

FINANCIAL NEWS

SWITCHING CUSTOMERS TO RAILS DIFFICULT TASK FOR BROKERS

Prospect of Quick Profits in Specialties Holding Attention in That Group—Public Interest Keen. Baldwin Common Soared

—NEW YORK, Oct. 11. Railroad shares were the features of the stock market in the early dealing today, while the specialties lagged, some of them even showing losses from the closing on Saturday. The rails, in the meanwhile, became strong, advances of one and two points being scored, while in the case of New Haven a gain of six points was registered. Profit-taking appeared in considerable volume at the top figures and some of the advance was lost, traders being of the opinion that the three-day advance in the rails had gone far enough for the time being. In the afternoon more attention was given to the specialties, and the interest in the rails dwindled. Before 2 o'clock these issues had moved up three and four points. Particular strength was shown by Baldwin, which was up nearly 13 points, while General Motors was eight above. The war stocks closed strong. The rails, on the other hand, fell off under realizing, many of them showing losses for the day. Reading was a weak feature, at one time showing a loss of more than two points, while Baldwin common was strong, the preferred lost 2 1/2 points.

It was difficult for the brokers to switch their customers from the war stocks to the rails. Many brokers had gone too far and that a commitment in rails was safer even though it did not promise an extravagant profit as had been obtainable in some of the war stocks. Customers would have nothing of stocks that did not suggest the chance of at least a ten-point rise. Some brokers resorted to measures that were practically coercive to get their customers into the rails. The banks, they pointed out, were discriminating against the war stocks in loans and were calling on brokers for more industrial collateral. Why then should not brokers insist that their customers take on seasoned stocks in part instead of confining their operations to the most hazardous securities?

Arguments in support of the rails were at first hard to find. Then New Haven started up buoyantly and it at once occurred that a railroad might be affected by war orders. There followed a search of long overlooked records to find about New Haven earnings. They were found to be far in excess of corresponding weeks and months of last year. Freight earnings were seen to be particularly good, and then, for the first time, speculators seemed to realize that industrial centers, such as Bridgeport and many other thriving New England cities which have turned to the execution of war contracts, must be supplying a large volume of lucrative traffic.

Some of the traffic from the war plants is high class. This is particularly the case with explosives, which need careful movement and extreme precaution. Naturally the railroads impose high rates on this freight. It must enter heavily into New Haven's earnings and must also be a factor of consequence in the earnings of all the roads carrying freight from the du Pont plants and others turning out powders, benzol, toluol and other explosives and chemicals.

It can easily be seen that this new bull argument of the rails is compelling to elaboration. It may be pointed out, for instance, that the freight sidings at Detroit are so clogged with motortrucks and other motor vehicles that at least one large motor company is considering the establishment of an assemblage plant at Cleveland. It may also be used as an argument for speculation that the great export movement of grain and provisions is just getting well under way.

This month and next month are expected to show the largest exports since the war began, not only because the grain and provision movement will be in full swing, but because many companies with war orders, but obliged to change their plans to execute the orders, have only lately been turning out munitions to capacity. The railroads must haul these increased exports of grain munitions and on to the seaboard.

Though the speculation, which has shifted largely into rails public interest is no less keen. The Monday morning mail brought orders by thousands to these commission houses, hundreds of new customers were enrolled among the speculators. These orders covered most of the things on the list and execution of them produced a broad as well as an intensely active market. Sales in the first hours alone aggregated 410,000 shares, which is as fast a pace as ever the public showed. No banking caution can do more than restrain it temporarily.

New York Bond Sales

Table with columns: High, Low, Close, Bid, Ask. Includes entries for 10000 Alaska Gold, 10000 Amer Steel, 10000 Amer Sugar, etc.

FOREIGN EXCHANGE

Table with columns: High, Low, Close, Bid, Ask. Includes Sterling, Gold, France, Demand, Cables.

Sales in Philadelphia

Table with columns: High, Low, Close, Bid, Ask. Includes 91 Am Gas, 91 Am Rail, 134 Am Ry, etc.

FINANCIAL WORLD INTERESTED IN RETURN OF OLD STEEL MEN

Leaders Who Were Supposed to Have Practically Retired From Active Business Again in the Saddle—Traction Stocks in Demand

Brisk trading in the steel shares marked the resumption of business on the local exchange this morning. The street did not look for a particularly active session owing to the holiday tomorrow, but business was good from the start, with United States Steel leading the advance. Discussion of the new steel mergers still filled the air. Surprise was expressed in some quarters at the return to the saddle of some of the old leaders, such as Corey, Frick and Conover, after they had been regarded as virtually retired from active business, and many are wondering what the real significance of this development is. Some profess to see in it a menace to the United States Steel Corporation, but the majority are inclined to look upon the Midvale merger as merely paving the way for the building up of the finest ordnance-manufacturing establishment in the world, even surpassing the famous Krupp works, and which should go far toward helping the country into an adequate state of military preparation.

