

ADVERSE AND FINANCE

REVIEW OF WEEK'S MARKET

Market Demoralized Owing to Continued Growing Uneasiness Over Unexplained Liquidation and Fear of Business Depression—Bear Attacks Had Little Success in Dislodging Offerings—Range of Prices for Long List of Securities Lowered by Many Years—Amsterdam Orders Attract Serious Attention and Give Rise to Rumor of Involved Affairs in Market.

New York, Oct. 12.—Events in last week's stock market ran into demoralization by the end of the week as a culmination of growing uneasiness over the unexplained liquidation and the fear of coming business depression and reaction as an outcome of the money stringency. The public reaction on Saturday of an alleged raid by E. H. Harriman to cut down expenses in all departments of the railroad systems under his control accorded so well with these fears that the effect was acute and was but little modified by the subsequent denial of such an authority of Mr. Harriman himself. The lethargic demand for securities was no new feature in the situation last week but for some time past it has corresponded with an almost equally torpid state of the selling, so that occasional attacks on the market by bear operators had small success in dislodging offerings. In this respect the market of last week underwent a marked change and the selling was urgent. The consequence was seen in a range of prices for a long list of securities which is the lowest for the present year and therefore for a number of years past.

The motives prompting this disposition of holdings were mixed but financial conditions both here and abroad, as distinguished from industrial conditions affecting the properties whose securities were sold, made a prominent factor. The movement seemed to have its inception in Holland, and Amsterdam sent selling orders in such volume as to attract serious attention and to give rise to rumors of involved affairs in that market. Stocks which have been favorites with the Dutch holders made precipitate declines and this had a sympathetic effect on the whole market. The firmness of the New York money market with loans on call touching 6 per cent, every day until Friday and with time loans for some periods commanding as high as 7 per cent, discouraged holders of securities on margin, especially those of the low priced non-individual paying class, which were conspicuous in the week's declines. Lenders of money in which these stocks figured as collateral were disposed to restrict credits with the manifest declining price of securities and the calling of loans precipitated the fall in prices. The tightness of the money market extends to commercial credits and discussion was very persistent in the financial district of the chances of over extension in some enterprises which might result in dangerous conditions from the difficulties of the money market.

Statistics of failures for September and for the quarter gave food for this discussion, the September liabilities rising to \$18,937,217 against \$16,225,955 in September of last year, of which \$10,602,834 were of manufacturing concerns, compared with \$2,699,642 last year. The figures for the quarter show a corresponding contrast and stress is laid on the difficulties growing out of the extension with temporary loans, for which renewals could not be secured. Almost invariably there was the accompanying condition of large contracts and orders on hand which promised good profits, could the resources be found for executing them. Anxiety for the consequences to future orders was the natural consequence of this situation. This was sharpened by the prevalence of rumors of large reductions of working forces here and in other manufacturing concerns, especially those making equipments of all kinds. Some of these rumors were officially denied, but the stocks immediately affected were notably unresponsive to those assurances and continued their violent declines. The results are seen in the wide breaches in the prices of many of the industrial stocks.

The further course to be pursued by the Treasury Department in the matter of additional relief measures for the money market engages attention in view of the continued requirements of the crop movement in drawing down reserves of the banks.

HENRY CLEWS' LETTER.

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Our credit abroad has not only been impaired by well known conditions, but we are less able to command that assistance than usual. Usually at this season there is an ample supply of grain and cotton bills in the market which can either be depended upon to bring gold this way if needed or to extend our credit abroad. Exports of both wheat and cotton, however, are more or less restrained by high prices. It is probably true that eventually Europe will be compelled to take our wheat and cotton on a high basis, but the fact that foreign buyers at present are holding off is more or less detrimental to the local financial situation. The Bank of England reserve declined this week to 461.2 per cent, and the Bank of France is also rumored to be figuring on drawing gold from this side. Were our bank reserves in a position to stand any increased strain, the effort would be more assuring, but surplus reserves are very low and their restoration will be difficult until crop funds begin to return from the interior, which at the earliest will not be before November 1st. It is possible that Secretary Cortelyou will be able to give the market further assistance in case of emergency, and his prudent course, or relieving pressure at points of necessity without unduly exhausting his sources of credit, is one that gives hope that further aid will be forthcoming if needed.

The situation abroad is still unsatisfactory. On the Continent especially there seems to have been a very similar overdoing to that which has been experienced in the United States. Capital is practically as scarce over there as here; the principal difference being that the situation is not aggravated by the discreditable operations which have unfortunately occurred in this country. European bankers are exceedingly conservative, showing a disposition to curtail credit and to be much more exacting as to collateral.

There is just one other element which tends to delay the restoration of confidence and that is the growing conviction that the present year has witnessed a turning point in business and that we are to face at least a moderate business and industrial reaction. Wall Street has held to this opinion for some time past, but the effect on the whole market, which is naturally and has a perceptible though indirect effect upon stock market values—chiefly the industrial. It is quite evident that any curtailment of manufacturing operations would quickly effect the common stocks of these properties; and since many of these still contain a large proportion of water the shrinkage would naturally become more severe. This explains why bankers are discriminating more and more against the collateral. The railroads are, of course, a much more substantial class of investment. They are not dependent upon a single industry for their support as are many of the industrial, and what they may temporarily lose in one division of their traffic can be compensated for in others. It is a matter of easy demonstration that railroad traffic is a much more stable element in business than the sales or profits of any mercantile or industrial enterprise. Of course, the net profits of our railroads are more or less threatened by the enormous increase in expenses, which puts them in a poor position to meet any contraction of traffic. Nevertheless, railroad securities have had an extraordinary decline; quite sufficient to avert any serious panic, and even should dividends be reduced many of them would ultimately prove profitable investments at present prices, although it need cause no surprise if they recede to still lower levels before the close of the year. The bond market continues in a very unsatisfactory condition. Here, too, are the possibilities of profitable investment with little danger from loss of revenue, but the general exhaustion of buying power is evident and shows that the country has not yet had the opportunity of accumulating a sufficient supply of new capital.

