

NEWS OF THE FINANCIAL WORLD—NEW YORK AND PHILADELPHIA STOCK PRICES

STRENGTH BECOMES MORE PRONOUNCED IN NEW YORK

Railroad Issues Respond to Concentrated Buying by Vigorous Advances—Rumor of Federal Control of Mines

The development of strength which has been noted in the stock market ever since the Government announced the taking over of railroad operations a week ago became more pronounced on the Stock Exchange today, when there was an extensive broadening of trading with many of the railroad issues responding to concentrated buying with vigorous gains.

Recessions were noted in some issues, including United States Steel and Bethlehem Steel "B," at the start, but these losses were offset by advances in other issues, and before many minutes another violent upward movement was in progress which was at first most pronounced in Reading, that stock moving up more than 3 points to 76.

Union Pacific, which sold early at 114, moved up to 118, and New York Central more than recovered the dividend of 14 per cent, which it sold at the opening. A large part of this increased strength was due to the appearance of outside buying in large volume. Western wire houses and commission houses generally were flooded with buying orders, and the demand from this source was sufficient to absorb a good supply that came from profit-taking sales.

A belief prevailed in some quarters that part of the buying of the coal stocks, at least west of the reports that the Government intended taking over the mines at a guaranteed fair return on the output.

Some of the specialties fluctuated over a wide range. General Motors, which sold early at 112, moving up to 117, and Industrial Alcohol advanced to 124, both new high prices for this movement.

Bethlehem Steel "B," after selling at 79 1/2, moved up to 81 1/2, and United States Steel common, which had reacted to 91 1/2, advanced to 96.

Whether there is to be Federal ownership of the railroads is a consideration that the stock market will not ignore in placing a valuation on railroad shares now that the Government has guaranteed their earnings. There are rather definite indications that we are headed in the direction of public ownership of the transportation arteries. The determining factor, however, will probably be the degree of satisfaction rendered the public during the period of the war, when by its very nature the regulation of the operation of the roads must necessarily make for individual discomfort.

It would not be surprising if the railroad stocks moved over a narrow and cautious course until such time as there is a clear and definite interpretation of the item, of net operating revenues guaranteed by the Government. It will be recalled that in the first stages of the war revenue bill the situation seemed quite clear, but later difficulties developed that created a most bewildering set of circumstances.

One of the most favorable symptoms of the stock market the last week or more has been the recovery and greater activity in securities entitled to an investment rating. One of these is United States Steel preferred, which has recovered more than 7 points from the low of a few weeks ago. General Electric has been doing better, and likewise American Telephone and Telegraph. In the bond market there has developed a broader inquiry, though this has been less pronounced than in the case of stocks, whose position is not so closely associated with the capital market. It can be said of the situation that there is a greater degree of confidence on the part of the investors than in a number of months. The relief afforded the railroads constituted the basic element beneath this changing sentiment, which throughout had been in large measure psychological.

The courage of American business men to embark on new enterprises despite war conditions and their uncertainties as well as financial problems is shown in the fact that the year 1917 moved to be the banner one in the formation of new enterprises and was the largest, save 1901, when the Steel Corporation was organized, for the amount of capital placed in and the number of new companies organized. In the eastern States concerns with a capital of \$1,000,000 or more represented a total of \$3,593,243,700. This is an increase over 1916 of \$1,023,997,100 and \$2,266,976,700 over 1915.

Figures are available covering the aggregate value of 387 representative London securities for December. This shows a lower valuation than for any month of the war, the decline amounting to \$169,900,000, or 1.3 per cent, following a loss in November of \$268,810,000, or 2 per cent. The total decrease for the year amounted to \$758,450,000 and since the commencement of the war \$3,855,000,000.

New York Stock Sales

Table with columns: Last close, High, Low, P. M. for various stocks like Alaska Gold Mines, Am. Iron Works, etc.

New York Bond Sales

Table with columns: High, Low, P. M. for various bonds like 225000 Anglo-French, 10000 Atchafalaya, etc.

Sales in Philadelphia

Table with columns: High, Low, P. M. for various stocks like 100 Bald Loc, 20 Cam Iron, etc.

RAPID TRANSIT CERTIFICATES GAIN AGAIN AND CONTINUE ACTIVITY

There is Also a Fair Turnover in Lake Superior Corporation, but It Opens Lower—Reading Scores Big Advance

Rapid Transit trust certificates continued to attract most attention in trading on the Philadelphia Stock Exchange today, taking the market leadership from the start. At the opening the certificates held steady at the figure throughout the forenoon, with the turnover the largest of that in any home issue and nearly as great as the business in United States Steel common.

