FINANCIAL NEWS

TRADERS HAVE SOLD STOCKS FREELY; MARKET PRETTY WELL LIQUIDATED

Short Interest Small, but It Is Being Built Up—Investment Buying Better—Bull Movement Not Yet Ready in Interboroughs

NEW YORK, Dec. 3.

The decline in the stock market has brought no change in its essential characteristics. Prices are down a little, but not enough to indicate that the market is about to abandon the groove in which it has fluctuated for several weeks past. The market is still a traders' affair, with little or no outside participation. The professional and semiprofessional element is almost universally bearish, simply on the action of prices. There has been a vast amount of good news, they say, and prices have failed to respond. Therefore, the market must be overbought and a decline is inevitable. Acting on this theory, they have sold stocks freely, and this week's decline was obviously made in the Street. On Tuesday afternoon word was passed around the commission houses that Steel would go lower, and the professional element promptly sold Steel. Accompanying the decline were all sorts of reports regarding the President's message by people who professed to have intimate knowledge of its contents. One story that the message would recommend drastic taxes on fabricated steel and iron did more than anything else to depress sentiment, particularly as it was reported in addition that the head of the biggest international banking house had privately expressed his belief in the correctness of the rumor.

As far as the present condition of the market is concerned, the Street is not at all surprised nor discouraged because of the lack of activity. One broker put it thus: "For the last 19 years I have never seen much done in the market in December. It is more or less of an evening-up period for the coming year, and no one ever really expects very much in a December market." The Street is waiting for the President's message, and this appears to be the most important factor at the moment. Until this is received nothing much is expected.

Nearly every one today seemed to feel that the market was pretty well liquidated, had reached the bottom for the present, in other words, although most commission house gossip continued to preach against the increasing of commitments for the moment. It was said that the buying was of a much better kind than the selling, though neither was much to brag about. While a new short interest is gradually being built up, it is said that this interest is now very small. From day to day there is talk that the investment buying is better.

The bull movement in the Interboroughs, which has been predicted for some time, is not quite ready to start. It appears that the stage is set, but that there are slight formalities to be gone through with before the play may start. All but one of the big holders of the stock has agreed to hold his stock off the market until the price reaches a certain point. The last one, however, has so far failed to give assurances that he will not interfere, and, naturally, the others do not care to run the risk of providing him gratis with a market to get out on. Even if this gentleman's consent to the movement is secured, there would always be a certain element of doubt in the mind of the Street about the manner in which any agreement would be carried out. The Interborough crowd has never inspired the confidence of the Street any more than its members appear to have confidence in each others.

The outstanding stock of firmness was United States Steel common. It withstood bear pressure well, and it helped to reassure sentiment on the general market. The untilled tonnage statement for December is expected to be good. Street gossip today had it that it would show an increase in orders on the books of more than 70,000 tons.

There was further selling at the start of trading today, and nearly everything on the list went off. Support appeared, however, and the market turned strong. International Nickel was a feature, advancing nearly ten points. For the most part, the advances were not wide, and where they were large it was mostly in the specialties. At the close prices were off a little from the best.

FRENCH CONTINUE TO TAKE SHARES IN THE NEW LOAN

Germans Attack Result, but People Stand by the Government

BANK BALANCE GROWS

By YVES GUYOT

Editor L'Agence Economique et Financiere.
Special Cable Dispatch to the Evening Ledger.

PARIS, Dec. 3.—The Bourse end of November liquidation is proceeding, with carry-over rates between 5 and 6 per cent. on "long" accounts. Three per cent. rentes are carried over at 30 centimes—that is, at 5 per cent.—whereas at the previous liquidation the quotation was par, the difference arising from deliveries of rentes made for the purpose of subscribing to the loan, which created the long account. Coulisse rates have varied, but generally are about 6 per cent. Arbitrage rates have been unchanged since the end of October.

Loan subscriptions continue to flow in, but the total is not likely to reach the fantastic figures given in certain quarters. Such suggestions probably emanate from German sources, so that when the inferior total is announced the German press can say, "The French expected $5,000,000,000, but haven't obtained half of it."

