

# THE FINANCIAL MARKETS

## Stocks Irregular.

Money easy, 2 per cent.

The news in Wall Street yesterday was wholly favorable, though the most important item of all, the increase in the dividend on Erie first preferred stock, was not announced until after the conclusion of business. Railroad earnings were very favorable, as witness such June net increases as \$250,700 for Illinois Central and \$55,000 for Louisville and Nashville; the Government weekly crop reports were highly encouraging, with excellent progress reported in corn and cotton; the bear rumor that Chicago, Milwaukee and St. Paul would have to come into the market as a large borrower of money was officially denied; while finally (though too late to have helpful market effect) came the increase in the Erie dividend.

Under the circumstances it would not have been surprising had the market developed strength. And perhaps it might have, had not some Western and Pittsburg operators for reasons better known to themselves than to the public proceeded literally to deluge the market with stocks in one quarter and another. The Steel Trust shares, the United States Realty stocks, Rock Island, Louisville and Nashville, Erie—these were tumbled out in an apparent never-ceasing stream, with new low records on the present movement established in every case. Yet it is worth recording that despite this insistent and aggressive pressure the market as a whole did not become weak. Those stocks under active pressure alone suffered. In the standard and investment shares, notably St. Paul, Central, and Pennsylvania, there was strength throughout and buying of a character not to be checked by bear forays. Evidently in one quarter of the market at least confidence is beginning to assert itself.

The sharp break in the shares of the Steel Trust, with the common stock selling below the panic prices of May 9, 1901, may be construed in several ways, though always it must be considered as disquieting. It may foreshadow, as some of yesterday's loudest sellers proclaimed that it did foreshadow, that the dividend on the common stock is to be reduced or passed. It may mean, as declines elsewhere have meant, (for Steel, needless to say, is not the only security selling at a new low price,) that certain of the sellers have been reduced to the painful necessity of throwing their shares over, nolens volens, in order to protect syndicate and other commitments elsewhere. Or again, it may mean nothing more important than a skillfully planned bear attack to which the stock, because of its great issue, would be especially vulnerable. The weakness of the first reason—that of the possibility of a reduced dividend or no dividend at all—is that Mr. Morgan and the controllers of the property give it the emphatic lie. Unless things go altogether to the bowwows it is their opinion that the dividend on Steel common is assured indefinitely. Of the second theory—that of forced selling—it can be said only that the character of much of yesterday's sales suggested urgent liquidation in which certain Western and Pittsburg men who have been bulls on everything for all time appear to have played a principal part. Finally, coming to the suggestion of a bear raid, it can be depended upon that if the bear party detected any, the least, evidences of real liquidation it would on the instant take advantage of this freely to offer the shares down. That is what the bears are in the market for. One thing is clear, and that is that the enormous blocks of the common stock taken by important local banking interests yesterday would not seem to suggest any present fear that the dividend on the stock is in peril.

All this, it is not necessary to point out, has nothing to do with the merits of the securities per se, nor with the question of the advisability of having begun dividend payments on the common stock, nor yet with the problem whether a reaction in the iron and steel industry is at hand. It is not too much to say, nevertheless, that if the net earnings of the United States Steel Corporation shall ever approach near to the minus sign other corporations, whether they be industrial or railroad, will be having troubles of their own. Which, otherwise expressed, signifies that present stock market prices for Steel Trust and other shares have already discounted so much that is or may be bad that unless the prosperity of the country is to come to an end—and there are no signs in that direction—the investor has some wonderful bargains to his hand, whether in securities favored by ultra-conservatives or in those affected by the so-called speculative investor.

In this connection the investor can find encouragement in the action of the Erie Directors already referred to. The increase in the dividend rate is essentially a vote of confidence in the future—an expression of opinion that, however dark the Wall Street sky may be, the railroad outlook, and, therefore, the general business outlook, are at once encouraging and assuring. There is hope in this even for the overloaded members of decrepit syndicates—that is, if they can "hold on"—for prosperity and earnings are what in the end count.

Net changes in stocks of one-half of 1 per cent. or more were:

### Stocks Advanced.

Am. Smelt. & Ref. . . . . 1/2	N. Y. Central . . . . . 3/4
Con. Gas . . . . . 1/2	St. L. & S. F. C. & . . . . . 1/2
Del. L. & W. . . . . 1/2	E. I. Cfs. . . . . 1
Gr. Northern . . . . . 6	United Rys. Inv. . . . . 1/2

