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between producers' and consumers' goods. This is a brake on trade. One half of the people cannot earn enough to buy the goods the other half has to sell. There are one hundred and six million people in the United States and fifty per cent of them get their living from producing or distributing raw materials. It has thus far been impossible to reduce the prices of finished consumers' goods to meet the cuts on raw materials. The purchasing power of these people is out of its natural proportion.

It is not entirely a matter of reducing wages, altho labor costs are a large factor, nor is it entirely a matter of inefficient management. No, the problem of high costs is not a problem of any one element; and readjustment can come in only one way—drastic competition. All this will take further time.

Does this mean that there will be no opportunities in 1923? Not a bit! There will be just as many chances to make money as in any year you ever lived. It will be possible for you to make as much during the next twelve months as in any year of your business life, but it will not be along the lines which made money in 1919 and 1920, nor in any other boom year. The profits in 1923 will come by giving attention to details, by stopping the little leaks, by saving here and there thru new labor-saving inventions, and most of all, by devising new and more economical means of distributing goods. This was not at all the situation during the boom years. Then the man who stopped to prevent small leaks found himself caught by the momentous rise in prices and changes in general conditions.

Those days have passed. They were wild and merry while they lasted. Now business has come back to earth. In most industries, an excessive producing capacity was created. During the boom, overhead costs were increased to keep up with an abnormal turnover. Today the amount of business has dropped back more nearly to normal, but costs have not been proportionately reduced. Higher wages, higher rents, more expensive sales organization—in fact, nearly every item of expense is out of proportion with the amount of business done.

Instead of wild gyrations in the commodity markets, the average trend throughout the coming year should be more of a sidewise movement. Some commodities are high and others are very low, but the majority at present are about 15 per cent above their levels a year ago. A year from now we shall probably find them averaging at about the same level they stand today. In between, there may be a further rally from the low of 1922, and agricultural products certainly should do better.

Earnings, continued Mr. Babson, "should average somewhat better than in the year just passed. A survey of 100 leading industrial companies, recently made by my organization, showed that in 1919, 96 per cent of these companies made a net profit, while only 4 per cent showed a deficit. In 1921, the number of firms which could show a profit was cut down to 48 per cent. Over half, or 52 per cent of these industrial concerns lost money on their year's business. 1922 has witnessed a change from red ink figures into black ink figures, but the amount of net profits will not be large when the books are finally balanced. We are just getting back onto the right side of the ledger.

The shortage of labor is one of the worst features of the 1923 outlook. The moment that business works up to average activity it becomes impossible to get sufficient workers. This raises costs and in turn increases commodity prices and the cost of living. The immigration law is largely the cause of this shortage. This law restricts the number of immigrants in a single year to 3 per cent of the total number of respective nationalities already in the United States. Before the war we had an addition of a million immigrants a year. Now we are receiving less than 300,000 a year and at least 60 per cent of these are women, children or other dependents. On the other hand, I doubt if the repeal of this 3 per cent Immigration Law is the proper solution of the present labor shortage.

The real solution is not the repeal of the present immigration law but rather the repeal of the Contract Labor Law for as long a period as the 3 per cent law remains in force. This would make it impossible for employers to promise selected foreign workers employment before leaving their homes. The moment that the immigration law is repealed the Contract Labor Law can again be applied.

There should be no great difficulty in getting ample supplies of

bituminous coal this winter. The car shortage is diminishing somewhat. Ample supplies of bituminous coal are being produced, suggesting lower prices. The mischief of this situation lies in the fact that it will again be to the advantage of both miners and operators to close the mines for a time. The difficulties which brot on the strike last year have not been settled. There is serious danger of another strike in the soft coal fields.

Everybody is worrying about the political situation. There is talk of radical legislation during the coming year. Most of this is merely the echo from campaign speeches. It may be a noisy year. Both the Conservatives and Radicals have a veto power, but neither is strong enough to push through any extreme measures of its own. The only kind of legislation that will really be enacted is that which will appeal to members of both groups. Already the Federal Reserve Board has issued a ruling, admitting a large amount of agricultural paper for rediscount in the Federal Reserve Banks. The Muscle Shoals problem will probably be settled, either by sale to Henry Ford or by development on the part of the government itself. The Soldier's Bonus will probably be enacted, altho no agreement as to the terms or means of raising the money has yet been made. It is improbable that there will be any increase in the amount of business taxes.

