MARKET MOVEMENT.

For the greater part of the day yesterday the stock market was a hesitating and halting one, waiting upon the outcome of the meeting of the Directors of Chicago, Milwaukee and St. Paul, at 2 o'clock, when dividend action was taken. Inasmuch as St. Paul is in these times, because of its representative character and position, looked upon as more or less of a market pivot, even the professional operators were for the most part inclined in the early day to go slow in the way of extending their market commitments, the familiar argument being advanced: "As goes St. Paul, so goes the rest of the market." That is to say, were the St. Paul dividend to be increased, as many traders confidently predicted it would be, the whole market would be favorably influenced; while, per contra, should the Directors declare only the regular dividend, it was argued that, because of the hopeful popular expectations, this would be regarded as disappointing and the whole list would sag off accordingly.

While it happens more often than not that the general Street predictions fail to develop as per schedule, yesterday they were amply fulfilled. When, the St. Paul dividend meeting over, the announcement was made that only the regular dividend had been declared, there was at once a rush to sell stocks, long and short, which not only broke St. Paul 4 points, but carried the general list down with it. This heaviness continued practically until the close of the market, the final dealings showing weakness, though some very excellent support was forthcoming on the decline. In a measure this weakness was added to by the distinct heaviness of Amalgamated Copper, usually regarded as a Standard Oil stock, which was under pressure all day, closing with a net decline of 2 points on what looked to be inside selling. Other weak features were Sugar Trust stock, with a loss of 1½; American Smelting, which declined 1⅝; Rock Island, 1¼; Lackawanna, 3¾; General Electric, 4¼; Erie second preferred, 1; Kansas City Southern preferred, 1½; Republic Iron and Steel, 1¾; Republic Iron and Steel preferred, 3⅝, and Twin City Rapid Transit, 1½.

On the other hand, those stocks that advanced were specialties, not a few of them as a result of pool manipulation. For instance, Ice Trust stock rose 1⅛ points, Texas Land Trusts 3¾, Chicago Terminal preferred 2⅛, Evansville and Terre Haute 1½, and Gas and Electric of Bergen 3. The only steady, substantial buying, in fact, seemed to be in the Vanderbilt issues, whose advances on the day previous had been a feature of the market. Yesterday Canada Southern advanced 2¾, while Nickel Plate and New York Central at the close of the day showed fractional net gains. Apropos of this, the latest report on the Street is that one general company is to be formed to take over all the Vanderbilt stocks and to issue its own stock in exchange.

Yet, despite this activity in the last hour of trading, the total dealings for the day were the smallest in some time, barely exceeding 400,000 shares. As on the previous day, these dealings were not well distributed, St. Paul, Atchison, Erie, Amalgamated Copper, Southern Pacific, Union Pacific, and United States Steel contributing more than one-half of the entire market transactions.

As might be expected under the circumstances, the action of the St. Paul Directors was much a subject of discussion. In conservative quarters the step taken is generally commended, and for various reasons. In the first place, this payment will represent 6 per cent. for the year—or 1 per cent. more than the stockholders received last year. In the second place, during the twelvemonth, there has been a 10 per cent. increase in the dividend-bearing capital of the company, necessitated by the extensions planned by the management. And, in the third place, the controlling interests in the property, merely continuing the conservative policy which has made the system the representative one that it is and altogether free from the stigma of stock jobbing, have refused to allow themselves to be influenced by professional market manipulators; but, instead, have gone ahead with an eye to the future, looking to conserve the best interests of the shareholders in the final count. It is an admitted fact that the earnings for the last fiscal year would amply have warranted the payment of an extra dividend at this time. But, though this be so, it is further admitted that, hopeful as the present outlook is, the fact must not be lost sight of that with a very serious shrinkage in the country's corn crop and a probable impairment of the West's purchasing power, though it be but slight, the present remarkable earnings of the company may not continue, but may decrease. Under the circumstances, therefore, it is understood that the management felt that it would be the part of prudence and of foresight to make provision for just such a contingency by husbanding resources—to prepare, in brief, for a lean year if it should come. Six months hence it will be known to what extent earnings and business will suffer from the corn crop shortage. If then, present conservatism be proved to have been needless, it will not be too late to reward stockholders for their patience. If, on the other hand, the policy adopted yesterday be proved to have been well taken, there will be no regrets. Better, so observing Wall Street declares, be too conservative than not conservative enough.

