

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. 3, 1902.

The principal events of the week have been the re-assembling of Congress and the message of the President sent to the Senate and the House, the Colorado Fuel and Iron Co. fight, and the announcement regarding the lease of the Manhattan Elevated Railway.

This being a short session of the present Congress, little except auction upon the necessary appropriation bills can be expected of it, except possibly something in the way of currency legislation. The way, however, will doubtless be prepared for the succeeding Congress to take up the question of the so-called Trusts, and possibly some tariff revision.

The message of the President is an able document, and shows distinctively that a naturally impulsive disposition has been curbed by the responsibilities of office, and that the chief Executive can be relied upon not to do or advocate anything but what will be for the best interests of the country. This message was well received abroad, and will have the effect of inspiring confidence in the stability of our institutions, and a continuance of the present prosperity.

The Colorado Fuel and Iron fight has settled down to the quietness which precedes the battle to be fought out at the election to be held on December 10. The outstanding stock of this company is about 259,310 shares, of which the present management, it is said, controls something like 70,000 shares; the Gould faction some 55,000 shares; the Harriman-Hawley faction some 40,000 shares, and the Gates faction some 2,500 shares. This leaves about 91,810 shares not apparently affiliated with either party, and whether either of the contestants can secure a sufficient amount of this so-called outside stock to give them a controlling majority is one of the interesting questions that can be solved by the election.

The bank statement, as was generally expected, was an unfavourable one, and the increase in the item of loans of \$11,608,800 was something of a surprise, but several large syndicate payments were to be made, and the December disbursements for interest and dividends had to be provided for, and it is quite likely that the next statement will show a material reduction in the account. The December disbursements for interest and dividends, according to estimates will aggregate some \$50,000,000, as compared with a little over \$47,000,000 for the same period last year. The largest payment by a single corporation is the 10 per cent. dividend of the Standard Oil Company which calls for nearly \$10,000,000. The January disbursements will also require a very large amount of money, and the preparations for such payments will, undoubtedly, make the rates for loans work somewhat higher, as they usually do every year, so that it is useless to expect that rates will be any less than they are now, with the possibility of being considerably higher, especially as the return flow of currency from the interior is very much later than usual this year. Exchange keeps very near to the point at which shipments of gold can be made at a profit, but up to this date, excepting the one shipment of \$500,000 to South America, no shipments have been made, and now that the purchase of ocean steamship lines has been effected and the payments made in London without any disturbance to the money markets, it would seem as if the banking interests were in

a better position than ever to control the market for Exchange, and to prevent at least, for a time, the exportation of gold, until the outgoing products can increase the volume of Exchange.

The recent rise in Manhattan Elevated is now accounted for by the announcement that the property has been leased to the Interborough Subway Company, at a rental of 7 per cent. upon the stock for 999 years. Since 1896 the Manhattan Company has paid one per cent. quarterly, but at the meeting of the Directors held December 2, the rate was advanced to 1½ per cent. or 6 per cent. per annum, and the intimation is that three months hence the dividend rate will be further advanced to 1¾ per cent. or 7 per cent. per annum to conform to the guarantee.

Some of the railroad returns for October are very interesting exhibits, the Erie, notwithstanding the coal strike, showing an increase in gross of \$60,990, and in net of \$59,995 over the same period last year, while the Pennsylvania shows a very considerable increase in gross. The heavy operating expenses incident to increase of wages, and the freight blockade at Pittsburgh makes the statement show a deficiency of about \$40,000.

The Reading statement, however, makes a poor showing, due to the prevalence of the coal strike, and shows a deficit of \$239,389, against a surplus for the same period last year of \$835,884. In considering this statement it must be borne in mind that the strike did not end until October 23, and that it required considerable time to get the mines into working order again, so that the full result of the resumption will not begin to be apparent until the November statement is made up, and we shall be very much surprised if this does not show that the Company is beginning to retrieve its recent losses.

The last monthly report of the United States Steel Corporation shows that earnings for September and October amounted to \$24,130,846, against \$21,478,585 for the same period last year, while the unfilled orders on hand Nov. 1 shows an increase from 2,831,692 tons to 4,968,002 tons. An interesting feature of the report is a gain of nearly \$21,000,000 in cash assets in a year, and a reduction of \$12,500,000 in current liabilities.

The market has been exceedingly quiet all day and closes weak.

NEW YORK INSURANCE LETTER.

New York, Dec. 3, 1902.

The antics of Mr. P. B. Armstrong, who is endeavouring to start the Importers and Traders Insurance Company, with a capital of \$2,500,000, are rather amusing to most of the fire insurance people here and hereabouts. Mr. Armstrong does not seem to have met with much encouragement in his canvass for capital throughout the country, and whether he will succeed in floating his company is a matter of doubt. It will be remembered that in December, 1891, Mr. Armstrong succeeded in reinsuring the risks of his three companies, the Mutual, the Fire Association and the Armstrong Fire, in the Lancashire. The next year the Lancashire's U. S. loss ratio was 91.6 per cent., and in 1893, 87.7 per cent.

The Prudential deal, including its proposed combination of the Fidelity Trust Company, of Newark, continues to be a much discussed subject in insurance circles. The Vice-Chancellor of New Jersey has, upon the application of the minority stockholders, enjoined the Company from proceeding with the transaction. This does not, of course, stop the proceedings permanently, because there is an appeal, and the Company will likely take the case to higher tribunals. It is, however, at least a temporary discouragement, and cannot fail to have its effect upon both agents and policyholders.