

MARKET STRONG IN AFTERNOON ON WAR NEWS

Another Temporary Reaction
in Last Hour, But Prices
Move Upward Again.

READING MAY CUT BIG MELON SOON

Marine Preferred Sells Off in
Face of Rising Market on
U-Boat News.

(McDougall & Cowans.)

New York, June 4.—The market continued strong in the early afternoon following a short period of hesitation in the appearance of the official French war statement. This revealed German local gains at a few points, but apparently nothing of consequence. Another temporary reaction occurred in the last hour, but prices moved up again in the late trading. Reading was a feature, advancing to within a small fraction of the year's high, the movement being accompanied by a revival of the familiar melon-cutting rumors. There was no real news on this matter, but the argument is that, if the government retains control of the railroad indefinitely, it will probably separate the Reading Railroad from the coal lands and mines, turning the latter back to the stockholders.

Marine Preferred followed an erratic course, selling off while the rest of the list was strong, as it has frequently done in the past. A good deal is being made in some quarters of the prospect that the Steel Corporation's war taxes will be greatly increased this year, and that the net earnings for the first quarter were reduced by the railroad tie-up, and that it is spending immense sums for facilities at present intended only for war production. The tax liability is a factor to be reckoned with, but the construction expenditures do not necessarily contain anything bearish.

E. & C. RANDOLPH.

MONTREAL SALES.

(McDougall & Cowans.)

Montreal, Tuesday, June 4th.

Morning.

Steamships Com.—45 @ 39 1/2.
Tram. Debutenues—1,000 @ 72 1/2.
Can. Cem. Pfd.—42 @ 90.
Can. Car Pfd.—140 @ 58 1/2.
Steel Can. Com.—5 @ 62 1/2.
62 1/2, 225 @ 62 1/2, 175 @ 62 1/2, 60 @ 63 1/2, 10 @ 63 1/2.
Dom. Iron Com.—155 @ 59.
Shawinigan—100 @ 112 1/2 @ 111.
Civic Power—25 @ 75.
1915 War Loan—500 @ 95.
1916 War Loan—500 @ 93 1/2.
Can. Car Pfd.—50 @ 76 1/2.
1917 War Loan—300 @ 92 1/2.
Smelting—8 @ 25.
Maple Milling Co.—75 @ 97 1/2 @ 97 1/4, 100 @ 98.
Dom. Iron Com.—155 @ 59.
Shawinigan—100 @ 112 1/2 @ 111.
Civic Power—25 @ 75.
1915 War Loan—500 @ 95.
1916 War Loan—500 @ 93 1/2.
Can. Car Pfd.—50 @ 76 1/2.
1917 War Loan—300 @ 92 1/2.
Smelting—8 @ 25.
Maple Milling Co.—75 @ 97 1/2 @ 97 1/4, 100 @ 98.

Afternoon.

Steamships Pfd.—67 @ 76.
Can. Cem. Bonds—8,000 @ 87.
Steel Can. Com.—5 @ 63 1/2, 10 @ 62 1/2, 100 @ 63.
Dom. Iron Com.—50 @ 59 1/2.
1915 War Loan—1,600 @ 95.
Can. Car Pfd.—10 @ 77 1/2 @ 76 1/2.
1917 War Loan—1,000 @ 93, 700 @ 92 1/2.
Smelting—25 @ 25.
Huron—25 @ 113 1/2 @ 113.
Smart Woods—25 @ 68 1/2.
Asbestos Pfd.—50 @ 65, 10 @ 54 1/2.
Span. River—40 @ 13.

STRONG ADVANCE IN WALL STREET ON WAR NEWS

Reaction Occurs on Reduced
Dealings of Mid-Day Ses-
sion, But Losses Light.

STEEL STOCKS WERE GENERALLY STRONG

Baldwin Locomotive Makes
Extreme Advance of Four
Points.

(McDougall & Cowans.)

New York, June 4.—Evidently the exploits of enemy submarines along the Atlantic seaboard did not enter seriously into Wall Street's calculations today. Far more interest was manifested in war bulletins telling of the assistance rendered by American troops in checking the German drive at the Marne. All divisions of the stock market opened at material gains, these being considerably enhanced during the active forenoon. Shipings, including shares of coastwise companies, participated in the general advance, which ranged from 2 to 5 points among leaders. Reactions occurred on the reduced dealings of the mid-session, partly as a result of the French official report. Reactions were moderate, however, and affected only a few speculative favorites, specialties attaining to higher levels than before.

