

Stock "Tickers" and Bucket Shops

Announcement was made about a week ago that the governing committee of the New York Stock Exchange has formally decided against renewing the contract with the Gold and Stock Telegraph Company for the distribution of the exchange's quotations. The contract in question expires on Jun 30 next, and some interesting questions naturally arise as to what will be the outcome of this latest move in regard to the "ticker" service. The existing arrangement, it will be remembered, was entered into some years ago, when the exchange acquired control of a company which confines its operations solely to the distribution of the quotations to members of the exchange itself the Gold and Stock Telegraph Company, which forms part of the Western Union system, being accorded the privilege of furnishing quotations to the public under certain restrictions.

More or less has of course, been made of the abrogation of the arrangement in respect to its effect on the Western Union Company which leases and controls the Gold and Stock Telegraph. There is no doubt that the contract has been a profitable one to the telegraph company, but some of the statements as to the loss in revenue it would suffer seem to be greatly exaggerated. Besides this, it is generally believed that while the old contract will not be renewed, there is a decided prospect that a new one, on somewhat different terms, may still be made between the parties. Whether such negotiations are in progress cannot, of course, be known, nor is there anything of a definite character in which to either affirm or deny the report that the Postal Telegraph Company is in the field as a bidder for the privilege of distributing the quotations made on the exchange. Suggestions have been heard that if the matter is carried to extremes, legal proceedings, by injunction or otherwise, may be taken to force delivery of the quotations, but this is met by the argument that the peculiar status of the exchange, as a mere voluntary association and not an incorporated body, takes it out of the operation of those legal principles concerning common carriers which have been applied in somewhat similar circumstances elsewhere.

The real point in the whole matter resides in the fact that the step just taken by the exchange is the opening of another attack upon the bucket shops. It is claimed that the telegraph company has not lived up to the spirit of the portions of the present contract regarding the class of customers who should be supplied with quotations. It is not denied that the telegraph company has consulted its own interests solely in selling the quotations, and it is now proposed that if any new contract is made a more effective control over their distribution shall be reserved to the exchange. The latter's policy, it is claimed, is not to exclude the general public from obtaining the quotations where they are needed for legitimate purposes, but so far as possible to cut off the facilities which are let shops throughout the country enjoy. It cannot be said that the exchange in making this attempt, is actuated by anything but selfish motives. The public even involved in the existence of such purely gambling concerns as the bucket shops is not formally considered. The officials of the exchange have made careful investigations, and have secured knowledge that bucket-shipping, based on the quotations of the exchange itself, now flourishes on an immense scale throughout the country. It is particularly rife at interior cities, where the distinction between legitimate speculation and the class of gaming carried on by the bucket shop is not as apparent to the public, and where the bucket-shop even assumes a certain pretended respectability. By such

means a very large volume of speculative trading is, as a matter of fact, diverted from the New York exchange, while the various abuses and manipulation of quotations, which are inseparable from success on the part of the bucket shops, tend to discredit all speculation and to create a popular prejudice against the legitimate exchanges.

It is naturally too early to speak of any plans that may be adopted. There is indeed room for curiosity on this point. It is manifestly impossible for the exchange to refuse its quotations to the public. Such action would not be tolerated by business and financial interests, and if such a line were adopted it would simply kill all public interest in the stock market. The example of the London Stock Exchange, which had often fallen even lower than its quotations than our own, is not, it must be admitted, encouraging as to the success of the efforts now on foot here. Bucket shops flourish in Great Britain as well as in the United States, and a few years ago the London exchange instituted a vigorous campaign against them, cutting off their "ticker" service, and even taking legal action to prevent their obtaining the quotations by indirect means. These proceedings were apparently successful, yet the bucket shops of London and the provinces continue their trade with undiminished vigor. —Bradstreets

The Railroad Building Outlook.

