## GOSSIP OF THE STREET TEMPORARY LAPSE IN MARKET LAID TO BREST-LITOVSK BREAK

#### Off Tone Starts Conjecture as to What T Would Follow if Peace Really Came-Many Predict Boom—Gossip of the Street

THE reason most frequently given for the market selling slightly off yesterday shortly after the opening from the closing prices of Thursday, was the reported breaking up of the peace conference at Brest-Litovsk between the Bussians and the Austrians and Germans, Some reports also included representatives from Turkey and Bulgaria as being present. Naturally, the question arose as to what would occur on the Street if peace really should come. It was pointed out that about a year ago we were talking about an early peace, with better foundation for peace conclusions than we have today, and the result was a decided bear market. At that time we were not in the war, but we were taking in enormous profits from the manufacture of munitions purchased by the Allies, and as a result of this great prosperity stocks were at a high level. It is different today. Stocks are low. Peace would end the waste in our manufactories; would return a vast army of men to peaceful production; would permit the flow of money, which is now going to carry on the war, to seek productive instead of wasteful channels, and with the stupendous work of rehabilitation of the war-torn countries which this country would be called upon for material to replace, besides the practical rehabilitation necessary for our own railroads and their rolling stock, which is now badly "run down at the heels," and the vast shipbuilding program for the construction of our new merchant marine would be sufficient to keep our industries employed for years to come. All this would tend to a decidedly "bull" market. Indeed, a majority of brokers say that the announcement of peace would produce the biggest "bull" market the world had ever seen; that quotations on the stock exchanges for a time would be represented by increases in dollars instead of eighths, as today. Then would follow the period of readjustment.

The report that Germany had agreed to the first five conditions of President Wilson's peace proposals, which came in before the close, was looked upon as very favorable, as was another report that the peace negotiations at Brest-Litovsk were only suspended temporarily and would be resumed again.

The first five of the President's fourteen peace conditions are:

No secret treaties. Free seas.

Trade equality.

Reduced armaments and Colonial claims.

None in the financial districts cared to advance an opinion on Germany's reported acceptance on account of the many contradictory reports in circulation, except to say that should the report prove to be well founded a good beginning had been made toward the belligerent nations getting together.

#### Stock Dividends and Income Tax

There is still a great deal of confusion over the interpretation of the recent decision of the Supreme Court as to the collection of income tax on stock dividends. Daniel C. Roper, the Commissioner of Internal Revenue at Washington, has issued the following announcement on the "Misapprehension exists as to the effect of the decision of the

Supreme Court in the case of Towne versus Eisner, handed down January 7, 1918. In this opinion it was held that under the act of October 3, 1913, a stock dividend declared by a corporation January 2, 1914, was not properly regarded as income. It does not necessarily follow, however, that no stock dividends are to be held taxable under the provisions of the acts of September 18, 1916, and October 3, 1917.

"The act of October 3, 1913, which was the only act before the court in the case, contained no provision expressly providing for treating stock dividends as income, and the decision of the Court was to the effect that the act was not to be construed as taxing such dividends. The Court did not decide that such dividends cannot be income within the meaning of the Sixteenth Amendment, but expressly recognized that the word 'income' may have a different meaning in the statute from the meaning

The act of September 8, 1916, contains an express provision taxing stock dividends declared and paid out of earnings accrued since March 1. 1913. In the absence of a decision as to the legal effect of the express provisions contained in the later acts, the Bureau of Internal Revenue naturally will continue to be governed by the express provisions of the later acts in reference to stock dividends."

Commenting on this announcement, a lawyer in this city says;

"What the United States Supreme Court decided in the stock dividend case was strictly that stock dividends were not income within the meaning of the income tax act of October 3, 1913, which act did not specifically enumerate stock dividends as income subject to the "The act of September 18, 1916, for the first time contained a clause

expressly taxing such dividends. The Supreme Court did not expressly decide that Congress had no power to tax stock dividends, but did intimate very strongly that such action would be unconstitutional.

"If the Commissioner of Internal Revenue adheres to his announced intention of continuing to tax stock dividends, the question cannot be settled until a new suit is carried to the Supreme Court by some one who pays such a tax levied this year."

### Service Commission and Utility Corporations

The recent change in sentiment of the public service commissions in the various States toward the petitions of public utility corporations, especially traction lines that are seeking permission to increase their fare rates in view of the constantly increasing cost of operation, is exceedingly noticeable.

One of the most recent cases is that of the Portland Railway, Light and Power Company. A most exhaustive and luminous decision has just been handed down by the Public Service Commission of Oregon, permitting that corporation to increase its fares from five to six cents for single fares, books of five tickets to cost thirty cents and books of fifty tickets to cost in future \$2.75. The commission goes into every conceivable operation of the company and bases its decision on three points:

First. Service to the public.