Steel Strong.

United States Steel's early rise of 2 1/2 points, at which it crossed par by a comfortable margin on heavy purchases was a material factor in the strength of affiliated issues, notably Bethlehem, Crucible and Lackawanna. Steel, Colorado Fuel, Republic Iron and Virginia Iron, which rose 2 to 3 points.

Baldwin Locomotive was foremost among equipments at an extreme advance of four points and other strong issues, including Reading, Union Pacific and New York Central, Texas Company and Mexican and California Petroleum, Industrial Alcohol, Distillers, Leathers, Motors and Tobacco, the latter group making gross gains of 4 to 5 points. Sales amounted to 750,000 shares.

Except the tax-exempt 3 1/2 of the Liberty issues made further concessions to new low records. The first 4's and second 4's fell to 93 and 4 1/2's to 83 1/2. This general bond list was irregular. Total sales, (par value), aggregated \$7,250,000.

Old U. S. Bonds were unchanged on call.

HIGHER PRICES IN MARKET EXPECTED

(McDougall & Cowans.)

New York, June 4.—Materially improved technical position in stock market has unquestionably placed it in a position to respond substantially to favorably developments, and while the outstanding short interest is not large, on account of tax programs, has to a large extent been completed, according to well informed channels, so that cheering news from abroad operates for higher prices.

We think conservative purchases in selected rails and industrials on recessions will give fair fair turns to alert traders. Amn. Car Foundry, Midvale Steel and Beth. Steel "B" are bulled in pool circles.

N. Y. F. B.

N. Y. COTTON MARKET

(McDougall & Cowans.)

	High	Low	Close
Jan.	22.85	22.46	22.75
Mar.	22.46	22.46	22.76
July	26.02	24.35	24.97
Oct.	23.32	22.80	23.28
Dec.	22.96	22.62	22.94

CONSERVATISM IN ALL SPECULATIVE CIRCLES IS RULE

Present Strong Technical Po-
sition Evidenced By Ab-
sence of a Big Break.

CONDITIONS IN THE U. S. ARE GENERALLY GOOD

Many Securities At Moderate
Level, Considering Earn-
ings, Says Bache.

(McDougall & Cowans.)

New York, June 4.—The break in prices last week was undoubtedly the result of technical conditions—too rapid speculative activity had carried the wave to the breaking point. The decline was accelerated by the German drive and contemplation of increased taxes. Levels in industrials have now reached near to where they stood when the upward movement began. The present strong technical position is evidenced by the failure of the advancing drive on the Western front to dislodge stocks in volume or break prices in a disorderly manner. The higher taxation prospect has been assimilated. "In defense of the rights and liberties of the world," says Judge Gary, "we do not care what the expense is or will be, provided it is equitably distributed and the money is wisely expended."

As normal manufacturing operations are gradually restricted, war expenditure will fill capacity so that the production of the country will increase steadily while the war lasts. The labor and material of this are practically exhausted. Crops and products bid fair to be at top figures for the year, and whatever the military situation may be for the time being, the industrial machine will be working at capacity.

The rate in railroad rates thus placing the transportation systems on a basis of earnings, is giving rise to a more confident feeling regarding railroad securities, the full effects of which it would seem, have not yet been felt in prices.

It is evidently the disposition of the investing public, both large and small, to be conservative until the results of the German drive reveal themselves. Many securities are at a moderate level considering their prospective earnings even after a much heavier excess tax shall have been deducted.

J. S. BACHE & CO.

NEWS SUMMARY

(McDougall & Cowans.)

New York, June 4.—McAdoo would double normal income tax rate and increase surtaxes in order to raise additional revenue.

Belief prevails that committee will accept his views.

Railway shippers numbering 500,000 dissatisfied with new wage schedule, and ask railroad administration not to put it into effect, intimating strike might result.

Buns reports \$80 failures in U. S. in May involving \$13,134,672 of liabilities. Number of defaults smallest for month in nearly a decade.

Secretary Daniels says Atlantic coast defenses are adequate and will be unnecessary to recall vessels from war zone to deal with U-boats on this side.

New York Central, all lines, in April shows net after taxes, \$5,544,938, increased \$1,944,431 over 1915.

