans, 28 King street, city.)

New York, May 12.

Stocks to twelve noon.

	Open	High	Low
Achison	99 1/2	99 3/4	99 1/2
Am Dry Goods	71 1/2	71 3/4	71 1/2
Allied Chem	29 1/2	29 3/4	29 1/2
Allis-Chalmers	44	44	44
Am Car & Fdy	170	170	169 1/2
Am Int Corp	29 1/2	29 3/4	29 1/2
Am Ice	95	95	95
Am Locomotive	134 1/2	134 3/4	134 1/2
Am Smelter	26 1/2	26 3/4	26 1/2
Am Smelters	57	57	56 1/2
Asphalt	38 1/2	38 3/4	38 1/2
Am Telephone	122 1/2	122 3/4	122 1/2
Anacosta	46	46	45 1/2
Balt & Ohio	48	48	47 1/2
Bald Loco	128 1/2	128 3/4	128 1/2
Bell Steel B	84 1/2	84 3/4	84 1/2
Bost	38 1/2	38 3/4	38 1/2
Brooklyn	181 1/2	181 3/4	181 1/2
C. P. R.	91 1/2	91 3/4	91 1/2
Can	91 1/2	91 3/4	91 1/2
Chandler	62 1/2	62 3/4	62 1/2
Gen Leather	31	31	30 1/2
Cuba Cane	14 1/2	14 3/4	14 1/2
Cuba Cane Pfd	82 1/2	82 3/4	82 1/2
Calif. Pet	84 1/2	84 3/4	84 1/2
Ches & Ohio	66	66	65 1/2
Corn Prods	128 1/2	128 3/4	128 1/2
Corden Oil	46 1/2	46 3/4	46 1/2
Corn Gas	61	61	60 1/2
Cos Tex	11	11	10 1/2
Columbia Gas	102 1/2	102 3/4	102 1/2
Cont. Can	46 1/2	46 3/4	46 1/2
Coco Cola	75 1/2	75 3/4	75 1/2
Crucible	67 1/2	67 3/4	67 1/2
Chino	24 1/2	24 3/4	24 1/2
Davidson Chem	26	26	25 1/2
Dupont	138 1/2	138 3/4	138 1/2
Erie Com	107 1/2	107 3/4	107 1/2
Gen Electric	175	175	174 1/2
Gen Motors	167 1/2	167 3/4	167 1/2
Great Nor Pfd	72	72	71 1/2
Guilf Steel	82 1/2	82 3/4	82 1/2
Inspiration	35	35	34 1/2
Indus Alcohol	84	84	83 1/2
Kennecott	38 1/2	38 3/4	38 1/2
Kelly Spring	48 1/2	48 3/4	48 1/2
May Stores	173 1/2	173 3/4	173 1/2
Marine Pfd	30 1/2	30 3/4	30 1/2
Mack Truck	77 1/2	77 3/4	77 1/2
Marland Oil	45 1/2	45 3/4	45 1/2
Mex. Seaboard	16 1/2	16 3/4	16 1/2
Midvale	26 1/2	26 3/4	26 1/2
Mid States Oil	109 1/2	109 3/4	109 1/2
Mo Pacific	14 1/2	14 3/4	14 1/2
New Haven	17 1/2	17 3/4	17 1/2
Northern Pac	72	72	71 1/2
N Y Central	92 1/2	92 3/4	92 1/2
Or & West	107 1/2	107 3/4	107 1/2
North America	21 1/2	21 3/4	21 1/2
Pennsylvania	44 1/2	44 3/4	44 1/2
Pan Am A	68 1/2	68 3/4	68 1/2
Pan Am B	68	68	67 1/2
Pease River	11 1/2	11 3/4	11 1/2
Pure Oil	25 1/2	25 3/4	25 1/2
Pure Oil Pfd	41 1/2	41 3/4	41 1/2
Pure Oil Pfd	38 1/2	38 3/4	38 1/2
Pacific Oil	74 1/2	74 3/4	74 1/2
Reading	74 1/2	74 3/4	74 1/2
Rep I & S	80 1/2	80 3/4	80 1/2
Rock Island	29	29	28 1/2
Retail Stores	73 1/2	73 3/4	73 1/2
Rockwell	78 1/2	78 3/4	78 1/2
S. B. Corp	89 1/2	89 3/4	89 1/2
Southern Pac	89	89	88 1/2
Southern Ry	82	82	81 1/2
St. Paul	80 1/2	80 3/4	80 1/2
St. Paul Pfd	86 1/2	86 3/4	86 1/2
Stromberg	67 1/2	67 3/4	67 1/2
Stromberg Pfd	111 1/2	111 3/4	111 1/2
Steel Foundry	37 1/2	37 3/4	37 1/2
St. Warner	85	85	84 1/2
Stan Oil	87 1/2	87 3/4	87 1/2
St. Paul	80 1/2	80 3/4	80 1/2
Texas Company	46 1/2	46 3/4	46 1/2
Texas Pac C & O	14 1/2	14 3/4	14 1/2
Timken	41	41	40 1/2
Union Bag & P	72	72	71 1/2
Union Pacific	134 1/2	134 3/4	134 1/2
U S Steel	98 1/2	98 3/4	98 1/2
U S Realty	98 1/2	98 3/4	98 1/2
Utah Copper	67 1/2	67 3/4	67 1/2
Vandam Steel	32	32	31 1/2
Westinghouse	85 1/2	85 3/4	85 1/2
Wool	92 1/2	92 3/4	92 1/2
Sterling	46 1/2	46 3/4	46 1/2

