

Wall Street

Passage of Law Regulating Stock Exchange Not Likely to Affect the Market Very Much.

BY RALPH HENDERSON
Times Special Financial Writer

The average price of industrial stocks listed on the New York Stock Exchange established a new high Wednesday for the 1933-1934 period, crossing the peak level registered last July, when the inflation flower was in full bloom. The high level had just been reached when word was received from Washington that legislation would be enacted in this session of congress to regulate the stock exchanges throughout the country.

Many people in Wall Street are wondering what will happen to the attractive market which has developed during the last few weeks if congress puts the screws on market operations as tightly as the public seems to desire. They also are wondering whether a market set back at this time would have any serious effect on the administration's efforts to pull business out of its hole.

There is every reason to believe that regulation will have little more than temporary effect. Wall Street has been counting on it for months, and the development should be thoroughly discounted by now. Of course, the market's reaction will depend to a large extent on the actual bill which is framed, but since the Street has been expecting the worse, it is possible that even a severe measure would not hurt the market very much.

Market Operators Careful

Market operators have been very careful of their activities in recent months. It is doubtful that any of the New York Stock Exchange members have struck their chins out where they could be reached by the law. There probably have been pool operations in recent months, but it is fair to assume that they have been engineered by people outside the reach of the exchange or any regulations which might be made to govern that institution.

As a matter of fact, most of the market irregularities charged to the exchange should never have been placed before its door. The exchange, for instance, had nothing whatever to do with the rigging of the market in certain bank stocks. Bank stocks are not listed on the exchange at all, being traded in exclusively over-the-counter.

It is difficult to see how any law could be framed which would prevent pool operations in the future unless it embraces people who trade on the exchange as well as the exchange itself. The institution has no authority over non-members, and it is well to bear in mind that most of the manipulation revealed in the senate inquiry thus far was conducted by people who are not obliged to answer to the exchange.

A Question of Motive Involved

If the exchange is to provide a free and open market it must permit buying and selling in unlimited volume. And if a non-member, or a member for that matter, decides to bid up or sell down the price of a stock, who is to determine the motive which prompted it? There is a fine line between bidding up a stock because the purchaser believes it to be worth a higher price and a desire to make it appear attractive to a speculative public so that it may be unloaded at a profit.

Assuming a law is in existence prohibiting the sale of stock to "bear" the price, it may be assumed that to obtain a conviction under such law proof must be offered sustaining the charge. And then, too, a court case is conducted somewhat differently than a senate investigation, where the man on the stand is not permitted an attorney.

New York Stocks

By Abbott, Hoppin & Co.

Feb. 2—High. Low. Prev. Close. West Union Ld. A 4 1/2 4 1/2 4 1/2 4 1/2

Acme Steel 48 1/2 48 1/2 48 1/2 48 1/2

Alvarez 34 1/2 34 1/2 34 1/2 34 1/2

Consol Oil 13 1/2 13 1/2 13 1/2 13 1/2

Houk & Newell 20 1/2 20 1/2 20 1/2 20 1/2

Houston (old) 5 1/2 5 1/2 5 1/2 5 1/2

Mid Cont Pet. 13 1/2 13 1/2 13 1/2 13 1/2

Oil Co. 15 1/2 15 1/2 15 1/2 15 1/2

Pet Corp. 18 1/2 18 1/2 18 1/2 18 1/2

Philips Pet. 18 1/2 18 1/2 18 1/2 18 1/2

Pure Oil 14 1/2 14 1/2 14 1/2 14 1/2

Royal Dutch 33 1/2 33 1/2 33 1/2 33 1/2

Sid. Oil 33 1/2 33 1/2 33 1/2 33 1/2

Sinclair 11 1/2 11 1/2 11 1/2 11 1/2

Standard Oil Co. 11 1/2 11 1/2 11 1/2 11 1/2

Texaco 11 1/2 11 1/2 11 1/2 11 1/2

Unif. Oil of Calif. 18 1/2 18 1/2 18 1/2 18 1/2

Youngst. S. & T. 27 1/2 27 1/2 27 1/2 27 1/2

Rails—

Atch. & C. Line. 70 1/2 71 1/2 71 1/2 71 1/2

B & O. 49 1/2 49 1/2 49 1/2 49 1/2

Can. & G. 16 1/2 16 1/2 16 1/2 16 1/2

Ch. & G. 10 1/2 10 1/2 10 1/2 10 1/2

C. & M. St. P. 12 1/2 12 1/2 12 1/2 12 1/2

Chi. N. W. 5 1/2 5 1/2 5 1/2 5 1/2

Chi. R. I. 1/2 1/2 1/2 1/2

Dela. & Hud. 23 1/2 23 1/2 23 1/2 23 1/2

Emp. & Northern 30 1/2 30 1/2 30 1/2 30 1/2

Ill. Central 37 1/2 37 1/2 37 1/2 37 1/2

Ind. & Pac. 41 1/2 41 1/2 41 1/2 41 1/2

Mo. Pac. 22 1/2 22 1/2 22 1/2 22 1/2

N.Y. Cent. 22 1/2 22 1/2 22 1/2 22 1/2

N.Y. C. & St. L. 27 1/2 27 1/2 27 1/2 27 1/2

N.Y. N. & W. 35 1/2 35 1/2 35 1/2 35 1/2

Norfolk & W. 31 1/2 31 1/2 31 1/2 31 1/2

Penn. R. 37 1/2 37 1/2 37 1/2 37 1/2

Reading 32 1/2 32 1/2 32 1/2 32 1/2

Sou. R. 35 34 1/2 34 1/2 34 1/2 34 1/2

Sou. R. P. 128 129 1/2 129 1/2 129 1/2 129 1/2

Unif. 12 1/2 12 1/2 12 1/2 12 1/2

Wash. West. 12 1/2 12 1/2 12 1/2 12 1/2

West. Maryl. 12 1/2 12 1/2 12 1/2 12 1/2

Motor Access—

Alum. 22 1/2 22 1/2 22 1/2 22 1/2

Am. Smell. 44 1/2 44 1/2 44 1/2 44 1/2

Anaconda 16 1/2 16 1/2 16 1/2 16 1/2

Cal. & Nevada 5 1/2 5 1/2 5 1/2 5 1/2

Cerro De Pasco 35 1/2 35 1/2 35 1/2 35 1/2

Grange 11 1/2 11 1/2 11 1/2 11 1/2

Mo. Gas. 13 1/2 13 1/2 13 1/2 13 1/2

Homestake Min. 32 1/2 32 1/2 32 1/2 32 1/2

Ind. Sound 6 1/2 6 1/2 6 1/2 6 1/2

Int. Nickel 22 1/2 22 1/2 22 1/2 22 1/2

Int. Creek. 22 1/2 22 1/2 22 1/2 22 1/2

Noranda Corp. 22 1/2 22 1/2 22 1/2 22 1/2

Philips Dodge 42 1/2 42 1/2 42 1/2 42 1/2

Platt. 13 1/2 13 1/2 13 1/2 13 1/2

Tobacco—

Am. Smell. 22 1/2 22 1/2 22 1/2 22 1/2

Am. Snuff. 22 1/2 22 1/2 22 1/2 22 1/2

Am. Tabac. 22 1/2 22 1/2 22 1/2 22 1/2

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