

Correspondence.

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NEW YORK STOCK LETTER.

New York, Sept. 16, 1903.

It is a somewhat curious condition of affairs in which the Banks, in the face of the known demands which will be made upon them for funds with which to move the crops, should endeavour to retire their circulation, and to that extent curtail the funds available for the purpose above mentioned. To be sure, the fact that the Secretary of the Treasury is prepared to deposit some \$40,000,000, has advanced the price of Government bonds to such an extent that there is a handsome profit to those banks who purchased their bonds at lower figures, and hence the desire to realize such profit has induced some of the institutions to sell them and retire their circulation. That such action is repugnant to the Secretary of the Treasury is evident from the measures which he has taken to minimize, if he cannot entirely prevent such action, especially as the contemplated extra session of Congress for the purpose of having financial legislation has apparently been abandoned as impracticable, so that the only financial relief which the country can hope for must come from the Treasury. Reports from various sections of the country, but especially from the West and Northwest, are to the effect that being warned by the condition of things at this centre, the various institutions throughout the country have taken the precaution to strengthen themselves, and that they are now in excellent condition, and much better able to withstand a strain than they have been before in a very long time, and it is quite likely that their drafts upon their New York correspondents will be much lighter than usual.

Interest during the week has centered largely upon the condition of the crops and the facility with which some of the wisecracks make or ruin crops upon paper is certainly amusing, according to them; one day we are told that the corn yield will be the largest upon record, and the next day that there will practically be no corn crops at all.

In considering the subject, it is well to remember that the past has been an exceptional one in the yield of hay, Alfalfa and other kinds of fodder, and, that consequently, less corn will be required for stock purposes, so that should there be a slight shortage in the yield of corn there would still be a considerable amount available for export, and at figures which will return a handsome profit to the producer.

The true prosperity of a country is to be measured by the wealth obtained from its exportable crops and its output of precious and other metals. The report by the Director of the mint for the past year shows that the output of gold and silver has been \$109,415,000, while returns from the Customs Department show that the exports from this country for the same period have been \$1,420,138,114, and that the imports have been \$1,025,751,538, or an excess of exports over imports of \$394,386,576; so that the increased wealth of the country is approximately \$503,801,576. With such a showing as this the country is by no means in the desperate condition that some of the bears would have us believe.

It is true that there are signs of contraction in various branches of business, but it must be remembered that the pace at which the country has been going for the past three years has been a very rapid one, and it is not at all

surprising that there should be a slowing up in all quarters.

One of the most serious and disquieting questions of the present time is that of labour, especially in the large cities. In Chicago some of the largest concerns are preparing to move away, and matters in this city are not much better. Considerations of this question and of the general financial situation has led to a reconsideration of many plans which had been perfected in various quarters, and the determination not to undertake any new business for some time to come. It is estimated that operations calling for an outlay of over \$180,000,000 have already been shut down or definitely abandoned. It is, therefore, not surprising that the stock market should be as it is, exceedingly quiet. The Standard and good properties should from this on show improvement, but will probably suffer in sympathy when some of the recently inflated bubbles burst. We believe, however, that the former are now a purchase on every decline, for it must not be forgotten that with properties like Atchison, Missouri Pacific and Texas Pacific, the territory through which they run has so developed, that the local traffic is almost sufficient to support the road.

The annual reports coming to hand during the week make very interesting reading. The Chicago, Milwaukee & St. Paul shows that gross earnings were \$47,662,738, or an increase of \$2,049,613 over last year. The balance of the year's earnings above all charges, was \$10,473,259, and the surplus at the date of the report after the payment of dividends was \$23,499,652, and shows that the corporation earned about 10 per cent. upon the Common Stock.

The Atchison statement shows that its gross earnings were \$63,668,390, and that the net earnings after all charges, were \$13,898,329, equivalent to the full 5 per cent. upon the Preferred, and 8.033 per cent. upon the Common.

Norfolk & Western shows an increase for the year of \$3,608,470. Lehigh Valley an increase of \$1,735,551. New York, Ontario and Wabash \$719,822, while the Wabash shows a decrease of \$5,310. In the latter case, however, it must be remembered that this company is spending large amounts in improvements, for the gross earnings show an increase of \$2,087,335.

The market has been lifeless all day, but there does not appear to be any very great pressure upon it, and it closes without feature, except as to dullness.

T.C. DELAVAN.

20 Broad St., New York City.

LONDON LETTER.

FINANCE.

London, 3rd Sept., 1903.

Readers of THE CHRONICLE will be aware that in the United Kingdom the consolidation of industrial business into combines or trusts has, by no means, been a general success. Many of the textile amalgamations which were the fruit of the fusion fancy of three or four years ago have been rank failures to date. In some cases, however, a policy of vigorous retrenchment and reorganization is likely to snatch some of the combines out of the jaws of destruction.

Markets generally continue dull and with a rise in the Bank of England rate of discount, the prospect of greater activity in stock and share dealings becomes more remote. The Banks' reserve of gold has to be protected at all costs. It is the only real basis for the enormous edifice of credit in the United Kingdom. Lately gold withdrawals for the Continent and Egypt have greatly exceeded the imports of the precious metal from the Australian and South African mines. As for the trading outlook it is anything