

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

NEW YORK STOCK LETTER.

New York, June 8, 1904.

Troubles in financial circles in Amsterdam, Berlin, Paris and London are pretty sure to be followed within a few months by troubles more or less severe in the New York market, and from this centre the wave extends westward and so after such disturbances have occurred relief or improvement must be looked for in the East and not in the West. Last year the disturbance had reached this market, and since that time the contraction in general business has gradually but surely extended westward, but with a diminishing intensity. The question is frequently asked how far will the declines in our market extend, and how soon will the period of contraction give place to expansion and greater activity and improvement in general business and financial circles. If we look to the East we shall find that within the past few months there has been a very material improvement in the foreign markets and in London. In the latter the rise in high grade investment stocks since the low point of last year has been for consols 5 5-16 per cent., and for other stocks from 1 3/4 to 8 per cent., while in the more speculative group the advances have been from 3 1/2 to 14 1/4 per cent. With this improvement there has been a tendency to take a greater interest in this market, and should this market be made active, this interest would undoubtedly become a very important factor. In the meantime the middle West, South, Southwest, West and Northwest are abundantly able to take care of themselves, especially as the prospects are increasing every day, for at least an average crop of cotton, cereals and other products, while as a general rule merchants are carrying very light lines of all classes of goods, and any sharp consumptive demand would send the retailers quickly to first hands for increased supplies of goods.

From this it will therefore be seen that the falling off in earnings of the railroads is most likely to be only a temporary matter, and that as soon as the crop movement begins the roads should show a material increase in earnings. Within the next few weeks cotton should begin to move though in somewhat limited quantities at first, but as soon as the movement begins, a large portion of it will go abroad, for, owing to the high price, which this commodity reached in February foreign spinners curtailed their purchases, and as a consequence their stocks have been greatly depleted; but now that the price has fallen to a nominal figure they will unquestionably be in the market for large supplies, and such purchases will create a large amount of exchange.

During the week, there has been a very decided fall in the price of this staple, and since the middle of May, the decline has been some 217 points, or about \$11 per bale. It is possible that this decline has been carried a little too far, but cotton at 12 cents, or under is not far from the point at which spinners, both home and abroad, will purchase.

The "Iron Age" states that the apathy in the iron and steel trade is almost universal, and, in the case of many producers has reached the point when an entire cessation of operations is being proposed for by working up such raw material as is on hand, and filling such orders as are still on the books. That the present unrest of labour will have a very decided influence on such a move cannot be doubted, especially when cognizance is taken of the events

now taking place in Colorado, for unless a firm stand is taken by employers of labour, it would not be surprising to see similar events taking place in other States.

The movement in New York, Ontario and Western during the past week has been most interesting and has provided a stimulant for what would otherwise have been a very dull and limited market. From time to time, in these letters we have called attention to the growing importance and the improved condition of this property. It has practically been rebuilt, long sidings have been constructed which, at a very small expense could be connected up, and thus make a double track road of it. The earnings have steadily increased and the stockholders are entitled to some return upon their long standing investment. It is full time that officers of roads should be brought to a realizing sense of the fact that they are the servants of the stockholders, and we apprehend that in the near future stockholders in a number of other properties will take action and make demands for more specific information regarding the condition and management of the properties in which they are interested.

The activity and increase in the price of the Ontario and Western has given the market a start which should get it out of the rut in which it has been for so long, and to-day has shown a better business, certainly in tone, if not in volume, than has been seen in a long time.

Reading has been one of the prominent and active stocks and shows an advance of one per cent. It is said that the company is earning about 7 per cent. upon the stock, although up to the present time no dividends have been paid on it.

St. Paul, Copper Pennsylvania and the Erie issues have all been strong and quite active, and show advance of from 1/2 to 1 per cent.

Weakness has developed in the Stirling Exchange market, and as nearly as we can learn all of the engagements of gold for shipment have been cancelled.

The market has held well up to the close, and it looks as if there might be a still further advance, but there are now some good profits in sight, and it would not be surprising if they were covered into Bank.

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LONDON LETTER.

London, May 26, 1904.

FINANCE.

From the early 'Twenties in the last century the British public has been investing and speculating in the stocks of the Home railway companies. Fortunes have been made and moneys have had their run; prices have been very high and very low; companies which were sought after at their inception and were so deserted in their prime that their scrip became to all intents and purposes worthless wake up under more beneficent influences in their old age, and now are big prosperous trunk lines—uncertain ever yet always having an easy way back into public confidence.

At one time it was rosyly assumed that the multiplication of the iron roads would provide such a huge channel of investment that no other investments would be needed. The increase in the capital of the country, however, has quite upset the innocent calculations of last century and now in the way of investment there certainly are "regions Caesar never knew."

Until the last few weeks Home Rails, like everything else, laboured under a great and increasing dullness. Now, however, there is a smart revival in progress. To show the