A similar maneuver was tried on the emission price. When I stated here that the price likely would be 88 certain quarters gave it as 86, with the result that when the price was published the Germans declared we were compelled to issue at a lower rate than originally intended.

The Bank of France balance sheet shows a further gold increase of 42,000,000 francs. Loans on scrip at the date November 18 were 564,000,000 francs; on November 25, 567,400,000 francs, and today 578,400,000 francs. The increase is insignificant relatively to loan subscriptions. It is proof that subscribers had little recourse to this means of obtaining cash.

The bank charges 6 per cent. interest, according to its custom of fixing rates at 1 per cent. above current discount. If the bank had wished to boom loan subscriptions it would have lowered the rate of 1 below discount, making 4 per cent., and thus giving the borrower a gain of 1.73 per cent. on stocks pledged to enable him to buy the loan. Or by restricting loans to 50 per cent. of the value of scrip the bank might have increased the number of stocks on which it gave loans, thus including foreign State loans like the exterior Spanish or American railroad bonds. Doubtless this method would have procured at least a billion dollars more for the loan, but the bank preferred to renounce it in order not to increase the amount of its own bills.

Holders of foreign stocks have done considerable business through arbitrators. Owing to buying from Spain, exterior Spanish has risen, aided by exchange, the Spanish purchaser getting the benefit of 10 or 11 per cent. through the peseta premium. Similar arbitrations are being made with the Swiss, Scandinavian and Dutch State loans. They are profitable alike to the foreigner, who gains by exchange, and to the French seller, who is thus enabled to buy the loan and get better interest plus the probability of increased value of shares at the end of the war.

Unfortunately this operation is impossible for American stocks, like Central Pacific, Missouri Pacific, Chicago, Milwaukee and St. Paul, Cleveland and Cincinnati, New York, New Haven and Hartford and Pennsylvania, which in the form of bonds are mistakenly nationalized. However, the following stocks can still be sold on your side: Atchison, American Telephone and phenomenal coppers—Chino, Miami, Ray, Utah, Butte and Superior.

NEW YORK BUTTER AND EGGS

NEW YORK, Dec. 3.—BUTTER.—Market [illegible] 6071 [illegible] extra, 34½c; [illegible] 32½@33c; [illegible] 31@32c; [illegible] 30@31c; [illegible] 29@30c; [illegible] 28@29c; [illegible] 27@28c; [illegible] 26@27c; [illegible] 25@26c; [illegible] 24@25c; [illegible] 23@24c; [illegible] 22@23c; [illegible] 21@22c; [illegible] 20@21c; [illegible] 19@20c; [illegible] 18@19c; [illegible] 17@18c; [illegible] 16@17c; [illegible] 15@16c; [illegible] 14@15c; [illegible] 13@14c; [illegible] 12@13c; [illegible] 11@12c; [illegible] 10@11c; [illegible] 9@10c; [illegible] 8@9c; [illegible] 7@8c; [illegible] 6@7c; [illegible] 5@6c; [illegible] 4@5c; [illegible] 3@4c; [illegible] 2@3c; [illegible] 1@2c; [illegible] 0@1c; [illegible] 321 [illegible] extra, [illegible] 32c; [illegible] 31c; [illegible] 30c; [illegible] 29c; [illegible] 28c; [illegible] 27c; [illegible] 26c; [illegible] 25c; [illegible] 24c; [illegible] 23c; [illegible] 22c; [illegible] 21c; [illegible] 20c; [illegible] 19c; [illegible] 18c; [illegible] 17c; [illegible] 16c; [illegible] 15c; [illegible] 14c; [illegible] 13c; [illegible] 12c; [illegible] 11c; [illegible] 10c; [illegible] 9c; [illegible] 8c; [illegible] 7c; [illegible] 6c; [illegible] 5c; [illegible] 4c; [illegible] 3c; [illegible] 2c; [illegible] 1c; [illegible] 0c; [illegible] 3,221