Lake Superior Corporation was also active, but was inclined to weakness early in the session, dropping half a point by the end of the first hour. Later it recovered a quarter and the demand increased before midday. Lake Superior Navigation was higher, and gains were also recorded by Union Traction and Tomopah Belmont. Electric Storage Battery, Philadelphia Electric, Philadelphia Traction and United Gas Improvement changed hands at yesterday's last-sale price.

Railroad shares were irregular, Reading being up 2 1/2 points and Lehigh Valley advancing a dollar, while Pennsylvania Railroad early lost more than a point, later recovering part of the loss. Steel common advanced toward midday, after being lower during the first hour, and a small sale of the preferred was recorded at 105 1/2, a gain of more than 5 points over the last previous sale here. Liberty Bonds were quiet and steady.

New York Curb

Table with columns: High, Low, P. M. for various curb stocks like Am. Exp. Motor, Chevrolet Motor, etc.

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INACTIVE PHILA. STOCKS

Table with columns: High, Low, P. M. for various inactive stocks like Am. Gas, Am. Mill, etc.

BANKERS STUDY TRADE

H. K. Mulford to Address Philadelphia Chapter Tomorrow Evening

"Developing Foreign Trade" will be the subject of H. K. Mulford, vice president of the H. K. Mulford Company at the January meeting tomorrow evening of the Philadelphia Chapter American Institute of Banking.

LONDON STOCK MARKET

Domestic Issues Make Good Gains. Sentiment Cheerful

LONDON, Jan. 3.—Sentiment continued cheerful on the Stock Exchange today. Specialties were strong as a result of the reduction in rates for deposits. Domestic issues made the greatest gains.

Sugar Company Pays Extra

BENVER, Col., Jan. 3.—The Utah-Idaho Sugar Company has declared the regular quarterly dividend of 2 per cent and an extra dividend of 1 per cent.

MONEY-LENDING RATES

PHILADELPHIA—Call 6 per cent; 15 days, 5 1/2 per cent; 30 days, 5 1/4 per cent; 60 days, 5 1/4 per cent; 90 days, 5 1/4 per cent.

FOREIGN EXCHANGE

NEW YORK, Jan. 3.—There was very little feature to the Foreign Exchange market in the early dealings today, with the exception of a further shading in Italian exchange.

Financial Briefs

Time for deposit of bonds and stock of Post-Wayne and Northern Indiana Trust Company with the Central Trust Company of New York, which expired December 31, has been extended indefinitely by the protective committee.

Paris Bourse Steady

PARIS, Jan. 3.—The Bourse was steady today.

AGREE ON VOTING TRUST

Hale and Kilburn Plan Provides for Stock Deposit for Five Years

An agreement has been reached on a modified plan of reorganization of the Hale & Kilburn Company.

NEW YORK COFFEE MARKET

NEW YORK, Jan. 3.—Trading in coffee futures was again active at the opening, being 1 point lower on March, May unchanged and other months showing advances of 4 to 10 points, the undertone was generally firm. After the call further gains were made.

Silver Production Decreases

WASHINGTON, Jan. 3.—The report of the United States Geological Survey shows a production of silver during 1917 of 74,411,502 in ounces, as compared with 74,411,502 in 1916. Gold production was 4,985,580 ounces, valued at \$84,135,600, as compared with a value of \$84,135,600 in 1916.

BAR SILVER

Today's Rate. London (spot), 43 1/2; 43 1/2; 43 1/2; 43 1/2.

Refined Sugar Unchanged

NEW YORK, Jan. 3.—The refined sugar market continued unchanged with the American Sugar Refining Company making a regular dividend of 10 per cent, payable on demand, as a regular dividend.

Traction Co. Pays Stock Dividend

NEW YORK, Jan. 3.—The American Light and Traction Company has declared the regular quarterly dividends of 1 1/2 per cent on preferred stock and 2 1/2 per cent on common stock and a dividend of 2 1/2 shares of common stock on every 100 shares of common stock outstanding, all payable February 1 to stock of record January 10.

Dividends Declared

National Security Bank, regular semi-annual 10 per cent, payable on demand. Midway Refining Company, regular quarterly \$1 a share, payable February 15 to stock of record January 15.

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FREIGHT TIE-UP HALTS CORN SALES

Outlook for Movement of Grain Continues Uncertain and Trade Is Moderate

GRAIN BELT WEATHER FORECAST. CHICAGO, Jan. 3.—Illinois and Wisconsin—Unsettled, mostly cloudy, and Friday, probably light snow, slowly rising temperature. Nebraska—Unsettled tonight and Friday, probably light snow, slowly rising temperature. Missouri—Unsettled tonight and Friday, probably light snow, slowly rising temperature.

