

Outlook Optimistic for 1921

(Continued From Page One.)

be relieved of the excess profits tax.

I believe the business skies are brightening and that within a few weeks we will have evidence of stability and increased activities in all lines. The present situation calls for patriotic optimism and cooperative action. We must approach our readjustment problems with the same spirit of patriotism as that which characterized our activities during the war.

The business man must be satisfied with a fair profit; and labor must strive for the highest efficiency in production. There must be no "slackers" anywhere along the line. The policy of demanding a maximum wage and a minimum profit is economically unsound. We are now paying the penalty for such an absurdity. We must all make up our minds to work more, spend less, and be satisfied with a fair wage and a fair profit. Such a policy will help materially in clarifying the commercial atmosphere and in bringing us back to normal.

By HARRISON WALTERS,
President of Engineering Contractors'
Association of Indianapolis.

AN ATTEMPT to forecast the outcome for building and construction work for 1921 to be other than pure guesswork must take into careful consideration many and varying factors, some natural and incident to the business at all times, and some arising entirely of the present peculiar conditions incident to the readjustment of all business.

Natural influences are without doubt the predominating factors at this time and point conclusively toward a season of exceptional activity.

Business conditions will be generally summarized as follows:

Need of new construction and reconstruction due to normal progress.

Catching up work deferred on account of war activities and abnormal war-time costs.

Supply of labor.

Supply of materials.

Transportation.

In consideration of these factors singly and in their relation to each other shows an unusually favorable outlook.

CONSTRUCTION
NEED ACUTE

The need for new construction is acute, especially in housing, to the extent of being a national problem. Schools and educational institutions are in such condition as to seriously impair their efficiency due to lack of buildings and extensions.

Recent reports of investigations of our State institutions are most depressing, that are shocking to read. Modern, safe, sanitary buildings must be provided at once, if we are to avoid the consequences of actual criminal project.

Deferred private projects, many with plans completed and publicly announced, amount to a large volume.

Labor is plentiful and as a consequence shows a marked tendency to increase its efficiency. An excessive volume of labor is never a desire condition, but a healthy competition is the most effective means to maximum production. Labor that has a healthy interest in its job very quickly disposes of the strike agitator and petty trouble maker.

Material supplies are available in practically all lines, with stocks on hand or production facilities to insure delivery.

Transportation shows a decided improvement.

Most of these conditions are favorable, in fact, would seem to indicate an ideal situation with respect to supply and demand.

The most important and really determining factor is, of course, in capital necessary to finance construction enterprises, without which the need, however

a considerable diminution in volume of business.

It is trite to say that this country, and indeed the rest of the world, is in the throes of a drastic economic readjustment; and this process, while well advanced, is by no means complete. Economic readjustment means inevitable economic friction because the various elements that enter into our economic life do not change instantaneously and concurrently as at the touch of a magic wand. Changes are effected slowly and gradually, until in time, by the sure process of natural law, a harmonious balance of interests and activities is restored. Receiverships and strikes, legislative nostrums and commercial depressions are manifestations of this economic friction; and it is impossible that the world should accomplish its new adjustment of interests and values without feeling the pangs of the process. Indianapolis is growing. It is estimated that the increase in population during 1920 was a little more than 10,000 people. There is no reason why it should not continue at about this same rate during the coming year.

Announcements of prices of building material will in a great measure affect the situation. Radical reduction of prices is very unlikely. A tendency toward stabilization of price levels is to be expected and will undoubtedly create a feeling of confidence on the part of investors. In the case of property, good returns from finished usable structures can safely be expected to far outstrip economies gained by waiting lowered costs for a period of at least several years.

Suggested revision of Federal income tax looking toward exemption of income derived from and income invested in home building would undoubtedly stimulate home owning as well as attract investment.

Careful consideration of all phases of the situation fails to reveal any reason why building and construction industry should not proceed with confidence on the part of all, especially when we consider that the industry is steadily interlinked with our industrial system and consequently must move proportionately with all other lines, and the further fact that the keenest minds of the greatest industrial country on earth are concentrated on the problem of a safe adjustment to normal conditions.

By GEORGE C. CALVERT,
Manager Indianapolis Clearing House.

CLEARING house statistics do not furnish an exact representation of economic conditions, but they are a very reliable index. Let us consider, then, an interesting and informative illustration of activities in the field of commerce. Following, month by month, are the Indianapolis clearings in even thousands of dollars for 1919 and 1920:

	1919.	1920.
January	\$10,109	94,950
February	49,771	75,426
March	67,917	84,446
April	62,161	73,517
May	62,831	78,398
June	64,979	81,589
July	66,404	87,589
August	73,554	81,453
September	72,451	77,036
October	71,987	75,444
November	71,144	70,468
December	76,519	72,000
Total	\$101,099	941,950

The entire year of 1920 shows a gain in the volume of clearings over the preceding year amounting to nearly \$132,000,000, but it also shows a marked break in the line of advance occurring in the last quarter of the year. These figures generally correspond in time with the lowering movement in commodity prices and I think chiefly reflect diminishing costs rather than diminishing volume of business, although it is undoubtedly true that there has been

a considerable diminution in volume of business.

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