THE STOCK MARKET AT CLOSE OF YEAR

New York, Dec. 24.—Firmer call money, declining bank reserves, contraction of loans and resumption of gold exports naturally caused reaction in the stock market. Added to this was the quieting effect of approaching holidays. The money market is again the dominating factor, and any further intensification of the above conditions would of course act adversely on stocks. Time money is plentiful 3¾ @ 4 per cent, and seems likely to so continue for some time ahead. Mercantile requirements should increase as trade improves, and large demands upon the money market seem probable from new security issues, but the future of time money for the next six months is generally regarded with complacency. In call money temporary stringency is not impossible, as high rates often occur in the closing week of the year previous to January disbursements. By the middle of next month, however, call money should be normal once more. The big shrinkage in bank reserves, due largely to government withdrawals, inspires a cautionary feeling, especially as we should be defacing a deficit in reserves had not loans undergone a sharp contraction of over $30,000,000 in the last two weeks. Our surplus reserve has receded fully $50,000,000 during the last three or four months; so that there has been a heavy contraction of lending ability on part o fthe banks, which must have materially restrained speculative activities, and no doubt largely explains the recent declines. There is still a noticeable and commendable spirit of conservatism among bankers, which while not discouraging healthy speculation turns a deaf ear to all questionable enterprises and "get-rich-quick" schemes. It is many years since banking was conducted on such sound and conservative lines as at present, and the results will unquestionably be beneficial.

Gold exports were not important, but they invite attention to two facts, first, the continued extraordinary accumulation of gold by the Bank of France, and second, the unsatisfactory state of our foreign trade. Our exports of merchandise in November were only $161,000,000, a decrease of $43,000,000 compared with last year, while our imports fell to $104,000,000, or $7,000,000 less than last year. Both exports and imports were the smallest in any November for several years, reflecting not only dullness at home but also abroad. The excess of merchandise exports for the month was only $57,000,000, which was much less than usual and which in connection with the selling of American securities would suggest further gold shipments were it not for January remittances and fairly liberal takings of our new bond issues. In eleven months of the fiscal year our exports have fallen $152,000,000, while our imports showed the tremendous shrinkage of $326,000,000, leaving an excess of exports for that period of $559,000,000, compared with $385,000,000 a year ago. Such were the effects of the panic upon our foreign trade. Our sales abroad were curtailed much less than our purchases, a tendency which of course served to strengthen our condition financially.

A good deman dfor bonds is one of the most satisfactory features. Investors seem inclined to discriminate against stocks, because of their high level and because there are numerous good bonds to be had at about a 4 per cent level. Stocks have had a fair decline since the rise following the election, but not sufficient to tempt the conservative investor, who is more anxious to keep his capital intact than to secure large dividend returns. This cautiousness on the part of the investor is conspicuous and is one of the after effects of the panic. There is plenty of capital awaiting good investments, but no overconfidence in seeking its employment. January disbursements are estimated at about $180,000,000, or practically the same as last year. Some decline was shown in dividends to be disbursed, but this was offset by increased interest payments, due chiefly to new bond issues by the railroads. The railroad situation is gradually improving. Earnings are beginning to make favorable comparisons with the panic period of last year, and in spite of idle cars, many of which no doubt should be in the scrap heap, the volume of traffic is almost up to that of 1906; so with better rates and economical operation the railroad outlook for 1909 is quite satisfactory. This fact has no doubt much to do with the confidence which the market leaders still display concerning their specialties. Traders have regarded the recent decline with some satisfaction, as it tends to encourage activity. The technical situation has unquestionably been improved by recent developments, and the market shows an undertone which means renewed buying in case of further declines. In the last week of the year flurries in call money often temporarily unsettle the stock market.

The market shows surprising resistance to tariff reduction talk. The steel tariff is of course the main point of discussion, and Mr. Carnegie's frank statements will doubtless do much toward lowering the steel schedules, which have always been considered the keystone of the protective arch. And yet United States Steel securities, which are scattered among 110,000 stockholders, showed no greater declines than other active shares, and fell less than one point on the day of Mr. Carnegie's most daring statements. Evidently, as stated in these advices several weeks ago, tariff devision is not going to be very harmful to business interests; because the tariff is in the hands of its friends, our industrie sare in better position to meet a cut than ever in our history, and there are many lines of manufacture that would positively stimulated by lower duties. The worst that can happen is uncertainty and delay, which complicate calculations entering into the future. If any depression comes as the result of tariff agitation it will be mainly from this source; hence it behooves congress to give the country prompt and equitable revision.

The year draws to a close with a hopeful but sober spirit pervading all busines scircles. Conditions, though in happy contrast with a year ago, are not entirely satisfactory. Trade is often quiet and recovery slow, but the outlook for 1909 is encouraging, for the situation is sound, confidence is growing and our natural resources are unimpaired.

HENRY CLEWS.

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AN ATTRACTIVE CALENDAR FOR 1909.

By far the most attractive calendar that has been brought to our notice this year is that issued by the Pabst Brewing Co., of Milwaukee, in connection with their popular malt extract, sold and known everywhere under the name of Pabst Extract, the "Best" Tonic. Like the preparation it represents ,this charming calendar —of exquisite and appealing beauty —stands out in contrast and is exceptionally unique among art calendars for 1909.

The Pabst Extract Rose Girl calendar, as it is called, is rich in color, exclusive in design, with a touch of sentiment that makes a strong appeal to every lover of the beautiful. It portrays a charming girl in the bud of life bending gracefully over a great jardiniere full of American Beauty roses, while in the background and looking from under a cool, inviting trellis, overhung with vines, one can see a magnificent stretch of green sward leading up to a quaint old Colonial home. So skillfully has the artist worked out his conception that it is difficult to find words that will do justice to his achievement.

It is quite impossible, however, to give any one who has not seen the original an adequate idea of the indescribable charm and womanly beauty with which the sweet face of this girl-woman in the foreground is endowed. Indeed, it is no exaggeration to say that no more beautiful panel than Pabst Extract Rose Girl calender for 1909 could adorn the walls of any home, den or office.

A copy of the calendar free from advertising, 7x36 inches, may be obtained by mailing ten cents in stamps or coin to Pabst Extract Dept., 918 Chestnut St., Milwaukee, Wis.