INACTIVE NEW YORK STOCKS

Table with columns: Last close, High, Low, P. M. for various inactive stocks like Adams Express, Am. Iron Works, etc.

THE LANGUAGE OF THE STOCK MARKET

THE LANGUAGE OF THE STOCK MARKET. JONES & BAKER. STOCK BROKERS. 100 N. 5th St., Philadelphia.

Do You Know?

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Western Union

The remarkable progress made by this company during the past few years is shown in a special analysis of the property which we have just issued. This will be of unusual interest to all stockholders. A few extra copies are available to inquirers who are interested in our Service. Enclose 5c in stamps for Circular No. 27.

JOHN'S INVESTORS SERVICE

JOHN'S INVESTORS SERVICE. John Moody, Pres. 100 Nassau St., Tel. 3124-Cort, New York.

ANNUAL ELECTIONS

THE PENN MUTUAL LIFE INSURANCE CO. Annual Election for Directors to be held at the Banking House on Tuesday, January 8, 1918, between 11 and 12 o'clock P. M.

THE CENTRAL NATIONAL BANK OF PHILADELPHIA

Annual Election for Directors to be held at the Banking House on Tuesday, January 8, 1918, between 11 and 12 o'clock P. M.

FRANKLIN NATIONAL BANK

Annual Election for Directors to be held at the Banking House on Tuesday, January 8, 1918, between 11 and 12 o'clock P. M.

WESTERN NATIONAL BANK

Annual Election for Directors to be held at the Banking House on Tuesday, January 8, 1918, between 11 and 12 o'clock P. M.

LIVE STOCK QUOTATIONS

Table with columns: Chicago, Jan. 3.—HOGS—Receipts, 27,000 head, estimated tomorrow, 44,000 head. Market weak and 10-20c lower than week.

Homestake Mining Reduces Dividend

NEW YORK, Jan. 3.—The Homestake Mining Company has declared the regular monthly dividend of 50 cents a share, payable January 25, to stock of record January 15. This is a reduction of 15 cents, the usual payment hitherto having been 65 cents a share.

Underground Cable Co. Pays Stock Dividend

PITTSBURGH, Pa., Jan. 3.—The Standard Underground Cable Company has declared the regular quarterly dividend of 3 per cent, payable January 15, to stock of record January 10.

To Holders of Bonds of the United Traction Company of Pittsburgh

Notice has been given by the Pittsburgh Railway Company that funds will not be provided to meet the interest due January 1, 1918, under the mortgage dated July 9, 1917, given by the United Traction Company of Pittsburgh to the Maryland Trust Company, of Baltimore, to secure an issue of \$10,000,000 five per cent. bonds maturing July 1, 1927.

Defaults in interest payments due January 1, 1918, have also been announced in the case of other mortgage bonds of railway companies embraced in the Philadelphia Company system.

These defaults indicate nothing short of a reorganization of the Philadelphia Company's entire street railway system. In such reorganization every holder of any of the above securities has a direct interest and concern.

Although many years have elapsed since bonds of the United Traction Company of Pittsburgh were originally marketed, and although the management of this property has long been the exclusive responsibility of the Philadelphia Company, yet a portion of the Bonds of the United Traction Company of Pittsburgh were, in the first instance, sold through the undersigned banking houses. This circumstance has led us to determine upon prompt and effective action in an effort to do all that we reasonably can to insure the protection of the interests of the holders of these bonds. The protection of any one class of bondholders will necessarily involve consideration of the interests of all the holders of bonds in default.

Accordingly, at our request, the following have agreed to become members of a Protective Committee to conserve the interests of the holders of only of the bonds of the United Traction Company of Pittsburgh, but of all bonds affected by the default.

Thomas S. Gates, Chairman. J. H. Mason. B. Howell Griswold, Jr. C. S. W. Packard. J. R. McAllister. A. C. Robinson. George H. Frazier.

Immediate notice will be given by the committee of the name and address of the Depositories. All holders of bonds are advised to deposit their bonds promptly in accordance with such notice. In the meanwhile we advise bondholders not to accept any offer which may be made from any source to cash dishonored coupons. If such an offer were to be generally accepted, two consequences would follow: First, control of the situation would thereby be vested, at least for the present, in the purchaser of the coupons. It might ultimately develop that by selling his coupons the bondholder had sacrificed a part of his principal because the terms of many of the mortgages are such that money thus advanced to purchase coupons would be collectible out of the proceeds of any foreclosure sale in priority to the principal of the bonds.

BROWN BROTHERS & COMPANY. ALEXANDER BROWN & SONS. January 2, 1918.

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