Second. Labor compensation; and Third. Return on capital.

Many of the securities of this corporation were placed in this city by E. W. Clark & Co.

More than 86 per cent of the 462 applications for increased rates made to various local and State commissions by public utility companies were favorably acted upon during 1917, according to Public Service. This makes a total of 401 increases granted. The inference is drawn that the commissions have become convinced that the utilities in general are entitled to larger returns in order to afford adequate public service under conditions as they are today. The compilation does not claim to be complete, and it is pointed out that, as a matter of fact, such increases are being allowed monthly in the various States and in Canada, so that the list is continually growing.

### landsome Profits Earned by Hydro-Electric Plants

. The fortunate position, under present conditions, of public utility npanies operating hydro-electric plants is illustrated by an analysis of the earnings of the Colorado Power Company as of November 30 by Bonbright & Co. The company's total coroporate income of \$700,092 for the year ended November 30, after paying operating expenses, including maintenance and taxes, was more than three times the annual interest charges of \$227,031. After deduction of between 4 and 5 per cent of the gross revenue for current maintenance and approximately 10 per cent for depreciation reserve, the net income was \$357,244, whereas the annual dividend requirement on the preferred stock is only \$52,500, and the remainder available for common stock in the hands of the public is approximately 3 per cent.

"It is an interesting commentary upon present financial conditions," concludes the statement, "that the income applicable to common stock dividends is now 25 per cent better than for the preceding year. Whereas year ago the common stock of this corporation was quoted at around 30-32, it is now quoted at 20-23."

Another indication of the way the war is emphasizing the advantages utilizing water-power in the production of electricity is supplied by a port of the Department of Commerce, to the effect that Denmark is ting special efforts to increase its supply of electric current brought cable across the sound from Sweden. Most of its power is expected come from the Laga Lakes and the Trollhattan Falls. This power be used chiefly in street-car service in Copenhagen and Frede

# "LONG LIVE THE KING"

A Human Story of Child-Desire, Court Intrigue and Love, the Latest Novel By MARY ROBERTS RINEHART

ures slipping out from its gloom to

The contact sickened her. "Your hand, madame:"

She was led out of the carriage, and across soft earth, a devious course again, as though they avoided small obstacles.

Once her foot touched comething law and hard, like marble. Again, in the

She knew where she was, then-in a

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THE Committee of Ten? This thing had happened to her. Then it was true that the half-mythical committee of men existed, that this terror of Livonia was a real terror, which had her by the throat. For there was no escape, None, Now, indeed, she knew that rumor spoke the truth, and that the Terrorists were everywhere. In the daylight they had entered her room. They had known of the code. Known how much else?

Wild ideas of flight crossed her mind to be as instantly abandoned for their fuility. Where could she go that they would not follow her? When she had coated from her first shock she fell to nondering the matter, pro and con.

hat could from her lirst shock and con. twisted about her, the ven windpen. Sindering the matter, nro and con. twisted about her, the ven windpen. Sindering the matter, nro and con. twisted about her, the ven windpen. Sindering the matter of the country, so were was an enemy to the country, so were they. But even that led nowhere, for after all, the Terrorists were not enemies to Livonia. They claimed, indeed, to Livonia. They claimed, indeed, to live its friends, to hold in their hands its future and its betterment. Enemies of the royal house they were, of course.

She was nearly distracted by the first property over his eyes. The Countess stopped series Man. She was nearly distracted by that beside him

tilled old Breidau, of the King's Council; the Committee of Ten which had burned the Government Home and had led the mob in the student riots a year or so before.

Led them, themselves hidden. For Led them, themselves hidden. For a council the council to the co

for her mald. She was cool enough now, and white, with a cruel line about her mouth that Minna knew well. She went to the door into the corridor and Then she turned on the maid. "I am

You little fool! You know what I

am ready for !" The maid stood still. Her wide, bovine eyes, filled with alarm, watched the Countess as she moved swiftly across the room to her wardrobe. When she many about the city. the room to her wardrobe. When she turned about again, she held in her hand the roam to her wardrobe. When she turned about again, she held in her hand a thin black riding-crop. Minna's ruddy color faded. She knew the Loschela, knew their furies. Strange stoffes of unstricted passion had cozed from the old ruined castle where for so long they had held foudd sway over the country-side.

"Madame!" she cried, and fell on her knees. "What have I done? Oh, what have I done?" the war not death, then that awaited her—at least not immediate death. These precautions, too, could only a men that she was to be freed again.

ave I done?"

"That is what you will tell me," said and must not know where she had been "That is what you will tell me." said the Countess, and brought down the crop. A livid stripe across the girl's face turned slowly to red.

"I have done nothing. I swear it. Mother of Pity, help me! I have done nothing."