Railroad building is more generally discussed than for some time past and the expectations of the moment are that 1897 will witness a marked increase in the length of the lines added to the railway system of the country. The break in the price of steel rails, it is generally believed, adds to the probability that considerable work of this character will be carried out, not only in the construction of new lines, but in the form of extensions and branches of existing ones. According to the Railroad Age, which, as usual, keeps a close watch upon all such projects, the new lines which are either under construction or which have some prospect of being built during the year would represent 17,500 miles of new track. From this estimate it excludes many lines which are merely talked about, and it also prefaces its discussion of the subject by the admission that a very large portion of the above total is certain not to be built in 1897—if ever. The conclusion which the same authority arrives at is, however, that more new lines will be constructed than in any of the last few years, owing to the fact that general conditions are more promising for such a development.

The new railroad mileage actually built in the United States in 1893, was 1,812 miles, the record in 1894 being almost exactly the same—1,803 miles. These were the smallest totals since as far back as 1875, when the country was just recovering from a great panic, and when the new railroads built measured only 1,711 miles. Following it came a period of great expansion in the work of railroad extension, which culminated in 1881 and 1882 when 9,791 miles, and 11,568 miles of lines, respectively, were added to our railroad systems. After another halt, the record again rose to 9,000 miles in 1886, the figures for the ten last years being more conveniently shown in the following tabulation:

Year	Miles built	Year	Miles built
1887	12,983	1892	4,150
1888	7,120	1893	2,635
1889	5,730	1894	1,913
1890	6,060	1895	1,803
1891	4,168	1896	1,862

In the light of these figures, it would be useless to expect any such extraordinary in-

crease as the estimate of 17,500 miles in 1897 would involve. The figures, indeed, are coupled with qualifications as to the realization of the intentions of corporations or projectors. The total number of separate lines included is no less than 300, the southwestern heading the list, in a geographical classification, with 5,485 miles, while the south Atlantic states supply 3,822 miles and the gulf states 2,317 miles more. It may be added that a summary of the more important roads actually under construction, or which present a prospect of active work being undertaken on them during the year, reaches a total of somewhat over 2,000 miles, including some 275 miles, being reported as actually completed since January 1.

It is well recognized that the bulk of the steel rails for which orders have been recently placed are for renewals of track by existing roads. Some surprise may be expressed at the statement that the difference in the price of steel rails, caused by the break in their price involves an economy of perhaps no more than \$700 per mile in new construction. It would seem, however, that in some instances the break has led to the placing of orders for rails for new lines which would not have been bought without it. The outcome, indeed, still hangs upon financial problems, and on the ability of the builders of new lines to place the securities issued upon them. The better feeling in the financial world since the election has facilitated the completion of arrangements for the needed capital, especially where the new lines are backed by corporations in established credit. There is no indication that the financial public is inclined to absorb the securities of new railroad lines on an extravagant scale. This limitation has to be considered in connection with a very large proportion of the projected new mileage, and it must be remembered that while the tendency to refuse the bonds of established railroads in high credit at a lower interest rate would lead ultimately attract investors to bonds of lower grade but higher interest, the process is a slow one. It could hardly be expected to influence the securities of new roads so far after a considerable time. The probabilities, therefore, are that the present year will witness a moderate, but at the same time healthful, increase in the extent of new railroads constructed in the United States. —Bradstreets.

United States Crop Report.

The report of the United States department of agriculture makes the average condition of winter wheat 81 1/2, against 81 on December 1, 77 1/2 last April, and 81 the same date in 1895. The average condition was 83.9 against 82.9 last year. The seeding was favorable throughout the country. A few scattered counties report it too dry or too wet, so that by December 1st a crop nearly standard was indicated. The falling off since December is given in Illinois, but strikingly shown in neighboring states and making an average 15 per cent. for the whole country, and the sharp freeze of early winter, covering was ample in the Rocky Mountain states and westward, but elsewhere it was scanty. The deficiency of little damage along the Atlantic slope, the winter was mild and the favorable indications continue. No important states show a condition under 95. The condition of winter wheat is reported as average in Great Britain, France and Ireland, because of excessive rains, but in central and eastern Europe, and in Russia there have been extensive frosts, but the wet weather has so delayed work in western Europe that the wheat area will be greatly cut down.