CHICAGO GRAIN.

Chicago, May 12.—Heavy rains in Illinois, Indiana and Ohio had a decided influence on the wheat market today. A successful trading session followed a successful loss of 118-8-8 to 114, followed by a material setback all around.

Corn and soybeans with wheat. After opening unchanged to 8-8 cent lower, July 77-8-4 to 78, the corn market underwent a moderate general fall. Oats started unchanged to 1-4 cent lower, July 48-8-4 to 49-1-2, and later showed further declines.

Provisions were easier with grain.

GRATEFUL TO ST. JOHN.

H. W. Franklyn, agent of the Nova Scotia Home for Colored Orphans and Neglected Children, will leave the city Monday following a successful campaign for funds here. He will continue his tour, stopping at St. John. Mr. Franklyn said this morning that he had received hearty support in the city and was very grateful.

MONEY ORDERS

DOMINION EXPRESS MONEY ORDER
In Payment of Out of Town Accounts
No. 1-1000
FOR SALE AT C.P. STATIONS AND DOMINION EXPRESS OFFICES

Concrete Block and Brick for Sale

We have in stock, manufactured by our Plant, ready for immediate delivery.

Waterproof Concrete Blocks and Bricks.

Large or Small Orders Appreciated. Prices on Application.

Maritime Construction Co., Ltd.

SUCCESS
In the Stock Market

FORTUNES

Made From Small Investments
Write for Free Booklet.

KENNEDY & CO.

Est. 1884.
74 Broadway, New York
Members Consolidated Stock Exch.

Puts & Calls

\$40 to \$120 controls 100 shares of any listed stock on N.Y. Stock Exchange. No further risk. More of 5 points from option price gives you opportunity to take \$500, \$1,000, \$2,000, etc. Write for Free Circular.

R. PARKER & CO., 50 BROAD ST., N.Y.

MONEY IN GRAIN

\$120 buys control on 100 bushels of wheat or corn. No further risk. A movement of 5¢ from option price gives you opportunity to take \$500, \$1,000, \$2,000, etc. Write for Free Circular.

Investors Daily Guide, S. W. Branch, Dept. F-12

1001 Baltimore Ave., Kansas City, Mo.

Industrial Bonds

are the best thing in the market to-day, if you want good interest return coupled with probability of appreciation in value.

INDUSTRIALS have not advanced as quickly as Government and Municipal Bonds have. But the condition of business in Canada and the real scarcity of good industrial issues by the larger corporations point to higher prices and lower yields.