The crop descended again, this time on one of the great sleeves of her beasant costume. So thin it was, so brutal the costume.

one or the great sleeves of her beasant costume. So thin it was, so brutal the blow, that it cut into the muslin. Groan-line, the girl fell forward on her face. The Countess continued to strike pitlicas blows into which she put all her fury, the scene slowly.

Walnut st. Int. Me call Sun T to 10 DOUGHERITY the series of the room was lighted. When seriy. Relatives at the eyes grew accustomed she made out the scene slowly. terror, her frayed and ragged. A great stone vault, its walls broken

nervel.

The girl on the floor, from whimpering, fell to crying hard, with great noiseless sobs of pain and bewilderment. When at last the blows cessed, she lay was a pine table curiously in still.

Fire Threatens Camden Foundry Fire in an outbuilding at the Woods Iron Foundry, Tenth and Pine streets, Camden, early today, threatened the en-tire plant because of the high wind. It was confined to the one building, however, which was destroyed. Loss is es-

rerves to twitching. It was the Committee of Ten which Lid murdered a bomb in the very palac, itself, and billed old Breidau, of the King's Council; the Committee of Ten which had expleded a bomb in the very palac, itself, and billed old Breidau, of the King's Council; the Committee of Ten which had expleded a bomb in the very palac, itself, and billed old Breidau, of the King's Council; the Committee of Ten which had burned to the Committee of Ten which had expleded to the Committee of Ten which the Surface of Ten which the Committee of Ten which had expleded to the Committee of Ten which had burned to the Committee of Ten which th BRANDES Jan. 10, JACOL, husband of Pannie Brandes, as-d 76, Relatives and Friends (avited to funeral services Sun, 2 h. m., 1727 N. 3hd et. Int. Adath Jeshuran Cem. Omit flowers. "Enter, madame," said a voice.

The figure appalled her. It was not com. Omit flowers sufficient to know that behind the HRENNAN.—Jan B. ROBERT J. husband of Kathryn Brennan (pas (leadwin) and east of Kathryn Brennan (pas (leadwin) and east of Kathryn Brennan (pas (leadwin) and leads. one knew their identity. It was said and they did not even know each other, searing masks and long cloaks at their sectings, and being designated by numbers only. In this dread presence, then, she sould no designated properties that night! For she could no There was no way out.

Then commenced a drive of which of their designated by numbers of the carriage. Her lips were dry, the rearing of terror was in her ears. The door closed,

Then commenced a drive of which offers the carriage of the eyes that appraised her. She hesitated

In this dread presence, then, she would find herself that night! For she would go, There was no way out.

She sent a request to be excused from dinner on the ground of illness, and was, as a result, visited by her royal mistress at 5 o'clock.

The hongr was unexpected. Not often the formulation of the corresponding to the The hongr was unexpected. Not often did the Archduchess Annunciata so favor any one. The Countess, bying across her bed in a perfect agony of apprehension, staggered into her sitting rom and knelt to kiss her lady's hand.

But the Archduchess, who had come did the bed to be and at last the shrouded figure. The first stage of the property of the pro

The honer was unexpected the Archduchess Annunciata so favor any one. The Countess, lying across her bed in a perfect agony of apprehension, staggered into her aitting r om and knelt to kiss her lady's hand.

But the Archduchess, who had come to scool, believing not at all in the illness, took one shrewd glance at her and put her hands behind her.

"It may be, as you say, contagious, "It may be, as you say, contagious, "But may be and at last the shrouded figure moved and speke.

"It may be, as you say, contagious, "It may be, as you say, contagious, "That is not necessary, I think."

She drew herself up haughtily.

"Charles of Patrick H. Callahan and daughter of Mary and late Patrick H.

and hard, like marble. Again, in the darkness, they stumbled over a mound. CASEY

HOWELL — Jan. 11. A ALEXANDER HOWELL M D, aged 26. Relatives and friends invited to services. Mon. 2 Ceft. 1412 S. 58th st. 10. Mt. Merian Ceft. HILL — Jan. 11. HARRY II. husband of Jury A, and son of the late Amon E. and its gloom to sked about the had she that she had she that of a trap, and the she had s

to SAHAH, without of

MOSEPH MAY

The ref on the force, from withouse-should be the should be the continued to the should be the shoul

of 5156 Wayne asy 10. PRANK, bushand

II. REBECCA U.



RELIGIOUS NOTICES

WILL CHESTNUT STREET BAPTIST CHURCH CEMBER D. ADAMS, D. D., Paster, UNIVERSITY DAY, 1945 B. ... BURNEY, D. C.

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130—11th School.

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4:00 p.m.—Evening Prayer (Choral) with
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The Sernion will be preached by Dr. W. L.
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and "Lowly Appear."
SATURDAY, 3 P. M., FUNERAL SERVIUES FOR REV. JOSEPH MAY, D. D.,
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