

## >>> The Week in Business <<<

### >>> Sluggish

IN ALL parts of the country except New England, where the textile and shoe plants are taking back thousands of laid-off operatives and in many cases adding night shifts, business continues dull.

High temperatures have slowed up retail trade in all of the chief markets but Chicago, which reports department store sales particularly good during the hottest of the dog days. In agricultural sections affected by drought and insect plagues, retail sales have fallen off badly.

Steel and automobile production are still at low levels. The steel makers expect no improvement during August, but appear confident of an upturn in September or October, although those months last year saw ingot production on the down grade. The motor plants, shut down partly or completely for the vacation period, will soon begin to resume operations, and that will be good news for the steel industry.

In the investment markets the week was without sensational development, total sales of shares being comparatively small and changes in price levels insignificant. There was much interest in the consideration given to the German situation by leading bankers, but apparently not enough to have an appreciable effect on the volume of stock transactions. In the early part of the week stocks sold off slightly, but most of the losses were made up on a brisk end-of-the-week rally.

### >>> Hot Weather Mergers

ON BOTH sides of the Atlantic business continues, in the inspired language of Professor Bugs Baer, to get away with merger. In England it's coal; over here we have oil, banks, floor coverings, mail order houses and chain stores.

Sir Ernest Gower's plan to stabilize the British coal industry calls for the compression of 1,000 individual colliery organizations into six, a central directorate in each unit to control production, sales and transportation.

Socony-Vacuum has received the exquisite number of proxies, completed the merger, elected Charles E. Arnott president and declared an initial dividend of 40 cents a share on the new stock.

The latest bank merger is a New York affair—Straus National Bank and Trust Company, Continental Bank and Trust Company and International Trust Com-

pany. The combined resources will be about \$71,500,000.

The Sloane-Blabon Corporation, capitalized at \$18,000,000, brings together the W. and J. Sloane Manufacturing Company, the George W. Blabon Company and the floor coverings division of the Certaineed Products Corporation.

Passing from facts to rumors, we have

## INDICES

(A two-minute summary)

**Commodity Prices** (Fisher's Index—1926=100) August 6—69.5. (Crump's British Index—1926=100) August 6—62.7.

**Car Loadings** (American Railway Assn.) Week ended July 25—741,752 cars (reduction of 15,803 under preceding week and of 177,549 under same week of 1930).

**Steel Ingot Production** Week ended August 1—31% of capacity (reduction of 2% under preceding week and of 27% under same week of 1930).

**Crude Oil Production** Week ended August 1—daily average gross 2,500,650 barrels (increase of 13,700 over preceding week; reduction of 14,650 under same week of 1930).

**Grain Exports** Week ended August 1—5,591,000 bushels (increase of 2,807,000 over preceding week and of 1,475,000 over same week of 1930).

**Bank Clearings** (as reported to Bradstreet's) Week ended August 6—\$7,303,216,000 (increase of 16.7% over preceding week; reduction of 27.7% under same week of 1930).

**Failures** (as reported to R. G. Dun & Co.) Week ended August 6—476 (reduction of 7 under preceding week; increase of 24 over same week of 1930).

reports that Sears, Roebuck and Montgomery Ward are once more veering toward a combination, and that the Kroger Grocery and Baking Company is out to get the recently amalgamated Safeway-MacMarr chains. If this goes through, A. and P. will find itself facing a rival worthy of its steel.

### >>> Know Hipernik?

PLEASANT comments on the "Cactizona" story last week encouraged us to go exploring again, and in less time than it takes to say "Yensen" we discovered the existence of a super-magnetic alloy which promises to save the world millions of dollars a year.

The alloy (of iron and nickel) was developed by Dr. Trygve D. Yensen, research engineer, and was recently announced to the world by S. M. Kintner,

vice-president in charge of engineering of the Westinghouse Electric and Manufacturing Company.

