

MARKET WILL SOON BE BOOMING AGAIN

Those Who Know Wall Street Say Apathy of Past Two Years Is Only Temporary.

NO LACK OF CONFIDENCE

Henry Clews Says Business Readjustments, Now Nearly Finished, Halted Speculation.

The large activity of the Stock Exchange last week, on a declining market, following an autumn of dullness, a summer of extreme apathy and a year and a half of slow slide and stagnation in stock investment and speculation that brokers have been cutting expenses to the barest bone and some of the heaviest traders have given up stocks in disgust, has served to emphasize the extremity of dullness that has existed heretofore.

A question that is very much present in the mind of the financial district to-day is whether the old days of active trading, big speculation, booming times on the stock market have passed and passed permanently, or the sluggishness that has been upon the market recently is merely a temporary condition. The wild talk that is heard from Washington, from the head of the most important committee of the House, so far as banking and the financial business of the country is concerned, that stock exchanges, cotton exchanges, clearing houses, whose foundation as fundamental as civilization itself, be so obstructed and hedged about that their usefulness will inevitably be reduced to a minimum—is being heard in the financial district with smiles of ridicule, it is true.

But there is also an inclination among financial men to find out to what extent, if any, the old days of active trading, big speculation, booming times on the stock market have passed and passed permanently, or the sluggishness that has been upon the market recently is merely a temporary condition. The wild talk that is heard from Washington, from the head of the most important committee of the House, so far as banking and the financial business of the country is concerned, that stock exchanges, cotton exchanges, clearing houses, whose foundation as fundamental as civilization itself, be so obstructed and hedged about that their usefulness will inevitably be reduced to a minimum—is being heard in the financial district with smiles of ridicule, it is true.

One very striking evidence of the apathy that has been upon the stock market is furnished in a comparison of the number of days in the last twelve years that have seen transactions on the exchange of 1,000,000 shares or over. Brokers look back to the period between 1901 and 1907 as the high days of speculation, when 1,000,000 share days or nearly this were practically the rule.

In 1901 there were 119, or almost half of the days of full business length in which 1,000,000 shares or more were in motion. In 1905 and 1906 the trading was big and the stock market booming, 1905 showing 105 days of 1,000,000 shares or over and 1906 118 such days. In the panic year of 1907 the number of big days dropped to 42, and the two years following, 1908 and 1909, show about the same figures.

The contrast comes in the record of this year and last. This year there have been only two days of million share dealings, one of these was last Wednesday, on the sharp decline that followed the Supreme Court decision against the Harbormen merger. The other big day was in March. In 1911 there were only twelve heavy trading days.

In canvassing the opinion of bankers and brokers who know stock market speculation and its history one explanation for this dullness invariably turns up along with the others more or less expected: Government prosecution, anti-corporation activity and the general, though much talked of, social unrest. This explanation is not just the high cost of living, but the high rate of living, and the general extravagance because of which, it is said, great numbers of the people of this country are living beyond their means. A banker who has been much in work that requires intimate knowledge of men holds that this is one of the fundamental causes of the present dullness in the stock market in the last two years.

"In private life men have been living beyond their means," says this man. "Merchants and others who have in the past gone in for stock speculation have done so with the surpluses from their business. In the last two years they haven't had any such surplus. What has been made over and above expenses has gone into the pockets of the speculators, not saving or speculating, and the result has been in the inactivity of the stock market."

"Nine out of ten of the bankers and brokers who offer offhand explanations of the peculiar apathy that has existed in speculation in the last year, the more peculiar because it has existed in the face of wonderful fundamental conditions pointing to a bounding prosperity in the great country and the reawakening of business, will mention next the attacks on corporations, Government suits, the low railroad rates enforced by various commissions, Federal and State; the tariff tinkering and the labor unrest.

The movement among Stock Exchange firms that started last week to organize a new curb market as the result of a recent curb association rule which Stock Exchange brokers consider obnoxious is to take shape on Monday at a Monday at a meeting called by a committee of three Stock Exchange houses.

Invitations have been sent out by Foster & Adams, Metzger, Blagden & Draper and Foster & Adams to all the large Stock Exchange firms to send representatives. A petition in connection with the curb association to go into effect January 1 to exclude from the curb all traders not working on a commission basis. Stock Exchange houses who do their business on the curb through salaried employees do not propose to stand by the commission idea, as they would greatly increase their costs. As they say that most of the letting to business done on the curb is done by them they regard it as a comparatively simple matter to start a new curb market, the present body does not come to terms.