SHARP DROP IN BANK SURPLUS

Local Institutions Report Decrease of \$6,518,000 in Reserves

A drop of \$6,518,000 in surplus reserves was reported by the local clearing house banks for the week ending Saturday. The surplus had been \$12,000,000 on the previous day, but had expanded over a million, while individual deposits fell off more than nineteen millions. Details follow:

Table showing bank surplus details: Loans, Deposits, etc.

BANK CLEARINGS

Bank clearings today compare with corresponding day last year as follows:

Table comparing bank clearings with last year for Philadelphia, Boston, and New York.

RATES FOR MONEY

Table showing rates for money: Call, 10 days, 30 days, etc.

PHILADELPHIA MARKETS

GRAIN AND FLOUR

WHEAT—Receipts, 12,247 bush. The market advanced 1/2 cent with good demand for exporters and millers. Quotations: Car lots, No. 2 white, 44 1/2c; standard white, 44 1/2c; No. 1 white, 44 1/2c; No. 2 red, 44 1/2c; No. 1 red, 44 1/2c; No. 2 yellow, 44 1/2c; No. 1 yellow, 44 1/2c.

PROVISIONS

There was a fair jobbing demand and values ruled steady. Following are the quotations: City beef, 12 1/2c; country beef, 12 1/2c; pork, 12 1/2c; lard, 12 1/2c; tallow, 12 1/2c; butter, 12 1/2c; eggs, 12 1/2c; chickens, 12 1/2c; turkeys, 12 1/2c; geese, 12 1/2c; ducks, 12 1/2c; fish, 12 1/2c; etc.

DAIRY PRODUCTS

BUTTER—Demand was fairly active and values ruled steady. Quotations: Creamery butter, 12 1/2c; farm butter, 12 1/2c; etc.

RAILROAD EARNINGS

First week October, \$2,812,000; second week, \$2,812,000; third week, \$2,812,000; fourth week, \$2,812,000.

POULTRY

LIVE—There was a fair demand for desirable stock and the market ruled steady under the influence of the following: Chickens, 12 1/2c; turkeys, 12 1/2c; geese, 12 1/2c; ducks, 12 1/2c; etc.

PEREMPTORY PUBLIC SALE IN PARTITION

TUESDAY, OCT. 26, 1915, AT 12 NOON. Public Sale room, Phila. Bourse, 20, 15TH STREET.

VALUABLE CENTRAL CORNER LOCATION

Between Market and Chestnut and overlooking South Penn Square. Nos. 20, 22, 24 and 26-28.

Our hobby is IMMEDIATE SHIPMENTS

Edward F. Henson & Co. Structural Lumber and Timber. Poplar St. Wharves, Phila.

U. S. EXCHANGE BOTHERS LONDON WITH NEW LOAN

Bankers Disappointed, but Hope Matter Soon Will Be Disposed Of

RUSS EXCHANGE BETTER

Bond Deposits Strengthen Rule—Kaiser Believed to Be Making Desperate Move

By FRANCIS W. HIRST, Editor of "The Economist."

LONDON, Oct. 11.—City bankers are not satisfied with American exchange and hope that suitable arrangements for the skillful employment of the new exchange funds will be decided speedily. Among shrewd observers I notice a feeling that the war's pace is too fast and furious to last. The new German move in the Balkans suggests a last desperate throw, following the perception that wintry misery will soon make their costly success in Poland and the Baltic provinces more than valueless. They are also hard pressed by the Anglo-French offer, hence the Danish, for coast of peace before Christmas may truly represent German desires and anxieties.

Russian exchange remains fairly steady, considering the recent large issues of paper currency. It is believed that the arrangement made here for the deposit of Russian bonds.

The sudden rise of cotton caused a slackness in the Lancashire textile trade. Government orders have fallen off while China and India are not buying. Weaving machinery is especially slack. Pauperism returns are lower than ever, owing to the general mobilization of all labor.

Lord Derby's appointment as head of the recruiting bureau indicates that the Government still maintains the voluntary principle, as opposed to conscription. The budget may be further modified, but no suggestion has been made for export duties. We have to consume as little and export as much as possible. This is the whole economic duty of men in these islands.

Spain now is very prosperous financially. The Bank of Spain's gold holdings are the largest on record, and more is going out from London. Barcelona declines to accept the French Government; hence the strength of the peseta.

Money here is easier, and plenty of gold is still to be found for export. The stock market, however, is stagnant, awaiting more news.

