

Correspondence.

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NEW YORK STOCK LETTER.

New York, January 27, 1904.

Last Wednesday the market began to show signs of hardening, and on Thursday, under heavy buying by certain houses, it expanded and became very active and at rising prices. Nothing especially new in the way of good news had developed, but this made little difference to those who had taken the market in hand, and they proceeded to push it further on Friday and also on Saturday. Monday, however, the market halted and it became evident that the outsiders were not coming into the market as it had been hoped that they would. A considerable number of traders, however, have sold out what they had, and are now quite ready to see a recession of two or three per cent., and to use their best endeavours to help bring about such a result and present appearances are that they will be successful, for at present this is nothing more than a traders' market, for, notwithstanding the many favourable factors there are some influences which are exerting an adverse effect upon the market.

It is said that the Gates' Pool has acquired some 20,000 shares of stock within the past 30 days. If this is so, it will be an interesting problem to see how they will dispose of them for having acquired a considerable portion of them from traders, the latter will hardly be likely to take them back, except at a considerable concession.

The Bank statement of Saturday was a most remarkable exhibit; the increase in the deposit item was \$45,084,700, and brings the deposits up to \$941,268,600. The loans increased \$30,669,300, and the total is now \$934,395,600, and for the first time in many months the deposits now exceed the loans by some \$6,873,000.

Again it is demonstrated that these statements are not only not reliable, but that they are actually misleading, and that they never can be made reliable until the Trust Company returns are included, and there is a growing feeling that either these statements should not be given out or that the Trust Company figures should be included.

The closing of a bank in Cleveland, and of a Trust Company in Nashua, did not have any very great effect upon the market, because it was well understood that the reasons for closing was not on account of poor business, but on account of defalcations.

Cotton continues its upward movement and has touched 16 cents in New Orleans. Speculation in this staple has reached a point where it looks as if a large portion of those who were concerned in the movement had withdrawn from further participation in it. Reports are coming in from the Dry Goods' district that dealers are showing a disposition to take manufactured goods on the basis of the increased cost of the raw material. Of course, if they will do this and the mill men can dispose of their goods, they, in turn, can pay more for the staple, and that would enable those now holding the cotton to get out of it. That there is a shortage of this crop in some sections cannot be denied, but whether the shortage is general can only be determined by the shipments later on. There are those, and well posted parties too, who claim that taken as a whole, the crop will not be short of the average.

Wheat has also claimed a good share of attention, and the fluctuations within the past few days have been severe. On Tuesday the price of May wheat in Chicago fell

from 89 $\frac{3}{4}$ c to 87 $\frac{1}{4}$ c, with a later recovery of something over a cent per bushel. To what extent the talk of war between Russia and Japan is responsible for these price movements it is very hard to say.

Notwithstanding that one of the reasons given last fall for the calling of an extra session of Congress was that some sort of Financial Legislation might be had it does not now look as if anything would be done in this line during the present session. This is unfortunate, for now changes could be made with probably less chance of ill effect than may be the case in the future.

There is a fairly steady and increasing demand for bonds and this is one of the best signs that we have of better things in the near future in the general affairs of the country, and as proof of this, the heads of some of the larger railroad systems are preparing to make improvements in their properties, which last year they could not see their way clear to make. It is said that the Pennsylvania will spend this year for improvements and new construction some \$100,000,000, while the Illinois Central, Union Pacific, Rock Island, Gould Systems, Erie, Atlantic Coast Line, Lake Shore and Southern Railway, all contemplate extensions and improvements which will cost many millions of dollars. In some cases the bonds for these improvements are already sold to syndicates, and in these cases the expenditures are pretty sure to be made.

The market, while strong to-day, has been very dull, and it looks as if a concerted movement would move it two or three per cent., either up or down.

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LONDON LETTER.

London, 14th Jan., 1904.

FINANCE.

On Monday commenced the trial of Mr. Whitaker Wright, the millionaire company promoter, who is charged with serious offences under the Larceny Act of 1861, and who, also with knowingly publishing false balance sheets of the London and Globe Finance Corporation in 1899 and 1900. The most expert counsels in England are ranged on the prosecuting and defending side, a special jury absorbs the weighty masses of evidence, and Mr. Justice Bigham, the judicial expert in commercial cases, presides over the court. Shareholders on the bankrupt promotion of Whitaker Wright have lost over thirty million dollars, and the creditors whose claim upon any assets, of course, ranks first, get only from fifteen to sixty cents in every five dollars owing them.

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At the same time, in the Birmingham Police Court, the late chairman, and also the present manager of Showell's brewery, an important concern, with a paid-up capital of over five million dollars, are charged with robbing the company to a heavy extent. This looks like working up into an important case. On the whole, despite some occasional affairs such as these, commercial integrity stands on a very high level in this country.

Although hardly any dealings take place here in Russian bonds, there is a fair amount of speculative activity generally in Japanese bonds. Lately, of course, owing to the war scare, quotations have jumped about in a most uncertain fashion. The most popular stock has been the five per cent. loan of 1897, amounting to over forty-three