The outlook of the market is extremely uncertain. This is not to get into debt, but conservatism is strongly urged in all stock market operations. For the present at least, I continue to advise my friends to try and keep what they have got instead of trying to make more through hazardous risks.

HENRY CLEWS.

SUPREME COURT DECISIONS

East Carolina Railway Co. vs. Maryland Casualty Co. (Filed Oct. 2, 1921).

1. Insurance—Contracts—Interpretation. While in a contract of insurance, reasonably susceptible of two constructions, the construction most favorable to the insured will be adopted, the court, in absence of any equitable principle, must take the contract as it finds it and so construe it as to preserve the intent of the parties when clearly expressed, and their rights can with certainty be ascertained from the language used. When under a contract of insurance, which is not a contract of indemnity, the plaintiff was injured by the negligence of one of its servants, the plaintiff is entitled to recover the full amount of the loss sustained by the plaintiff, and not the amount of the loss sustained by the plaintiff's servant.

Zanes, Hathorn vs. James H. Todd and wife. (Filed Oct. 2, 1921).

1. Deeds and Conveyances—Fraud—Burden of Proof—Non-suit. In an action to set aside a deed for fraud it was error in the court below to sustain a motion as of non-suit at the close of the plaintiff's evidence, tending to show that the male defendant had committed the fraud on his wife, the sister of the plaintiff; that the defendant had made their home with the plaintiff for fourteen years and possessed her trust and confidence; the female plaintiff being her sister and the male plaintiff her brother-in-law; that the plaintiff was a feeble old woman, in bad health, a widow, childless, could not read or write; that there was no consideration for the deed, though such was therein recited; that as an inducement for the deed the male defendant promised to take care of her for life, with the purpose of getting the deed and then to "drop her."

2. Same—Presumptions—Evidence—Jury. When the evidence disclosed that the act complained of was induced by those in friendly relations and was done in a position of dependence or habitual reliance for advice, a presumption of fraud is raised as a matter of fact, and is alone sufficient to go to the jury.

Agnes H. Kinsey vs. City of Kingston et al. (Filed Oct. 2, 1921).

1. Negligence—City—Sidewalks—Warning Signals. It is the positive duty of municipal authorities to keep the public streets in a reasonably safe condition for the use of pedestrians. The city is liable in damages to the plaintiff who, being accustomed to use its sidewalk in going to and from her work, passed

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In the morning, and re-passing in the evening about 10 o'clock, was injured by falling into a ditch which had been dug across the sidewalk in the intervening time by a contractor for a private person, with notice and permission of the city, and left without lights, warning, signals or signs at or near upon the ditch.

Charlotte Cotton. These figures represent the prices paid to wagons Oct. 12th. Strict middling... 11.35 Middling... 11.14

STOCK QUOTATIONS

Of North Carolina Banks and Insurance Companies.

Table listing stock quotations for various banks and insurance companies in North Carolina, including Asheville Am. Nat. Bank, Asheville Citizens Trust & Savings Bank, Asheville Battery Park Bank, etc.

TEMPERANCE, SMITHWICK vs. W. C. MOORE.

1. Wills—Deeds—Devises—Construction—Interpretation. When the evidence establishes that the testator and his first wife made a deed in which she conveyed to her son, and at the same time she executed a deed in which she devised the same land to her son, the deed in which she conveyed the land to her son is the deed which governs.

A SONG FROM THE CANEBRAKES

New York American. A bruised and bleeding brain lay dying in the gutter of the street.

While the canebreaks rang around him with the yelps of dogs and men, And as his comrades gathered to catch his parting word, He feebly moved his fevered jaws, and this is what he heard: "A half peck of bullets are ballasting my head. Along my spine, O children mine, are laid low your Uncle Dudley—the President shot me!"

"He let the trusts escape him! he lost his head!" he loudly cried. Upon the nature fakir's throats to come to Mississippi. And public business waited the while he patiently sought out the chance to take the shot that did the work for me. Oh, in the chestnut, proud bear that ever roamed the globe, For this is one big job he's done for which he won't be paid!

How high my heart was beating as I tumbled from the tree, To think how I was honored when the President shot me!" "To hear that roars the canebreak death commotion or later, Some get smothered up in dead-falls, a mean and sordid fate; Some rift, sugar-houses beneath the waning moon, And fall about a shotgun of some too wakeful coon. But I was born to glory, from the vulgar set apart— The patron saint of Teddy bears has smothered my head apart. Go forth, my cub, to exercise you may be lucky, too! Make haste, and Mr. Roosevelt will do the same for you!"

The other girls asked him if he came to see the fair to see the fair, He told them they could be the same if they'd use Hollister's Rocky Mountain Tea—R. H. Jordan & Co.

STUART W. CRAMER, ENGINEER AND CONTRACTOR. Revolving Flat Cards, Railway Heads, Drawing Frames, Spinning Frames, Twisters and Spoolers, Quillers and Reels, Looms, COMBERS, Slubbers, Roving Frames, Jack Frames, ETC., ETC.

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Table listing stock quotations for various banks and insurance companies in North Carolina, including Henderonville, First National Bank, Jonesboro, Bank of Jonesboro, etc.

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