Dr. Yensen passed X-rays through thin films of various materials. It was known that the atoms of many materials were arranged in cubic symmetry, with iron atoms at the corners and centers of the cubes and nickel atoms at the corners and centers of the faces of the cubes. Millions of these cubes form what are known as space lattices.

Then it was discovered that the magnetic properties of iron depended on the regularity of the arrangement of the atoms in the space lattices. A mere trace of impurity served as a wedge, distorted the symmetry and disturbed the magnetic properties. Dr. Yensen set out to remove the impurities and found that a special hydrogen heat treatment did the trick, producing the new alloy.

Why "hipernik?" Just combine the first syllables of three words—high, permeability and nickel—and there you are. We have our eyes and ears trained on Dr. Yensen, and when he breaks out in a new place we'll let you know.

### >>> Threat of the Chains

BACK in 1914 *Printers' Ink* made a thoroughgoing study of chain store management and problems. It was the first really comprehensive investigation of the subject ever made in this country.

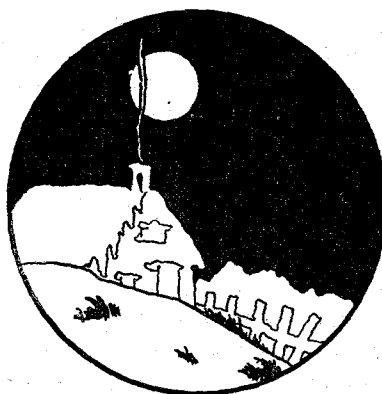
By 1930 the chain store movement had developed to the point where another careful study was needed, and one of the investigators who was active in the 1914 survey, M. M. Zimmerman, tackled the job. The results are presented in *The Challenge of Chain Store Distribution* (Harper, \$5).

Business certainly wants to know what the chains portend for the manufacturer; whether they will continue to expand; and whether they will finally eliminate the independent retailer and completely monopolize our system of distribution.

Mr. Zimmerman answers these questions in the light of his 16 years of study and experience. The chains will remain, he says, but only the strong ones. And they will never completely control distribution. In 1930 there were 7,837 chain store systems, operating less than 200,000 unit stores, whereas independent retail outlets numbered 1,264,000, doing 78 per cent of the country's retail business.

Here is up-to-the-minute information and sound conclusions on one of our biggest problems. Mr. Zimmerman has done yeoman service to business in giving it this invaluable book.

FRANK A. FALL.



## >> The New Movies <<



Sylvia Sidney as Roberta Alden and Phillips Holmes as Clyde Griffiths in Paramount's film of Dreiser's novel "An American Tragedy"



### >> "An American Tragedy"

**A**FTER five years of argument and some weeks of legal protests from Theodore Dreiser, his ponderous two-volume novel has finally reached the screen. The result is an occasionally tense but more often dull murder trial film furnishing routine and never exceptional entertainment. Sylvia Sidney as the unhappy Roberta is the only person involved who seems to have come out of *An American Tragedy* with anything like success. She gives a fine and moving performance. Phillips Holmes as Clyde Griffiths, the boy, is wooden, lifeless and unbelievable, while Von Sternberg's direction is as flat and uninteresting as a three-days-old glass of ginger ale. Frances Dee, as Sondra, the wealthy society girl who loves Clyde, is as absurd as are all "society" people in the movies.

For some unaccountable reason the film is prefaced by the following bewildering caption: "Dedicated to the army of men and women all over the world who have tried to make life better for youth." The story—which is too well known to need rehearsal at this point—has not been changed, but in the necessary condensing a good part of the juice and flavor has been drained away, and all we have is a story of a weak boy who murders a poor girl who is about to have his child, when he finds a chance to make a wealthy marriage.