THE following, taken from our current list, afford ample scope for individual selection—

	Rate %	Due	Price	Yield %
Stetson Cutler 1st Mgt.	7	July 1, 1942	99	7.10
Nova Scotia Tramways and Power General Mortgage Bonds	7	Apr. 1, 1952	100	7.00
Coll. Trust Bonds	7	May 1, 1942	102	6.80
Continental Paper Products 1st Mortgage Bonds	6 1/2	Feb. 1, 1943	99.50	6.55
Bathurst Company 1st Mgt. Bonds	6 1/2	June 1, 1941	100	6.50
Abitibi Power and Paper Genl. Mgt. Bonds	6	Jan. 2, 1940	97.50	6.25
Western Power of Canada 1st Mgt. Bonds	5	July 1, 1949	87.50	5.95
Dominion Paper 1st Mgt. Bonds	6	June 1, 1940	101	5.90

WE serve the smallest as well as the largest investor. Installment terms arranged if desired.

Royal Securities Corporation, Limited

721 Prince William St. S. M. KEATOR
St. John, N.B. Branch Manager
Montreal - Toronto - Halifax - Winnipeg - Vancouver - New York - London

DANGER FACTORS POINTED TO IN BUSINESS BOOM

Indications That a Change is in Sight in States.

Course to Pursue — Sound Policy is Make a Quick Turnover and Conserve Resources That Pay Dividends.

(By Benjamin M. Anderson, Jr., Ph.D., Economist of the Chase National Bank of New York.)

One cannot with certainty predict the duration of the present business boom. The momentum is strong and business psychology is rapidly growing optimistic. The money market, however, with a good deal of confidence point to a change in the near future. Existing Federal Reserve bank discount policy already in operation which are tending to bring the boom to an end, and the Federal Reserve bank is likely to indicate what is sound and prudent policy in such a situation.

In the present situation, the prudent business man will be to go ahead and do business and take advantage of existing conditions. The Federal Reserve bank will be well advised, however, to operate with an unusually large margin of working capital, and to be ready to meet any sudden change in the situation. It is also well advised to be ready to meet any sudden change in the situation.

Business Caution.

If there is general caution on the part of business men, the boom will not end in violent reaction. Rather it will slow down somewhat, and turn into a more moderate kind of activity which will last longer than the present feverish pace is likely to last. The Federal Reserve bank policy in such a situation is also easy to outline. It was the duty of the banks in the crisis of 1929 to be ready to meet any sudden change in the situation. It was the duty of the banks in the crisis of 1929 to be ready to meet any sudden change in the situation.

planning and policy. They rarely asked for more credit than they were entitled to. Banks were justified in taking a hopeful view and in extending credits generously to sound business men who could see a profitable use for the funds.

Credit Analysis and Credit Standards.

With the turn in the tide of business opinion which began early in 1932, and with the growing optimism of business men, more vigorous credit policies on the part of banks were called for. Today sound bank policy calls for the full rigor of credit analysis, and the full rigor of credit standards. Banks should expect their customers to be more careful than in the past, and to be more careful than in the past.

They should watch with great care loans for the carrying of commercial bills in excess of current requirements, and should expect unusual margins on all collateral loans based on speculative or semi-speculative price advances. In new, moreover, of the policy of the Federal Reserve bank of keeping their discount rates below the market, the Federal Reserve bank should expect their customers to be more careful than in the past, and to be more careful than in the past.

ALMANAC FOR ST. JOHN, MAY 12

High Tide... 9:24 Low Tide... 3:40

Sun Rises... 4:58 Sun Sets... 7:42

PORT OF ST. JOHN.

Arrived Today.

S. S. Inca, 948, Anderson, from Santo Domingo.

S. S. Mongolia, 1,089, from Halifax.

Coastwise—St. John, 689, Burett, from Parrsboro; gas sch. Seretha, 28, D'Eon, from St. Andrews.

Cleared Today.

Coastwise—Gas sch. Seretha, 28, D'Eon, for Meteghan.

Sailed Today.