### Stocks Declined.

Am. Cotton Oil . . . . . 3/4	Louis. & Nash. . . . . 1
Am. Express . . . . . 7/8	Met. Securities . . . . . 3
Am. Grass Twine . . . . . 1	Met. St. Ry. . . . . 1 1/4
American Ice . . . . . 3/4	Mexican Central . . . . . 1 1/4
American Ice pf. . . . . 3/4	National Biscuit . . . . . 3/4
Am. Linseed pf. . . . . 1 1/2	Nat. Enamel . . . . . 6
Am. Locomotive . . . . . 1 1/2	Nat. of M. pf. . . . . 1 1/2
Am. Locom. pf. . . . . 2 1/2	N. Y. Air Brake . . . . . 4
Am. S. & F. pf. . . . . 2 3/4	N. Y. C. & St. L. . . . . 1/4
Am. Sugar . . . . . 1/2	Norfolk & West. pf. . . . . 3 1/2
Am. Woolen pf. . . . . 2	North American . . . . . 2 3/4
Anaconda . . . . . 3 1/2	Pac. Coast . . . . . 5
Balt. & Ohio . . . . . 1	Pac. Mail . . . . . 1/2
Canada South . . . . . 3/4	Peo. & East. . . . . 2
Chi. & Alton . . . . . 3/4	Pere Marquette . . . . . 4 3/4
Chi. Gt. West. . . . . 1 1/2	P. C. C. & St. L. . . . . 1
Chi. G. W. pf. A. . . . . 1 1/2	Pressed Steel . . . . . 3/4
Chi. G. W. deb. . . . . 2 1/2	Ry. Steel Spring . . . . . 1 1/2
Chi. M. & St. P. pf. 1	Reading 2d pf. . . . . 1 1/2
Chi. & N. W. . . . . 1	Rep. I. & S. pf. . . . . 3
Chi. Term. Tr. . . . . 2 1/2	Rubber Goods . . . . . 1/2
Chi. Term. Tr. pf. . . . . 3/4	St. L. & S. F. 2d pf. . . . . 5/8
Chi. Un. Tract. . . . . 1 1/2	St. L. S. W. . . . . 1
C. C. C. & St. L. . . . . 1 1/2	St. L. S. W. pf. . . . . 1 1/2
Col. Fuel . . . . . 1 1/2	Sloss-Sheffield . . . . . 3/4
Col. So. . . . . 1 1/2	Southern Pacific . . . . . 1 1/4
Col. So. 1st pf. . . . . 3/4	Southern Railway . . . . . 1/2
Col. So. 2d pf. . . . . 1 1/2	Tenn. C. & I. . . . . 4
Col. & H. C. & I. . . . . 3/4	Third Avenue . . . . . 1 1/2
Con. Tob. pf. . . . . 1 1/2	Tol. St. L. & W. . . . . 1 1/2
Corn Products . . . . . 1 1/2	Tol. St. L. & W. pf. 3
Del. & Hudson . . . . . 2 1/2	Twin City . . . . . 1 1/2
Denver & R. G. . . . . 1 1/2	Union B. & P. . . . . 3/4
Det. South . . . . . 2	U. S. C. I. P. & F. . . . . 1 1/2
Det. South pf. . . . . 3	U. S. Express . . . . . 1 1/2
Det. United . . . . . 1 1/2	U. S. Realty pf. . . . . 4 3/4
Dist. Sec. . . . . 1 1/2	U. S. Rub. pf. . . . . 1
Erie . . . . . 1 1/2	U. S. Steel . . . . . 2 3/4
Erie 2d pf. . . . . 1 1/4	U. S. Steel pf. . . . . 3 1/2
General Electric . . . . . 2 1/4	Va. L. C. & C. . . . . 2
Illinois Central . . . . . 1 1/4	Va.-Car. Chem. . . . . 1 1/2
Int. Power . . . . . 1 1/2	West. Un. Tel. . . . . 3/4
Int. Steam P. . . . . 4	Wheel. & L. E. . . . . 3/4
K. C. Ft. S. & M. pf. 2 1/2	Wis. Central . . . . . 1 1/2
Lake Erie & W. . . . . 7	

Net changes in bond quotations of 1 per cent. or more were:

### Bonds Advanced.

Erie 1st prior 4s . . . . . 1	Stand. R. & T. 6s . . . . . 2 1/4
San A. & A. P. 4s . . . . . 1	

### Bonds Declined.

At. T. & S. F. adj. 4s. stamped . . . . . 1 1/4	Green Bay deb. B. . . . . 1 1/2
Chi. B. & Q. joint 4s. 1 1/4	Lack. Steel 6s . . . . . 1 1/4
Chi. R. I. & P. col. 4s . . . . . 2 1/4	Mex. Cent. 1st inc. . . . . 1 1/2
Col. Fuel & I. conv. 1 1/2	Mo. K. & T. 2d 4s. 1 1/4
Consol. Tob. 4s . . . . . 1 1/4	Peoria & East. inc. . . . . 5
	St. P., M. & M. 4 1/4s. 1
	Tex. & Pac. 1st 6s. 1

### STOCK TRANSACTIONS.

	Shares.
July 21 . . . . .	815,844
To date this year . . . . .	91,296,944
Corresponding date last year . . . . .	97,876,503

### FOND TRANSACTIONS.

July 21 . . . . .	\$2,312,500
To date this year . . . . .	\$376,195,450
Corresponding date last year . . . . .	\$535,665,200