As for Mr. Dreiser and his legal efforts to keep the picture from being shown, neither he nor Paramount, nor Justice Witschief, who finally pronounced the movie aesthetically "OK," seem to have distinguished themselves. I cannot sympathize with Mr. Dreiser, because he is a great big boy now and he knows perfectly well what the gold coast butchers do to people's books. If he didn't want to risk butchery, he should never have sold his book down the river. In the second place, he received \$150,000 in cash before he started all this noise and, finally, the contract he signed, while allowing him to make

suggestions and comments on Paramount's scenario, states that that company . . . "will use its best endeavors to accept such advice . . . in so far as it may in the judgment of the purchaser (Paramount) consistently do so." This seems to leave Mr. Dreiser out entirely.

Mr. Dreiser claimed, you may remember,

### Worth Seeing

**Man in Possession:** Robert Montgomery and Irene Purcell in a pleasant little comedy.

**Murder by the Clock:** Murders, graveyards and the other old reliable tricks.

**Mystery of Life:** Clarence Darrow conducts a lesson in biological evolution.

**Politics:** The best of the Marie Dressler-Polly Moran comedies—the girls try to clean up the town.

**Rebound:** Ina Claire as a lady who marries a gentleman who loves somebody else. The dialogue is literate.

**Smart Money:** Edward G. Robinson portrays a professional gambler.

**Smiling Lieutenant:** Maurice Chevalier, Strauss music and pretty girls.

**Transatlantic:** Life aboard a big Atlantic liner—patterned after Vicki Baum's "Grand Hotel."

ber, that the film shows Clyde to be a stupid and criminally inclined boy rather than the victim of environment. The film, he said, "does not indict society."

In answer to this, Justice Witschief of the New York Supreme Court gave out a truly appalling decision, which should well infuriate not only an injured author but any sensible layman. He said: "In the preparation of the picture the producer must give consideration to the fact that the great majority of people composing the audience before which the picture will be presented will be more interested that justice prevail over wrongdoing than that the inevitability of Clyde's end clearly appear."

In other words, this Justice agrees with Hollywood that the cart should draw the horse—that the opinions of an audience are more valuable than those of the author whose play the audience

has come to see. Thus does Hollywood forever cheat its audiences. It never tells them anything new or different. It merely reflects what it supposes the audience is already thinking. And now this procedure has legal recognition! The next thing will be a law making originality illegal.

### >> "The Star Witness"

Two of the latest gangster films—started some months ago—make a valiant attempt to prove that they are crusading against racketeers and gang-rule, and in a mild, half-hearted sort of way, they are. *The Star Witness* (Warner) is the better of the two, for, in spite of some moments of gluey sentiment, it manages to move along at an excellent clip and be effective melodrama. It has the action and excitement of the previous gangster films, but it actually does show the boys in a pretty unfavorable light. In the first place the gangsters are portrayed by minor actors, and in the second place they are on the screen but very briefly, although their influence hangs over the whole story. Also it should be noted that on three distinct occasions Mr. Chic Sale (in his old Civil War veteran costume) says that we should "run them danged dirty furriners out of the country, and make it safe for real Americans." How this will strike Mr. Mussolini's warm-hearted, hot-headed, hair-trigger subjects, I do not know. In the theatre I attended the response seemed decidedly favorable. *The Silent Witness* concerns an "average American family" which witnesses a gang murder on the street in front of the house. In terror for their lives, they all refuse to testify against the gangsters arrested by the police—all except the old Civil War veteran (Chic Sale), who thus becomes the star witness. This film doesn't glorify gangsters—but on the other hand it doesn't show the intimate relation between gangsters and politicians which seems to be the real crux of the situation. In their usual modest manner the Warners announce this as "the finest motion picture ever conceived by human mind." Personally, I doubt this.

*The Public Defender*, with Richard Dix, also purports to be an anti racketeer film, but it is too fantastic and old-fashioned to get anywhere. A picture of same name was made in 1918, and this might be a reissue. A lot of crooked bank officials are accusing an innocent man of theft, when along comes Richard Dix, disguised as a mysterious "crook," who "steals" the documents necessary to convict the right man. Faintly entertaining.

CREIGHTON PEET.