The political aspect has frightened many stockholders, but it is entirely too early to be worried. The thing to watch is fundamental conditions. We are still in a readjustment period. This means that sooner or later we shall work toward better prosperity. It is true that industrial stocks are much higher than a year ago and are certainly not the bargains that they were. However, as I have already stated, certain lines of industry are just getting ready to go forward. The industrial market will be 'spotty' but there are a great many issues that should do better in the coming year.

The rail group is, relatively, not so far advanced as the industrials. I do not believe rails should be bought indiscriminately, but the rail average will follow up the general market. I am much more attracted to the long haul roads than to the shorter lines. The motor truck is a feeder to the former but a competitor to the latter. Copper stocks have really not started yet, but the statistical position of the metal is far better than it has been for a long time. Coppers, certainly, are selling at bargain levels.

Money conditions should continue good. There is no question that the banks are in a strong position. The Federal Reserve Banks today have reserves equal to about 76 per cent of their note and deposit liabilities. The reserve required is between 35 and 40 per cent. It is true, that when foreign countries begin to get on their feet, it will be necessary to send much of this gold back. For the present, however, this gold represents the basis on which a considerable expansion of credit can be built. It guarantees to us a relatively easy money rate, until heavy gold exports are resumed. During the coming year, borrowers need have little fear of a lack of funds for all legitimate purposes, and this also applies to long-term money, that is, capital for permanent investment. Mortgage rates during 1923 should work lower. Today, the average rate of real estate mortgages thruout the United States is between 6 and 7 per cent. The time is not far away when this average will stand between 5 and 6 per cent.

Of course, the ease of the money market is distinctly favorable to long-time bonds. There is a point in the business cycle when industry becomes so active that money is absorbed by trade. When this occurs bonds are sold and develop a downward tendency. This point in the cycle has not yet appeared. Moreover, history shows that following the Civil War bond prices, barring temporary fluctuations, rose for a long period of years, the advance culminating about 1900. From this point, a descent was gradually made to a low point at the end of the European War. Since this low point, history is repeating itself, bonds having reached a middle ground, but still far below the 3.80 or 4 per cent basis of the 1900 period. All these factors suggest that well selected bonds, both municipal and corporation, are a distinct purchase.

Bonds and money," concluded Mr. Babson, "are certainly sound factors in the situation. As for as business as a whole, there is no doubt that it will average better this coming year than it did in 1922. This does not mean that there will be any boom, but that there will be plenty of money-making opportunities for those who know fundamental conditions."

General business according to the index of the Babsonchart stands at only 2 per cent below normal, the same as a week ago.

Our Long Suit

AMID the vicissitudes of this changing time and with the consciousness of temporariness that comes with the flight of a year, it is pleasant to think of the enduring character of the best thing in life, unfeeling love, as does the writer of the following verses:

**CARDS and the game are ours as time flits by
And deals us chances on the uncertain stage,
But, while our wisdom may increase with age,
We seldom win, however hard we try.**

**Clubs promise most to our insistent youth,
And diamonds glitter to our later gaze,
But melancholy spades our hopes amaze
And leave them buried after all, forsooth.**

**We count the riches of the passing days,
Our gains, our losses, and our gain withal,
Our greatest gain, the one that once so small,
Ever increasing, stays with us always:**

**Joy after joy approaches and departs,
But we have kept the fellowship of hearts!**
—Timothy Barry

AMERICAN LEGION



Bonus Aid

At the suggestion of the local Post of the American Legion, Mr. Curtis, of the First National Bank, and Mr. Simonson, of the Farmers & Merchants Bank, have consented to offer their services as Notary Publics on the Soldier Bonus applications, free of charge to all ex-servicemen.

According to the latest information all bonus applications will be sent from Springfield on the 15th of January. See Harold Clarke for your applications after that date. To meet a growing need, the local Post of the American Legion asked Mayor Barber if he would support a movement to regulate solicitation in

the name of the American Legion in Downers Grove. The mayor consented and has requested cooperation from each villager by reporting persons so soliciting who have not the official permit. Protect your pocketbook and the American Legion by a little thoughtfulness.

The Old Fashioned Dancing Club will give its second dance Saturday evening, December 30, at Library Hall. The first one, several weeks ago, when the club was organized, showed the members what potential good times they will have and all are looking forward to the dance Saturday.

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DOG KENNEL



GREETINGS for the NEW YEAR

You have been GOOD TO US — may Fate be GOOD TO YOU IN ALL THE YEARS TO COME!

Bertolin & Son



"Heap on more wood,
The wind is chill
But let it whistle as it will
We'll keep our New Year merry still."