This principle, indeed, has had striking illustration this week in the case of Republic Iron and Steel, the Directors of which deliberately continued dividend payments on the preferred stock, notwithstanding a shrinkage of over $4,000,000 in gross earnings during the year—notwithstanding that fully one million of the dividends so paid were never earned. The shareholders of that company are now paying the penalty by a material shrinkage in the market value of their securities, the preferred stock yesterday dropping over 3 points, to 65½. And yet this stock actually pays a higher dividend rate than St. Paul.

So far as the general market is concerned there is little to say. Some of the larger interests, opposed to any wild speculation at this time, are cautioning against overtrading, pointing out that money market conditions are still unsettled—the call rate at one time yesterday jumping to 6 per cent.—and that the crop news is not of the best. Yet they are not advising sales of long stock, merely suggesting patience until such time as the situation becomes more clear.

Now that the Street has come to accept Mr. McKinley's recovery as assured, less attention is being paid to the Buffalo dispatches. In like manner, because of the many unconfirmed stories of a steel strike settlement, the Street refuses to "bite" at every settlement tale put out. Yesterday's weakness in the Steel stocks reflected selling by buyers disappointed at the delay in adjusting the matters in dispute.

The London market was dull, but somewhat higher on the more favorable outlook for peace in South Africa. Barely 10,000 shares were bought in this market.

A somewhat interesting feature of the market was the sale of 100 shares of Northern Pacific common stock at 122¼ the first in some days. Its transfer was without significance.

ST. PAUL DIVIDEND UNCHANGED.

Much to the discomfiture of the many professional operators who on the floor of the Stock Exchange had been laying odds of 2 to 1 that the dividend on St. Paul common stock would be increased the Directors of that company at their meeting yesterday made no change whatever, declaring the regular semi-annual dividends of 3 per cent. on the common stock and 3½ per cent. on the preferred stock. This was so distinct a disappointment to traders and the small fry generally, who had bought the common stock in the belief that there would be declared either an extra 1 per cent. dividend or a 3½ per cent. regular, that they immediately tumbled overboard their shares, breaking the quotation at one time to 160⅝—a decline of over 4 points from the high figure of the day. At that price good support was forthcoming, the close being relatively steady at 161, a net loss of 2¾ points on dealings in 57,000 shares.

In conservative quarters, the action of the Directors was commended, for it is pointed out that with the loss of the corn crop earnings are not unlikely to fall off, and therefore that it is a policy of prudence to husband resources at this time.

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Summarizing this conservative view, Mr. Rosenblatt of the international banking house of Zimmerman & Forshay yesterday sent the following cablegram to foreign customers of the house:

> The action of St. Paul Directors shows that they have the utmost confidence in the market situation. They would have been fully warranted to raise the dividend to 7 per cent. in view of the excellent condition of the property. Notwithstanding this knowledge, they acted conservatively, and this shows that they did not fear any impression unfavorable to the market. The statement of the company is no doubt a good one, and the insiders appear to be ready to take all stock offered on a scale downward.

BROOKLYN HEIGHTS' YEAR.

The report of the Brooklyn Heights Railroad Company for the year ended June 30, as filed at Albany yesterday, shows gross earnings of $11,747,574, a gain of $479,552; operating expenses of $7,131,080, an increase of $82,587; net earnings of $4,616,494, an increase of $396,965; other income of $311,388, a decrease of $9,100, and a surplus of $297,220, as compared with $275,725 a year ago.