

COMMERCIAL -- DEVELOPMENT -- INDUSTRIAL

FINANCE REGAINING ALL THE GROUND LOST

Recovery Slow and Even Discouraging but in View of Conservative Bankers, Things are Improved

PUBLIC OPINION POTENT

Menace of Foreign Action Still to be Met, But it Can be Reckoned With as is Case in Bond Department, by Limited Selling Prices at Start.

New York, November 30.—Lost ground is being steadily regained. Recovery is slow, and at times even discouraging, but in the view of conservative bankers things are much improved. And it is significant, I may add, that the same big capitalists who were offered—but who refused—great blocks of securities at their own prices following the Stock Exchange shutdown, became buyers of the latter when the Stock Exchange re-opened.

Public opinion is potent. The public has for weeks desired resumption of Stock Exchange business, if only on a restricted basis. Having yielded to its wishes, as to bonds, it is probable that the authorities will not postpone a moment longer than it is absolutely necessary the restoration of trading facilities generally. I admit that the menace of foreign liquidation is still to be reckoned with. But it can be met, as is now the case in the bond department, by limiting selling prices at the start. Moreover, nobody knows the exact volume foreign selling of our securities would reach. High authorities differ greatly. There are, I understand, pessimists who figure that a billion of securities would be shifted to this side by the foreigners in the event of a market. That would be one-fifth of Europe's estimated holdings of "American." That such calculations are overdrawn, and highly extravagant is the opinion of the informed in international affairs. Without doubt it is justified by the fact that two years preceding the war overseas holders of our stocks and bonds were persistent sellers in London and New York. Germany, I hear, will sell rather freely when opportunity permits. But it is also to be borne in mind that the Germans were heavy and persistent sellers of our securities from the Balkan outbreak up to the beginning of the present conflagration.

The War. The European catastrophe has drawn the banking interests of London, Paris and New York closer together than ever before. There is no neutrality in our financial world. The sympathies of Wall Street's American bankers are with the Allies. Those of our German and Jewish bankers—for obvious reasons—are with the Kaiser. It is not surprising then that as a result of the war the relations between London's banking interests and America's leading banking house are more intimate than for years. During the Franco-Prussian debacle of 1870, J. S. Morgan raised \$50,000,000 for the former nation. It is not probable that J. P. Morgan and Co. will undertake to finance the French Republic in the present crisis on any colossal scale—though rumor says they will. But I understand that Henry P. Davison's trip to England is largely for the purpose of furthering plans which will put additional funds within reach of the French Government. Great Britain has successfully floated the greatest war loan in history and will be able—financially at least—to continue its military operations for some time to come without strain. But the French Government is not so comfortably fixed. No great amount of gold, of course, will be shipped to France from this side. The sequel of new negotiations, to be started, I understand, when Sir George Paish and Henry P. Davison settle down in London, will simply be big fresh credits here for supplies.

Peace Prospects. Is peace in sight? Finance has been nostril. It is not unlikely that it will sense the end of the gigantic muderfest across the seas quite as quickly as the military critics who have made so many bad guesses since the shrapnel began to fly. In some financial quarters, I find, the convictions are forming that before June economic conditions will have stopped the unprecedented conflict.

No great war was ever ended for want of money. Nor for lack of food for armies. Physical exhaustion is another matter. It requires no expert knowledge to realize that the appalling loss of life in this colossal death grapple cannot go on for years. Besides there is the more definite consideration—and even probability—that meantime a great decisive battle will bring the end unexpectedly in view. Already, as I have said, some financiers think the chances of such outcome are steadily increasing.

Commission Houses. Wall Street offices are taking on their old air. Renewal of bond dealings has whetted the speculative appetite and attendance in the customers' rooms is increasing. Also office facilities are being gradually restored. News service, tickers and telephones cut out to reduce expenses are being replaced, and the commission houses, confident that return of normal conditions is not far away, are preparing to do business. With resumption of stock dealings, which will probably occur within a few weeks at the latest, many clerks who were discharged or put on half pay and given indefinite vacations two months ago, will be reinstated. Which no doubt means that Wall Street will begin the new year under normal conditions.

