

New York Stock Market (November 10th)

By Glendon B. Loveles
Ovejero & Hall

Numerous conflicting developments during the past month found reflection in considerable irregularity in financial markets.

The release of numerous third quarter earnings statements showing rather sizeable losses in many instances, uncertainty over the results of the railroad fact finding committee, as well as the 1938 fall elections, served to dampen somewhat the bullish sentiment that would normally have resulted from the announcement of a large contemplated utility plant expansion program.

Despite moderate setbacks in some industries, the momentum of the recovery movement has been well sustained and further expansion over the coming months appears reasonably assured. Pace of the recovery thus far has been one of the most rapid on record and common sense clearly indicates that the recent rate of advance cannot be maintained indefinitely. Some slowing down of the recovery movement, however, should be considered as a favorable rather than unfavorable development, in view of the fact that it may be due to the very conditions that may ultimately bring a more sustained and less irregular recovery that might ordinarily be anticipated.

Normally, five months of rising industrial activity cannot be considered as something that would imperil the recovery movement. Continuation of the rise, however, at its recent rate would mean that the 1937 business peak (which took five years to reach) would be attained within 5 or 6 months—all of which would be quite illogical, to say the least.

In short, the only valid reason for seriously modifying a constructive investment and speculative attitude would appear to be a further over-rapid development of the recovery movement with its consequent dislocation and disarrangement of the economic structure.

Most significant of recent developments, insofar as the business recovery picture is concerned, is the National Defense Program.

Chief elements on the program, aside from obvious ones of Army, Navy and merchant marine expansion, appear to be as follows:—

(1) a public utility expansion program involving the expenditure of some \$3 billions as a first step in strengthening the arms industry areas;

(2) a railroad rehabilitation pro-

gram, in which the sum of \$1 billion has been mentioned;

(3) industrial plant rehabilitation, particularly aircraft, automobile, chemical and heavy industry machine producing plants, with expenditures tentatively estimated at over \$1 billion.

The foregoing appears to be the primary purpose of the program.

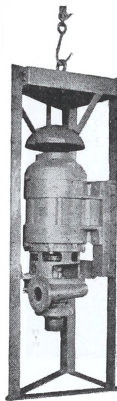
The secondary effects are almost incalculable and may become the dominating market factor, at least over the next year or two.

In such an event, the type of recovery from here on, with emphasis mainly on stimulation of the capital goods industries would be vastly different from the last recovery period when emphasis centered principally in consumers goods industries.

The present favorable outlook for business is further enhanced by recent political trends in which it appears that the American people have taken the first step leading to eventual repudiation of the New Deal and its spokesman.



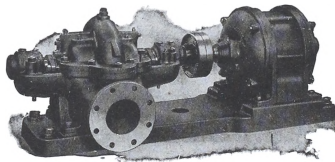
THE MOST COMPLETE LINE OF PUMPING EQUIPMENT, SINGLE STAGE, AVAILABLE FROM OUR MANILA STOCK, FOR VERTICAL, SINKING AND HORIZONTAL SERVICE



Size	Type	Spced	CAPACITIES			
			GPM	Head	GPM	Head
4 x 3	SIHI	3500	550	180	300	250
4 x 3	SK	1750	700	150	400	175
4 x 2 1/2	SKII	3500	600	275	250	425
3 x 2 1/2	SK	1750	325	130	150	145
2 x 2	GS	1750	160	108	100	120
1 1/2 x 1 1/4	SSUIII	3500	120	40	50	110
1 1/2 x 1 1/2	SSUL	1750	120	35	65	60
2 1/2 x 2	SSL	1750	200	90	100	110
4 x 3	SSN	1750	450	90	150	110
5 x 4	SSN	1750	950	85	500	120

INCLUDING TOTALLY ENCLOSED FAN COOLED, MOISTURE PROOF ELECTRIC MOTORS

MANILA STOCK



THE EARNSHAW'S DOCKS & HONOLULU IRON WORKS

60-118 Second Street, Port Area
Manila, P. I.

P. O. Box 282
Tel. 2-32-13

Branch Offices:
Bacolod, Occ. Neg.
Cebu, Cebu