Delaware and Hudson April net after taxes decrease \$69,269, 4 months dec., after taxes increase \$1,261,500.

Louisville and Nash—April gross inc. \$1,926,064.

Net after taxes inc. \$305,400, 4 months gross inc. \$4,832,038. Net after taxes dec. \$396,669.

D. J. & CO.

1937 VICTORY LOAN IN GOOD DEMAND

Big Investors Buying War
Issues, Owing To Their Be-
ing Free of Taxation.

(McDougall & Cowans.)

Montreal, June 4.—The 1937 war loan at 93 which is accounted for by the fact of light offerings of the Victory Loan. The buying of these war loans by the big investors, owing to their being free of taxation, has picked up most of the floating supply around present price. Steel Co. of Canada was up over a point and a half from Saturday, Iron was also fractionally better. Wood Mfg. Co. made a new high at 96 1/2 and Maple Leaf advanced a point from the opening to 88. Trading in the balance of the list was not heavy, but prices were firm. Odd lot buying, for investment, was noticeable throughout the list.

McDougall & Cowans.

TAX PAYMENTS DUE

(McDougall & Cowans.)

New York, June 4.—The tax payments to be made during the next few days are expected in conservative quarters to cause a little disturbance in money affairs, and it would not be surprising to witness a flurry to a moderate extent. There is nothing over which to be alarmed, according to our reports.

N. Y. F. B.

N. Y. QUOTATIONS.

(McDougall & Cowans.)

	Open	High	Low	Close
Am Beet Sug	65 1/2	66	64 1/2	66
Am Car Ry	78 1/2	79 1/2	78 1/2	79 1/2
Am Loco	63 1/2	64 1/2	63 1/2	64
Am Sugar	108 1/2	109 1/2	108 1/2	108 1/2
Am Smelt	75	76	75	75 1/2
Am Steel Py	66 1/2	67 1/2	66 1/2	67
Am Woolen	56	56 1/2	55 1/2	56
Am Zinc	16 1/2	17	16 1/2	16 1/2
Am Tele	99 1/2	100 1/2	99	99
Chino	42 1/2	43 1/2	42 1/2	43
Am Can	44	44 1/2	44 1/2	44 1/2
Atchafalca	84 1/2	85	84 1/2	85
Balt and Ohio	54 1/2	55 1/2	54 1/2	55 1/2
Bald Loco	87 1/2	88 1/2	87 1/2	88 1/2
Beth Steel	82 1/2	83 1/2	82 1/2	83 1/2
Butte and Sup	21 1/2	22	21 1/2	21 1/2
C. F. I.	47	47 1/2	47	47 1/2
Ches and Ohio	58 1/2	59 1/2	58 1/2	59 1/2
Chino	42 1/2	43 1/2	42 1/2	43
Cent Leath	64 1/2	65 1/2	64 1/2	65 1/2
Can Pac	148	148 1/2	147 1/2	147 1/2
Distillers	57 1/2	58 1/2	57 1/2	58 1/2
Cruc Steel	64 1/2	65 1/2	64 1/2	65 1/2
N. Y. Cetes	129	129 1/2	129	129 1/2
Erie 1st Pfd	32	32 1/2	32	32 1/2
Gen Elect	148 1/2	149 1/2	148 1/2	149 1/2
Gr Nor Ore	31 1/2	32 1/2	31 1/2	32 1/2
Indus Alcohol	121	122 1/2	120 1/2	122
N. Y. Cetes	129	129 1/2	129	129 1/2
Inspira Cop	49	50 1/2	49	50 1/2
Kans City Sou	18 1/2	19 1/2	18 1/2	19 1/2
Kenneb Cop	32 1/2	33 1/2	32 1/2	33 1/2
Lehigh Val	104	105 1/2	104	105 1/2
Mar Mar Pfd	104	105 1/2	104	105 1/2
Mex Petrol	94	94 1/2	93 1/2	94 1/2
Midvale Steel	51 1/2	52 1/2	51 1/2	52 1/2
NY NH and H	43 1/2	44 1/2	43 1/2	44 1/2
N. Y. Cetes	129	129 1/2	129	129 1/2
Nor Pac	87	87 1/2	86 1/2	87 1/2
Penn	43 1/2	44 1/2	43 1/2	44 1/2
Reading Com	88	89 1/2	88 1/2	89 1/2
Repub Steel	86 1/2	87 1/2	86 1/2	87 1/2
St Paul	44	44 1/2	43 1/2	44 1/2
Sou Pac	82 1/2	83 1/2	82 1/2	83 1/2
Sou Rail	23 1/2	24 1/2	23 1/2	24 1/2
Studebaker	41	42 1/2	41	42 1/2
Union Pac	121	121 1/2	121	121 1/2
U. S Steel Com	98 1/2	99 1/2	98 1/2	99 1/2
U. S Rub	56 1/2	57 1/2	56 1/2	57 1/2
Utah Cop	78 1/2	79 1/2	78 1/2	79 1/2
Westinghouse	41 1/2	42 1/2	41 1/2	42 1/2

