

Correspondence.

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NEW YORK STOCK LETTER.

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

New York, March 4, 1903.

If the preceding weeks were uneventful the past one has fully made up for any such deficiency. Politics, money and exchange, railroad deals and rumours, and manipulation of various kinds in the cotton as well as the stock market have all played their part.

A keen interest not only in the Wall street and financial district, but throughout the country generally, was aroused and centered in what is known as the "Aldrich Bill," and when this measure failed of enactment the disappointment was severe and widespread. This measure would have been of great value and assistance in preventing or largely mitigating the evils and dangers which annually threaten in the disturbance of the money markets in the fall of the year incident to the moving of the crops, and would have provided a means of expansion and contraction of the currency which is most desirable. We think, however, that a considerable amount of undue prominence has been given to the failure of this measure to pass Congress, for while it might have made conditions very much better, it has not made the situation any worse than it was. The Secretary of the Treasury has the same power that he had before, plus the now well-known opinion of the general public that his action of last fall was right, and he has the same power to use the methods then employed to avoid trouble in the money market, with the assurance, that the people will approve of his course. It is not as though something had been taken from us that we have possessed, but it is that we have not received something that we would like to have had. The disappointment over this matter was shown by the chill which the stock market experienced, and by the decline which ensued, which was aggravated by a stiffening of the rates for money, and heavy pressure from the bear contingent on the theory the heavy volume of business now being done throughout the country will make a heavier drain than ever upon this center, when the crop movement begins in the fall. This, however, is still some distance away, and a great many things may happen before that.

Another matter of disappointment has been the call by the President for an extra session of the Senate. It was hoped that the measures pending could have been put through, which would have obviated the necessity of the extra session.

Early in the week, rumours were current that parties interested in the Chicago, Rock Island and Pacific had gained control of the St. Louis & San Francisco property, and later developments proved that the rumours were well founded. We have before had occasion to call attention to the Rock Island property, and the aggressive policy now being pursued by the management of that corporation and the acquisition of the St. Louis & San Francisco goes to prove the intention of the management to make this one of, if not the greatest railroad property in this country. The control of this property will add some 1,600 miles to the Rock Island, and will enable that Company to cover a territory not hitherto accessible, and will also give it a terminus at the Gulf, which is most desirable.

The annual report of the Pennsylvania Company, given out during the week, is a most interesting document, and

shows that the total net earnings of the Company for the year were \$67,629,592.65, an increase of \$2,716,100.76 over those of the previous year.

It also shows all of the stocks and bonds of other roads owned by the Pennsylvania. The total par value of the stocks so owned being \$296,339,202, and of the bonds \$51,591,262. It also shows that notwithstanding the improvements and betterments of this property and the largely increased amount of rolling stock which it has acquired, that this Company is not able to handle all of the business offering, as is evidenced by the congestion of traffic which so frequently occurs. It also shows that the road carried the enormous amount of 270,000,000 tons of freight, an increase of 26,000,000 or 10 per cent. over last year. The improvements contemplated by this Company will cost some \$67,000,000, and have already been started. This system may be taken as fairly representative of the railroad situation of the country.

The Erie and Baltimore & Ohio will both expend large amounts in improvements and betterments, the former, as stated in a previous letter, having provided some \$10,000,000 for immediate use for this purpose, while the Baltimore & Ohio will expend some \$20,000,000.

The reports of the Erie and Reading for January are very interesting. The former shows that notwithstanding the coal strike the net earnings for seven months, since July 1, 1902, show an increase of \$589,148 over the same period of the previous year, while the Reading statement shows that the deficit for the year, resulting from the miners' strike was wiped out in January, and a surplus of \$835,786 for the seven months was credited. The statement for January shows a gain in surplus of \$649,790.

While rates for money have hardened, it is very doubtful if they go much if any higher for, with a two per cent. rate in Berlin and London and Paris, not far from that rate a five per cent. rate here would be quite likely to bring foreign funds to this market, and effectually prevent any outflow of gold.

Cotton still holds a large degree of speculative attention and at about 10½ cents is higher than it has been since January, 1901, when it sold at 12.75 cents.

Copper stocks are also receiving more attention, and the price of the metal has been still further advanced and is likely to go still higher, as the consumptive demand is enormous.

During the past few days the short interest in the market has been largely increased, in spite of the fact that prices for some securities are now lower than they were in the December smash, so that it would not be surprising if a sharp upward movement should occur in the market.

The increase of the Manhattan dividend has just been announced and has stimulated the market, which is closing with a better tone.

NEW YORK INSURANCE LETTER.

There is a prospect of lively times in the salvage wrecking business in this territory. Since the organization of the Underwriters' Salvage Company by some of the fire insurance companies, about ten years ago, this concern has monopolized the salvage wrecking business, instructions generally being given to adjusters and special agents to turn over the damaged stocks, apparently without condition, and frequently without considering any bids or offers on the part of outside concerns. The results do not seem to have been always satisfactory to the companies, especially those which are not directly interested in the Salvage Company. A powerful outside concern has now entered the field, establishing a branch company, and will