But from the majority of financial men the answer to the question "Is speculation passing? Is Wall Street declining?" comes sharply and decisively in the negative. The weariness of the booming movements in stocks in the last year and a half of monotony is a temporary condition, say most men. It may last long; but all men are gamblers, they hold, and will always be; and ultimately there will be a return to large speculation.

One of the two or three oldest members of the Stock Exchange, Henry Clews, is not one of those who give any foundation in fact for present talk of the "passing of speculation." Mr. Clews's long experience and close observation of the lulls and tempests of speculation in New York and his authorship of the standard history of the Street, "Forty Years in Wall Street," give unusual authority to his opinion on the facts and conditions that make for speculation in this country have no fear of Wall Street, are not suspicious or distrustful of it," says Mr. Clews. "Such a feeling has had no influence in the retarding of speculation in the last year and a half. The antagonism

displayed in the utterances of the chairman of the committee on banking and currency is not a particle representative of public feeling or of a sensible people. There must be a market, there must be speculation and investment, and there must be intelligent speculation. There must be speculation. For activity of speculation makes good collateral. Good collateral is the basis of confidence, which in turn is the foundation of credit, the soul of business and prosperity.

"The people of this country are not giving up speculation and they have no fear of Wall Street. Look at the farmers. They were once the enemies of Wall Street. That was not so far away, but in the days of William J. Bryan, when there were plentiful crops but wretched prices for them. The consumer benefited, but the farmer starved and the country with him. The farmer was the enemy of Wall Street then; but to-day he is far from it. Now he is cutting coupons and riding in his automobile. The farmers have got over their antagonism and are the customers of Wall Street.

"As for the decline of Wall Street and speculation through popular enmity, Wall Street never had a better name and has never stood higher. The management of the exchange has never been more field. Its conduct is clean."

Mr. Clews has had large opportunity for studying the average harvester and speculator and his opinion regarding the popular belief as to speculation is thereby rendered more valuable. He attributes the dullness of the recent period to the following elements:

"Constructive combination of capital reached its zenith at the time of the Standard Oil and Tobacco dissolution. The success of the Supreme Court," he says, "since then has been such a constructive combination has been on the decline. The readjustment necessary has inevitably halted speculation. The truth of this is evident in this week's Union Pacific decision. It has brought with it the same hesitation and uncertainty.

"But it is a temporary condition. It means that other adjustment of corporation construction is necessary. Such adjustment will be accomplished and accomplished quickly. And so with the tariff, another fundamental that has halted speculation. Business will adjust itself and speculation will be revived."

Mr. Clews emphasized as an important cause of the sluggishness of speculation the fact that in the last year and a half an unusually large number of great enterprises of the country have been formed. These men are loaded up with the stocks of industrials and other newly formed corporations that are not marketable. The cheapness of money has fostered such promotion, and men who are ordinarily active market operators have had to absorb huge amounts of unmarketable stocks.

Still another threatened strike has had some effect in holding back an active speculation, says Mr. Clews, though he is not inclined to lay much stress on this as a brake on speculation, nor on the rise of socialism, which he considers an exotic and slender plant in the wholesome soil of America. Recently he holds, the disturbance of the money markets by the Balkan war and the interruption of the automatic money relief this country could have received from Europe halted a promised buoyant market.

For the future, Mr. Clews sees no fundamental reason why there should not be a resumption of active speculation in Wall Street. With easy money after the middle of January, and with the political situation in the hands of Woodrow Wilson, whose character and actions thus far have given none other than to give a basis for expecting conservatism. Mr. Clews looks for the tariff and corporation difficulties of the country to be adjusted. He is emphatic in his belief in an early return of marked speculative activity.

HIGGINSON FOR CENTRAL BANK

Boston Banker Advocates Profit Sharing With Labor.

BOSTON, Dec. 7.—Major Henry L. Higginson, the banker, advocates profit sharing as a partial solution of the present economic unrest and as a fair return to labor, which helps to produce the nation's wealth. To remedy certain national evils he suggested a revision of the tariff and changes in the banking law. He said:

"The general adoption of profit sharing would tend to eliminate labor strikes and lockouts, and would stimulate labor to greater endeavor, with the result that it would benefit everybody."