WHEAT MOVED UP; OFFERINGS LIGHT

Demand Was Greater Than Supply—European Visible Supply Smaller

CHICAGO, Oct. 11.—Prices generally advanced at the opening of the grain market today. Receipts of wheat were light, but no suggestion has been made for export duties. We have to consume as little and export as much as possible. This is the whole economic duty of men in these islands.

Some experts expect prices to remain at the present level for some time, but bears predict that the heavy movement now on from the country is bound to provide an abundant supply which will send prices to less than \$1. Weather reports were bullish.

A bearish sentiment swept the oats market, with the export demand keeping off any serious break. Slight variations were recorded in the wheat market, but bears predict that the heavy movement now on from the country is bound to provide an abundant supply which will send prices to less than \$1. Weather reports were bullish.

Export shipments from America for last week were placed at 12,530,000 bushels of wheat, 1,450,000 bushels of flour; corn, 34,900 bushels, and oats, 783,000 bushels. The Pacific Coast receipts of wheat, heavy receipts from America and proved United Kingdom prospects were off in the Liverpool market by light offerings, which strengthened the underlying market. The European visible supply is estimated at 2,172,000 bushels of wheat, a decrease of 188,000 bushels, and 365,000 bushels of corn, a decrease of 17,000 bushels.

Leading futures ranged as follows: Wheat—Open, High, Low, Close, Sat's. December, 1.04, 1.06, 1.03, 1.04, 1.05. May, 1.05, 1.06, 1.04, 1.06, 1.08.

Financial Briefs

Philadelphia Rapid Transit earnings on Saturday were about \$84,000, the largest ever made in one day.

French gold to the amount of \$600,000 arrived in New York from Cuba.

There has been placed on the regular list of the Philadelphia Stock Exchange \$159,000 additional American Telegraph bonds and \$40 additional American Milling Co. stock.

Frank M. Hardt, cashier of the Federal Reserve Bank of Philadelphia, has returned to Chicago, where he attended a conference of representatives of the Federal Reserve banks on the check collection system operated by the banks.

Governor Charles J. Rhoads will go to York and Pennsylvania to address an address on the Federal Reserve system before the annual meeting of the York County Bankers Association. A week from now Gov. Rhoads will go to Minnesota to attend a conference of governors to be held there October 20.

The New York banks transferred \$50,000 to New Orleans.

The Federal Reserve Board, in a letter dated in September to an unnamed correspondent, stated that it is inadvisable that examinations of Federal Reserve Banks be made by a clearing house examiner. The letter is printed in the Federal Reserve Bulletin for October.

The New York banks gained \$1,500,000 from the Subtreasury on Saturday, and since Friday have gained \$9,150,000.

Reports to Bradstreet's from 126 cities show an increase of 23 per cent. in building contracts for September over last year, and an increase of 23 per cent. from the same month of 1913.

Subscriptions to the third Austrian war loan opened last week, with the Austrian November 6. The price is \$2.50, the interest rate 5 per cent., and the bonds will mature in 1930.

Transactions on the New York Stock Exchange in stocks for the week ended Saturday, October 9, totaled 7,477,569 shares, an increase of 6,732,338 shares, compared with 1,745,231 shares in 1913. The daily average for the week ended October 9, of 1,345,512 shares, shows an average increase of 538,886 shares over the same period in 1913.

Payment for the stock of the Midvale Steel and Ordnance Company will be made by the members of the syndicate on or before October 15. The Guaranty Trust Company will issue its non-transferable receipt for such payment, and as soon as practicable thereafter, temporary certificates for the stock will be delivered by the Guaranty Trust Company, New York, upon the surrender of such receipt.

The New York and Philadelphia Stock Exchange will be closed tomorrow, Columbus Day. The New York Cotton Exchange will also be closed, as will the various grain exchanges.

The New York Stock Exchange clearing house announces that United States Industrial Alcohol common will be cleared beginning with Wednesday night's sheet. St. Louis and St. Paul common and preferred will be dropped at that time.

LIVE STOCK QUOTATIONS

CHICAGO, Oct. 11.—HOGS—Receipts, 17,000. Market steady. Mixed and butchers, heavy, 10.00; light, 9.75; extra, 9.50.

CATTLE—Receipts, 20,000. Market steady. Heavy, 10.00; mixed, 9.75; light, 9.50.

NEW YORK BUTTER AND EGGS

NEW YORK, Oct. 11.—BUTTER—Market steady. Creamery, 12 1/2c; farm, 12 1/2c.

EGGS—Market steady. Fresh, 12 1/2c; dried, 12 1/2c.

NEW YORK COFFEE MARKET

NEW YORK, Oct. 11.—Irregularly marked. Opening quotations showed a decline of 1/2 cent. on the market.

NEW YORK COFFEE MARKET (continued)

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NEW YORK STOCK SALES

Large table listing various stocks and their prices: Adams Express, Alaska Gold, Am Gas, Am Rail, etc.