STOCK MARKET POSITION SHOWS IMPROVEMENT

Much Greater Resistance To
Selling Pressure Expect-
ed From Now On.

LEADING RAILROADS STILL FAVORITES

National Enamelling Expected
To Advance and Other
Specialties in Favor.

(McDougall & Cowans.)

New York, June 4.—Private banking interests in discussing the new taxation programme are taking the position that the tax levies on many leading corporations could be material increased without in any way taking from their securities the attractions they have at current levels.

The position of the stock market has vastly improved, says a prominent institution, and much greater resistance to selling pressure is expected from now on. It adds that the buying on recessions has been of a first class character, especially in leading railroads.

Favorite specialties, so far as representative common stocks are concerned seem to be at the moment—Great Northern Ore, Allis Chalmers, Corn Products, Amn. Cotton Oil and National Enamelling. Pool channels are still very optimistic in regard to these issues.

A well informed source holds that National Enamelling is one of the choice speculations. Investigations made into the company's position and the prospect that its business will expand with peace, have resulted in adding to holdings already substantial. There is no doubt that the stock at present low prices is out of line with others similarly placed.

Mexican Pete. is reported to be well bought. Good absorption in Amn. Foundries, Baldwin is again being bought for prominent people, U. S. Steel is being taken for odd lot account. The foregoing gossip is from large commission houses.

N. Y. F. B.

CHICAGO PRODUCE.

(McDougall & Cowans.)

	High	Low	Close
July	133 1/2	131	133 1/2
Octa.	67 1/2	67 1/2	67 1/2
Pork.	41 1/2	40 1/2	41 1/2
Chicago, June 4.—CORN—No. 2, yellow, 1.60 to 1.65; No. 3, yellow, 1.52 to 1.56; No. 4, yellow, 1.46.			
OATS—No. 3 white, 72 1/2 to 73 1/2.			
BARLEY—\$1.00 to \$1.25.			
TIMOTHY—\$5.00 to \$5.00.			
CLOVER—Nominal.			
PORK—Nominal.			
LARD—\$24.25.			
RIBS—\$17.50 to \$22.15.			

TORONTO PRODUCE

Montreal, June 4.—MILLFEED—Bran, \$4.85 to \$5.00; shorts, \$3.50; middlings, \$4.00; moultie, \$7.25.

HAY—No. 2, per ton, car lots, \$15.50.

CHEESE—Finest western, \$15.50.

BUTTER—Choice creamery, 22 1/2.

POTATOES—Per bag, car lots, 1.55 to 1.60.

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CORN QUOTATIONS MOVE UP HIGHER

Offerings Quickly Absorbed
and Early Sellers Who At-
tempted To Cover Found It
Difficult — Oats Rise and
Pork Weakens.

(McDougall & Cowans.)

Chicago, June 4.—Corn rallied in price today owing to a reaction from the flurry over the submarine raid to this side of the Atlantic. Offerings were quickly absorbed and early sellers who attempted to cover found it difficult. Somewhat unsettled weather tended also to lift values. Opening quotations, which ranged 1-8 to 5-8 cent higher with June \$1.29 1-4 and July \$1.37 3-8 to \$1.35, were followed by material further gains, and then something of a setback.

Oats went upward with corn. Exporters are again in the market. After opening 1-8 to 1-4 cent higher, with July 65 3-8 to 65 3-4, prices scored a moderate additional advance.

Provisions weakened owing to slackness of demand. The chief decline was in pork.

MONTREAL SALES.

(McDougall & Cowans.)

	Bid	Ask
Braslian L. H. and P.	33 1/2	35 1/2
Canada Car	28	31
Canada Car Pfd	76	77