

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

NEW YORK STOCK LETTER.

Office of Cummings & Co., 20 Broad St., New York City.

New York, Dec. 10, 1902.

Nothing of a serious nature, either for good or bad, has disturbed the dullness which has pervaded the market during the current week. There are, however, quite a number of indications which point to a distinctively better condition of affairs in the near future. During the summer we were given glowing accounts of the condition of crops abroad. It now develops that these reports were largely exaggerated and that the truth is that the United Kingdom, France and Germany will have great need of our cereal products. This will insure a steady market for such exports, providing speculators do not put prices to such a point as to cause a cessation of such shipments. At present prices the producers in this country will receive a fair amount for their products, while the foreigners can afford to pay what is now asked. A comparison of prices now and a year ago shows that No. 2 red wheat is selling for 9½ cents less per bushel than it was then, and No. 2 mixed corn is 9½ cents less. That this is not all theory is shown by the continued large exports, 85 loads of wheat and 10 loads of corn having been taken for shipment yesterday, while the Government's weekly figures on exports of merchandise show total merchandise shipments of \$13,336,000, as compared with \$11,559,000 in the corresponding week of last year. It must, however, be borne in mind that large shipments must be made in order to take care of the Bills of Exchange already sold. The masterly way in which the Exchange market has been handled during the past two months excites the admiration of those who, familiar with such operations, thoroughly understand them. Time and again, when it seemed impossible to avoid the shipment of gold this has been averted by the sale of bankers' bills, and this could only have been done through a thorough knowledge of crop conditions and an abiding faith that crop products and merchandise would come forward in sufficient volume to take care of the bills so sold when due. In other words we must realize that the foreign demand and export movement have, to a certain extent, been discounted. Nevertheless, our foreign debts are being cancelled, and if this can be done by products and merchandise, so much the better for us. Further than this our imports show a slight falling off and are quite likely to decrease still further. In estimating the increased wealth of the country, we must bear in mind that the production of gold during the calendar year of 1901, was estimated at \$78,666,700, and it is calculated that the amount this year, will be fully as much if not more than that amount.

Railroad earnings continue on a very high level, reports for the third week in November show that the earnings of fifty-one roads amounted to \$10,561,765, against \$9,502,228 in the corresponding period of last year, an increase of \$1,059,537, or 11.15 per cent. for the fourth week of November, the gross earnings of fifteen roads amounted to \$3,601,833, against \$3,346,033 in the corresponding period of last year, an increase of \$255,790, or 7.64 per cent.

While the gross revenues of the roads are satisfactory and show increases, a close watch must be kept upon the net returns, for the expenses of operation have also been largely increased, and such increases must be maintained. It is true, however, that most of the roads have during the past two years expended large sums in betterments that

have been charged to operating expenses, and expenditures of this nature might be considerably reduced without detriment to the properties. We believe that in the present era of prosperity, it would be good policy for railway managers to take some of their large earnings and with them make provision for the retirement of some of their bonded obligation.

The outlook in every line of manufacture consuming pig iron is reported as exceedingly good. Leading companies are said to be months behind in their deliveries, largely due to lack of transportation facilities for not only raw but manufactured products as well. Careful enquiry fails to disclose any falling of consumption worthy of note, and as the iron market has always been considered one of the barometers of business, it would look as if there was still considerable prosperity ahead. As to that which is past, the coming January disbursements for interest and dividends are exciting considerable attention. It is estimated that these will reach an aggregate of \$150,000,000, as against \$125,000,000 paid out in the corresponding period last year. Arrangements for the payment of this vast sum are already being made, and this is undoubtedly one of the reasons why the banks are disinclined to make anything but call loans at this time.

This condition of affairs is not likely to change until after these payments are made and the funds so paid out return to their regular channels, so that it is more than probable that rates for money will not get below the legal rate for some time and may go considerably above.

Business on the Exchange has been reduced to very narrow limits, but reports from the floor of the Exchange are that it is much easier to sell stocks than it is to buy them. We think, however, that between now and the middle of January parties with funds will be able to make some good investments.

During the afternoon the market began to show signs of weakening, and towards the close ran off sharply upon selling, which was stated by some of the room traders. How far the decline will go it is, of course, impossible to say. The market closes very weak.

LONDON LETTER.

London, 20th Nov., 1902.

FINANCE.

When dealings have been reduced to a minimum, the principal topics on 'Change are of a gruesome nature. One stockholder has been murdered within a few yards of Throgmorton street, whilst another has blown his brains out in the basement of the Stock Exchange itself.

Otherwise, all eyes are fixed on the journey which Mr. Chamberlain is making to South Africa. As things go from bad to worse in the South African mining market here, the old story that certain people, who generally supplant the market, are purposely letting everything go, is increasing in strength. It is now further alleged that to carry this bear campaign further, mills are being shut down purposely by the principal houses, in order that the gold mining industry may look as badly off as possible when Mr. Chamberlain reaches the Rand.

There is something of a false note here, evidently, for nobody who knows Mr. Chamberlain can imagine him being taken in with any such childish device.

There is something a little obscure about the elaborate and expensive notices which are appearing in the papers about the New Canadian Company. About half of its share capital has been allotted out of the total of \$500,000, and a settlement has been applied for on the London Stock Exchange. This, I take it, is a prelude to dealings in these issued shares, and judging by the notices circulated,