

NEW YORK STOCK LETTER.

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

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While the past week has been a disappointing one to some people it has not to others who foresaw that the first few days of the new year were quite likely to show a decline rather than an advance, hence they advised their customers to wait and take the chance of getting such securities as they wanted at a concession from the prices then ruling. The wisdom of such a course is borne out by the fact that Atchison common is down 4 p.c.; Baltimore and Ohio, 5 p.c.; Central of New Jersey, 5 p.c.; St. Paul, 4 1-2 p.c.; Erie, 4 1-2 p.c.; Louisville and Nashville, 4 3-4 p.c.; Reading, 4 3-8 p.c.; Pennsylvania, 3 1-2 p.c., and the rest of the list in about the same proportion. At the moment the condition of the country warrants a very decided advance from present prices, but it must be borne in mind that prices are now at a high level and great discrimination and caution must be exercised in the great prosperity of the present time. We must recollect that a season of depression is bound to follow it sooner or later, and investments made now should be made with such conditions taken into consideration, so that when that time arrives, securities bought now, will be marketable then. It is a curious fact that commercial and financial depressions in European countries are usually followed by similar conditions in this. England, France, Austria and Germany have recently passed through such periods and if reports are to be credited, Russia is face to face with an industrial crisis, while in our own country the present condition of the National Asphalt Company, the Everett-Moore Syndicates of Cleveland, and some other concerns are indications that cannot be ignored that the time has come for the exercise of discrimination. The Everett-Moore Syndicate proposition was an ambitious undertaking. Undoubtedly it controlled some excellent properties, but it is very evident that they were not in a position to give the Syndicate the strength that it needed at a critical time. The question now, and it is one that is having no little influence upon the market, is, how widely its paper is distributed and whether the holders are able to carry it without danger to themselves. One institution has already had to succumb and we believe that there are others to be heard from. There would be nothing particularly disquieting in this affair, except to the people directly in interest, if it were isolated and alone! This it is not. It is only the, so far most conspicuous, collapse of a lot of similar enterprises scattered over the country. Therefore, it is a sign and a sign well worth heeding not only by the individual investor, but by the individual who as a director of an institution has a corporate duty to perform as such.

The declaration of the regular dividend at 7 p.c. to be paid quarterly by the Delaware & Hudson Company, was a disappointment to many who had anticipated that this rate would have been increased. There is little question, but what the earnings of this Company would have justified an advance in the rate at this time, had the directors been willing to make it. These remarks will apply with equal force to the Louisville & Nashville, which has also declared its regular dividend of 2 1-2 p.c. semi-annual. In this case also there were quite a number who expected that the rate would be increased, but were disappointed. In both cases the disappointment showed in a recession in the price of the securities which has served to make them more attractive to shrewd investors.

Late yesterday the report was given out that Chief Justice Fuller, of the United States Supreme Court, had announced that argument in the matter of the State of Minnesota, against the Northern Securities Company, would be heard on January 27 next. As there are several kindred transac-

tions now awaiting completion, it is quite natural that they should be held in abeyance until this question is decided and, consequently, these interests would be disinclined to take any very active interest in the market at present. The issue of \$30,000,000 of 4 p.c. serial debenture bonds, by the Atchison, Topeka and Santa-Fe Company, was something of a surprise to the investing community, especially as it is claimed that these bonds take precedence of the adjustment 4s. The Atchison is a great property and with fair management has a brilliant future and it is unquestioned that its improvements judiciously made, will give it a commanding position in the Pacific Coast trade, but it is a little hard on those who have held the stocks for a long time and had hoped for generous dividends to have this amount of securities put ahead of them.

The community of interest idea appears to be spreading from railroad to financial circles and the advent of a number of Chicago capitalists in the Directories of several of the prominent New York Banking Institutions is an indication of increased strength to the institutions of both Chicago and New York.

The market has shown a hardening tendency all day and from this on, we think that it should continue to show improvement in prices and volume of transactions.

RECENT LEGAL DECISIONS.

RETURN OF PREMIUM—EMPLOYMENT OF CANVASSER.—In an attachment in Chancery by one Herron against the Mutual Life Insurance Company, of New York, and others, to recover back a first premium after a refusal by the Company to accept the risk, the Supreme Court of Mississippi has held: (1) The receipt stipulating for the return of the insurance premium, if the risk is not accepted, signed by a canvasser appointed by the Company's general manager, binds the Company when it appears that the Company recognized the employment of such canvasser; and the manager had power to delegate his powers to him. (2) Where an insurance canvasser signed a personal promissory note for the repayment of the first premium, the risk having been declined by the Company, the holder of the note, by awaiting in good faith the effort of the canvasser to make good the premium, does not discharge the Company from its obligation to make such repayment, even though the canvasser has committed a fraud towards the Company. (*Mutual Life Insurance Company of New York v. Herron*, 30 Southern Reporter, 691.)

STOCK BROKING TRANSACTION.—One English broker applied to another for certain stock and enclosed £25, and agreed to accept the stock allotted. An advice note was subsequently sent, which contained, among other words, the following: "Plus one eighth if stock is taken up." As the transaction was not completed the buying broker brought action to recover £179, the amount of differences on the stock transactions between them. The stock had been transferred into a company called Brighton A., and showed a balance of profit in the plaintiff's favour of the amount mentioned. The defendant broker claimed that the plaintiff had never told him that he wished to take up the stock, and that he (defendant) did not purchase any of it for him, and had returned the plaintiff his cover of £25. So far as he was concerned the transaction was not a real one, but a bet on the market price. He contended, therefore, that the transaction was void as being a gaming and wagering contract. Mr. Justice Bigham was satisfied that the transaction was not a bet, but that the defendant intended to deliver the stock to the plaintiff, and also to put himself in such a position as to be able to make the plaintiff take it up. (*Philip v. Bennett & Co.*, 18 Times Law Reports, 129.)