The railroads will be granted an advance in rates, but how much of an advance is not yet decided. That, I believe, is the weight of Washington opinion. President Wilson is still represented as in sympathy with the roads and desirous of an increase of 5 per cent in their freight tariffs. He wants his horoscope of brightening business prospects made good and a favorable rate decision would help. That is why, doubtless, he has announced his opposition to further footling with the tariff and the appointment of a tariff commission. Conditions in Europe, however, continue to make the tariff innocuous. Exports are rising and imports are falling. Nevertheless some observers figure that the balance of trade in our favor for 1914 will not much exceed \$200,000,000 as against approximately seven hundred millions last year.

Wages. Big business is beginning to be concerned, by the way, in regard to the attitude the President will take on the wage question. Liquidation of wages has begun. It is not improbable that this fact will be emphasized shortly by decision of the Steel trust to take

COURSE OF THE BOND MARKET DURING PAST NINE YEARS

Average High and Low Prices of Representative Railway and Industrial Bonds on American Exchange.

Below we present a tabulation of 25 active high grade and representative railroad bonds showing the average high and low prices for the past nine years, and up to date, the bonds taken being: Atchison gen. 4s, Atchison adj. 4s, Atlantic Coast Line 4s, Baltimore & Ohio prior lien 3½s, Central of New Jersey 5s, Chicago & Alton 3½s, Chicago & Northwestern deb. 5s, Chicago, Milwaukee & St. Paul gen. 4s, Chicago, Rock Island Pacific Railroad gen. 4s, Chesapeake & Ohio 1st cons. 5s, Chesapeake & Ohio gen. 4½s, C. C. & St. Louis gen. 4s, Denver & Rio Grande cons. 4s, Erie gen. 4s, Lake Shore 3½s, Louisville & Nashville uni. 4s, Missouri, Kansas & Texas 1st 4s, New York Central 2½s, Norfolk & Western 1st Cons. 4s, Northern Pacific prior lien 4s, Pennsylvania Company gen. 4½s, Reading gen. 4s, Central Pacific 1st ref. 4s, Union Pacific 1st 4s and Wisconsin Central Central 1st 4s.

	High.	Low.
1905	105.64	101.88
1906	105.64	101.88
1907	105.64	101.88
1908	105.64	101.88
1909	105.64	101.88
1910	105.64	101.88
1911	105.64	101.88
1912	105.64	101.88
1913	105.64	101.88
1914	105.64	101.88
1915	105.64	101.88
1916	105.64	101.88
1917	105.64	101.88
1918	105.64	101.88
1919	105.64	101.88
1920	105.64	101.88
1921	105.64	101.88
1922	105.64	101.88
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2040	105.64	101.88
2041	105.64	101.88
2042	105.64	101.88
2043	105.64	101.88
2044	105.64	101.88
2045	105.64	101.88
2046	105.64	101.88
2047	105.64	101.88
2048	105.64	101.88
2049	105.64	101.88
2050	105.64	101.88

The following shows the average high and low prices of 12 representative active industrial bonds, these taken being Am. Cotton Oil 4½s, Am. Thread 4s, Amer. Tobacco 5s, Amer. Tobacco 4s, Am. Hide & Leather 5s, Colorado Fuel & Iron 5s, 1943, Central Leather 5s, Distillers' Securities 5s, International Paper 5s, 1915, U. S. Rubber 5s, U. S. Steel 5s, 1915, and U. S. Realty & Imp. 5s.

	High.	Low.	In
95	100.41	94.41	as
96	100.50	93.66	as
97	96.66	76.50	as
98	96.65	80.80	wh
99	97.88	80.80	wi
10	97.88	80.80	en
11	96.50	83.23	pr
12	99.41	95.50	pro
13	98.25	92.16	abl
gust, 1913	94.90	94.90	to
ember, 1913	96.83	94.83	F
tober, 1913	96.83	95.00	all
ember, 1913	97.16	95.66	ing
ember, 1913	96.66	96.66	g
uary, 1914	97.50	96.50	Cl
bruary, 1914	98.00	97.83	Cl
rch, 1914	97.50	96.00	g
ril, 1914	97.16	96.00	and
ay, 1914	96.66	96.00	abl
une, 1914	97.00	96.16	A
yn, 1914	96.33	94.66	A