Fred Baker
Jeweler



May your cup of cheerfulness in the New Year be filled to overflowing. May it be the best you've ever lived.

Downers Grove Garage



New Years tales are often told.

May the tales you'll tell of 1923 be better than any you have ever heard or told before.

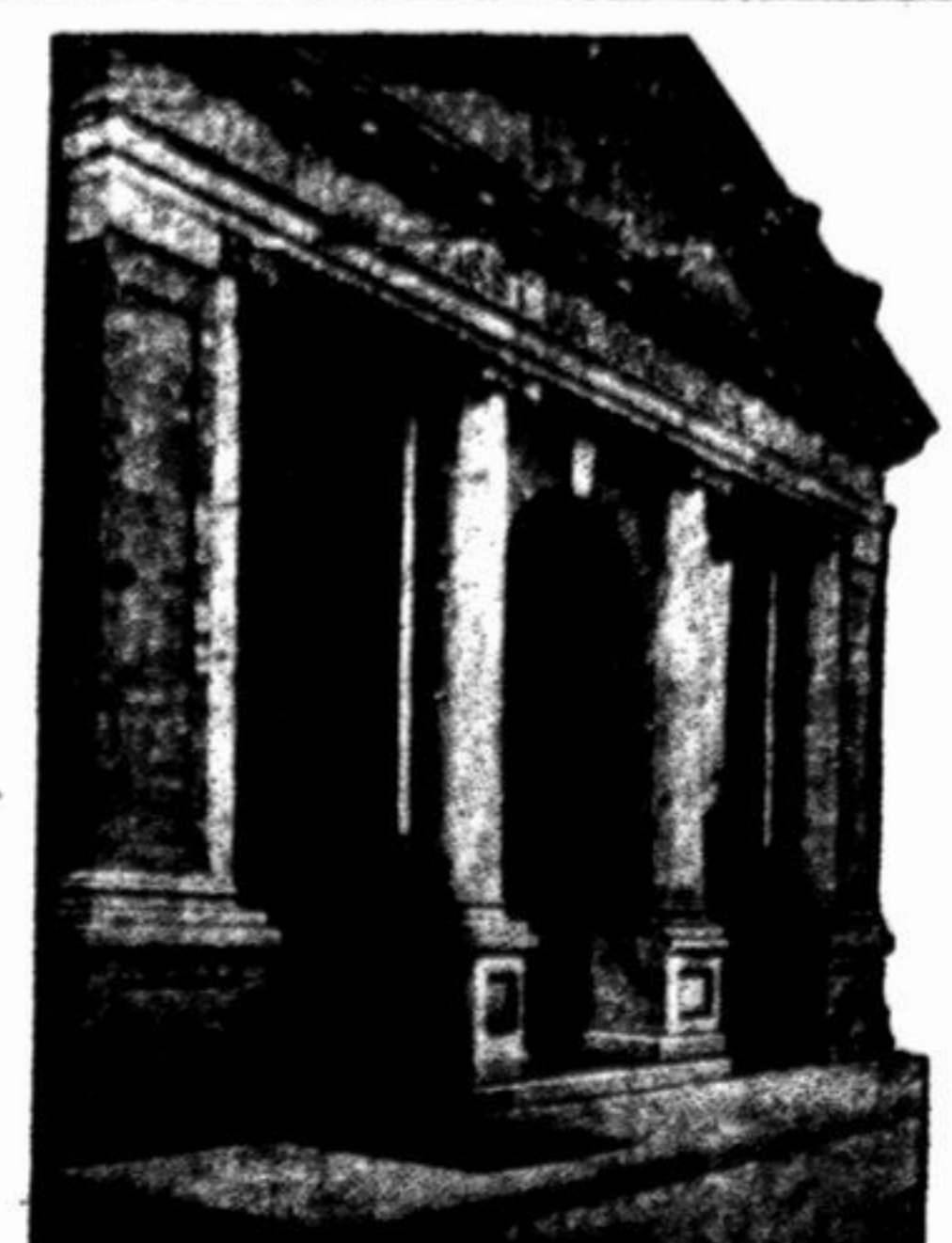
Joseph Mazza
Tailor



Today we are happy in the thought of the confidence of our friends, their faith in us as merchants and as individuals.

We extend to all our sincere wishes for a Happy New Year Day.

Downers Grove
Candy Kitchen



May the gods of joy, happiness, pleasure, mirth and sunshine come early and the cheer of their presence linger through the New Year.



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