R. M. S. P. Chaleur, 2,980, Burett, for Halifax, Bermuda and the British West Indies.

The Mongolia arrived this morning from Halifax to load for Cuba.

The Lorena V. Hansen sailed from New York last night at five o'clock for St. John with a cargo of sugar from Santo Domingo.

The Gothia is due on Wednesday from Philadelphia to load for Cuba.

The Regina, from Liverpool, arrived in Montreal on Thursday night. She will probably not sail until Monday.

The Majestic was due to sail from New York today for Cherbourg and Southampton.

The Adriatic was due to sail from New York today for Queenstown and Liverpool.

The Canopic sailed from Bremen yesterday for Halifax via Southampton.

The Baltic was due to sail from Liverpool today for New York.

The Finland was due to sail from Hamburg today for New York.

The Andania is reported due in Quebec on Monday and in Montreal on Tuesday from Southampton.

The Megantic reported yesterday that she was held up by fog 180 miles east of Cape Race on her way from Liverpool and Glasgow to Montreal.

The Saturnia arrived in Montreal this morning from Glasgow.

The Ausonia is now due in Montreal on Sunday from Southampton.

Halifax. She will sail on Wednesday. The Cassandra is due in Quebec on Monday and in Montreal on Tuesday from Glasgow.

OPINIONS ON THE STOCK MARKET

(McDougall & Cowans)

New York, May 12.—Hutton & Co:

"We are confident about the outcome of the pull in high-grade issues with ample earning power and the only danger, we think, is becoming too unreservedly bullish now when prices are strong."

Hornblower and Weeks: "We would hold stocks bought earlier this week or stocks carried through recent weakness."

Houseman: "We do not see how much can be accomplished by selling the oils at this level. A positive two sided market has developed."

MOQUIT MEANS DEAD ONE

SO INDIANS ALTER NAME

Washington, May 12.—The force of modern slang has changed the name of the Arizona reservation from Moquit to Hopi.

Moquit means "dead one" in the Indian tongue, and so much resentment has been aroused on the reservation by the frequent application of this translation that an order was issued today effecting the change. The new name means "People of Peace."

The yellow coloring matter of flour is carotin, the same thing which gives carrots their color.

REAL ESTATE

GOING QUICKLY

The balance of our lots at these remarkable prices and terms, \$5.00 down and \$5.00 a month. You will regret it if you delay.

COURTENAY BAY HEIGHTS SYNDICATE

Inquire at Fawcett's Store, East St. John. Phone M. 4652 5-8-10-12

Hardly Believable So Much Gold Exists In Any One Area

"Who are behind it?"

Isn't that one of the first questions you ask yourself before investing your money?

Do you realize what a big factor the board of directors play in any enterprise?

The reputation of a successful business man in any community is too valuable to permit him to associate himself with any but reputable companies.

No gold mining property has ever had on its board of directorate a stronger group than that associated with the Matachewan Canadian Gold Limited.

These men would never have allowed their names to appear as directors of the Company if they had not first convinced themselves that this Company had something more than a prospect.

How did they find this out?

By a comprehensive and intelligent program of development, comprising over 19,000 feet of surface trenching, shaft sinking, drifting and diamond drilling.

Seventy diamond drill holes were put down to an average depth of 250 feet. Every one of them showed the presence of gold, and payable values were maintained to a depth of 350 feet.

And the most striking result of this diamond drilling was the remarkable uniformity of the run of the ore, and all indications point to this ore extending to great depth.

In only one or two cases was ore encountered which was not of commercial value.

The ore bodies were unusual, measuring in most cases many feet in width.

No other known mine in Northern Ontario at the same stage of development has shown such a quantity of profitable ore.

If you live in or near Toronto, it will be worth your while to visit our offices and see the results of the diamond drilling and records of other work.

It is hardly believable that so much gold exists all over any single area as has been encountered in the Matachewan Canadian Gold, Limited.

After you have examined the results of the diamond drilling, you will say, as so many others have, "This certainly looks like another Hollinger."

If it is not convenient for you to come to our office, why don't you write to-day for prospectus?