

a selling movement was inaugurated by Northern Securities stock, which utterly demoralized the market and resulted in declines ranging from one to 9½ per cent. Naturally those stocks representing companies in which combination had been made, or which were so called Holding Companies suffered severely, as they were of the same character as the Northern Securities Company, against which the decision had been rendered. This Company had been formed to control the Northern Pacific, the Great Northern and other roads, and had issued its stock against the deposit of the stocks of the various roads controlled; the object being to so control those properties that there should be unity of action as to freight rates and the general conduct of the transcontinental business. Suit was brought by the United States Government under the spirit and text of the Sherman Anti-Trust law, on the ground that this combination was contrary to such law. The decision just rendered by the United States Circuit Court of Appeals is to the effect that the Northern Securities Company is designed to prevent competition, and is a restraint to Inter-State traffic, and is therefore illegal, and, further, that the various stocks of the component corporations held by the Northern Securities Company must be returned to the original owners or their rightful successors. Naturally, this decision produced an unsettling of confidence and the slump in the market was the logical result. Whether this matter will be carried to the Court of Appeals or not will be determined by the parties in interest with the sixty-day limit of time covering such cases. If it is so appealed, its influence as an adverse factor on the market will be removed for some months to come, when, if it is reversed, it would be a powerful lever by which to lift the market, while, if confirmed, it is not unlikely that its adverse influence will be found to have been considerably discounted. The one thing certain is that pending the final decision of the matter, no more so-called holding companies will be formed and parties controlling properties now so held will have ample time in which to make all their arrangements for whatever changes may be made necessary.

Technically speaking, the market is now in a much better position than it has been for some time; weak accounts have been eliminated, and stocks have passed into strong hand, while conditions have materially improved. The only things now hanging over the market are the labour troubles, which show some signs of adjustment, the question of money, which is growing distinctly easier, and the Southern Pacific matter, which is directly affected by the Northern Securities decision, and which can hardly be decided before decision is had in that matter.

These are the apparent adverse influences, while on the other side stand such factors as the large earnings of the railroads, showing increase upon large increases of last year; the unprecedented demand for locomotives with which to move accumulated freight; the increase of exports for March of \$25,591,477 over the same period of last year, and an excess of exports over imports for March of \$35,752,424; the decline in the price of wheat and cotton thus facilitating their movement abroad, and last, but by no means least, the Government crop report on winter wheat showing an almost unprecedented average with the promise of a bumper crop.

Should the spring wheat and corn crops of this year approximate those of last year, and should the output of metals equal that of last year, to say nothing of any increase, but little would be heard of what is now known as "indigested securities." At the same time giving due weight to all of these favourable factors a big bull movement in stocks can hardly be expected, but that there

will be a good trading market within moderate limits for some time to come seems now beyond question, for, as pointed out in one of our recent letters. Prices of securities are now down to a point where they attract investment capital as has been proved within the past few days.

The annual and quarterly statements given out by the United States Steel Corporation during the past week were exceedingly interesting documents, but it requires a clear head to be able to comprehend the tremendous figures set forth in them. The quarterly statement shows that the earnings are something like a million dollars less than for the same period last year, but this is explained by the congestion of freight which occurred in the early part of the year. The statement shows that \$12,011,856.33 has been charged off to the depreciation and extinguishment fund, but whether this is a fair amount or not only those thoroughly familiar with such properties can judge. The current assets are given as \$214,834,157.18, and the current liabilities as \$49,826,251.78, while the number of stockholders is now 86,008.

Announcement is made that the "deal" between the Rock Island and the St. Louis and San Francisco is "off." It is not unlikely that the decision in the Northern Securities matter has had a very considerable influence on this operation.

During the morning the market showed a considerable degree of activity and at advancing prices, but as the day progressed it became dull, showing fractional declines from the highest, and closes weak.

LONDON LETTER.

London, April 2, 1903.

FINANCE.

At one time since I last wrote, consols have touched the surprisingly low figure of 89 15-16. True, the price instantaneously recovered to a fraction over 90, but it was sufficient to show that all confident talk about the bottom of the decline having been reached was out of the question. The monthly consols settlement on 'Change showed that speculation for a rise in our premier security had been reduced very considerably. Since the new account opened, however, a number of bulls have come in at the tempting low level now prevailing.

And the hopes of improvement are very reasonable. Soon the Transvaal Loan will be issued and Sinking Fund purchases restarted. There cannot be a lot more liquidation to mature, and the stock is passing into stronger hands.

In the same way the opinion is growing that trade generally, in the United Kingdom, is getting better. Some departments are still depressed, but in other directions there is pronounced activity. Credit is good, prices (especially in metals) are advancing, and market reports are becoming more and more favourable. Our business community has learned some severe lessons in the past two or three years.

It has been seen that more strenuous exertions must be made if our position in the industrial world is to be maintained. Methods and machinery are to be brought up-to-date, and reforms generally brought into being, most remarkably of all is our electrical.

Grand Trunks are in the middle (or thereabout) of a most pronounced decline on the London market, and the further they fall the nearer they come to be regarded once more as first-class speculative counters. It is held that there must be some extraordinary reason for the poverty of the last two monthly statements. Directorial