"I do not fear evil effects from a revision of the tariff. I have always been a free trader, but as it is not practical to have complete free trade, a wise and fair revision of the tariff is needed and may be hoped for. With a low tariff the best results will be obtained. The nation will flourish even if its receipts and expenditures are greatly reduced."

The most important task before Congress, however, is a proper banking law. With such a law we should not have had such an orgy as that of 1907. We should have a central bank in which the Government funds are kept and this bank should be properly controlled by the Government."

MAY START NEW CURB MARKET

Three Stock Exchange Houses Send Out Call.

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EXHIBITION COMMENCES TO-MORROW In the Fifth Avenue Art Galleries. Main Entrance, 1, 3 and 5 West 45th Street, 510 BUILDING, 565 FIFTH AVENUE (45TH ST.). MR. JAMES P. SILO, Auctioneer, announces an Executrix's Sale of over 400 OLD PAINTINGS.

SALES BY AUCTION. NOW ON DAILY FREE VIEW At the Galleries of the Fifth Avenue Auction Rooms, 333-341 Fourth Avenue, S. E. Cor. 25th Street. CHINESE ART OBJECTS recently consigned from China to the noted house of YAMANAKA & COMPANY. Osaka—New York—London—Peking.

THE WEATHER FORECAST

WASHINGTON PREDICTIONS FOR TO-DAY AND TO-MORROW. For eastern New York, fair in south and snow flurries in northwestern portion to-day; fair and much colder to-morrow; moderate to brisk south and southwest winds. For northern New England, snow flurries to-day, fair in the afternoon; moderate, south and southwest winds. For southern New England, cloudy to-day; fair and colder to-morrow; moderate, south and southwest winds.

MARINE INTELLIGENCE. MINIATURE ALMANAC THIS DAY. Sunrises, 7:08. Sunsets, 4:20. HIGH WATER THIS DAY. Sandy Hook, 6:50. Gov. Island, 7:20. Hell Gate, 10:20. LOW WATER THIS DAY. Sandy Hook, 12:40. Gov. Island, 1:20. Hell Gate, 3:40.

OUTGOING STEAMSHIPS. Sail Today. Koenig Albert, Genoa. Mail Close. 11:00 A.M. Cincinnati, Punalu. 8:00 A.M. 10:00 A.M. St. Quentin, Montevideo. 8:40 A.M. 12:00 P.M. Colon, Colon. 11:30 A.M. 1:00 P.M. Tarentino, Italia. 12:00 M. 8:00 P.M. Southampton, Southampton. 3:00 P.M. Hamilton, Norfolk. 3:00 P.M.

INCOMING STEAMSHIPS. Due To-day. Esperanza, Havana. Dec. 3. Metropolis, Genoa. Dec. 3. La Lorraine, Havre. Nov. 29. La Florida, Genoa. Dec. 3. Napo, Barbados. Dec. 2. Caronia, Liverpool. Dec. 2. Coker City, Havana. Dec. 2. Caladonia, Glasgow. Nov. 29. Philadelphia, New York. Dec. 3. Westward, Colon. Dec. 2. Harry Luckenbach, San Juan. Dec. 4. Hrazo, San Juan. Dec. 4. Antilles, San Francisco. Dec. 4. El Mundo, Galveston. Dec. 3.

By Marconi Wireless. St. Caledonia, for New York, was 760 miles east of Sandy Hook at 7:15 A. M. yesterday. St. Minerva, for New York, was 280 miles east of Sandy Hook at noon. St. Pauline, for New York, was 275 miles east of Sandy Hook at 11:30 A. M. St. Chicago, for New York, was 1,410 miles east of Sandy Hook at 8 P. M.

Movements of Naval Vessels. WASHINGTON, Dec. 7.—The battleships Utah, Delaware, New Hampshire, Vermont, Virginia, West Virginia and Massachusetts are at Hampton Roads; the collector Hector at Portsmouth, N. H.; the transport Buffalo at San Juan del Sur, the gunboat Villalobos at Shanghai and the cruisers Saratoga and Rainbow at Hongkong. The gunboat Eleanore has sailed for Saikwan for a cruise on the Yangtze and the cruiser Des Moines from Port Arthur, Texas, for Port Arthur.