GOSSIP OF THE STREET

PRESENT MARKET CONDITIONS WILL CONTINUE INDEFINITELY. IS BELIEF OF BROKERS HERE

Some Uneasiness Felt Over Rumored Increase in Railroad Rates Pending Expected Announcement-Gossip of the Street

WHILE there was a good deal of discussion over the cabinet crisis in England on the Street and in brokers' offices yesterday, there was only one opinion as to the final outcome. Up to the close of the stock market no news had been received of the debate in the House of Commons. There was no indication that the matter had influenced the market in the least. If any influence could have been traced it would have been favorable, as the whole list was unusually strong, especially in the last half hour, with United States Steel leading at the close at 19714.

A majority of the bankers and brokers whose opinions on the splendid market conditions now prevailing were asked said they expect present conditions to continue for some time to come, with the usual slight declines in some of the weaker issues on profit-taking. What surprises most of the financiers is the absorbing power which the stock market is showing; and this is not confined to one or two issues, but

There is still some anxiety as to the rumored increase in railroad rates, which was mentioned in this column some days ago. There is no reason to doubt that such an announcement will be made soon, and time rails are steadily advancing in price.

Attention yesterday seemed to be centered more on the industrials than the rails, but according to some well-informed financiers this order will shortly be reversed. Bond houses that deal largely in railroad bonds say that all good railroad bonds are increasing in price, with a supply out of all proportion to the demano. Equipment stocks also came in for considerable attention, with substantial advances in almost every case.

Spraking of the cabinet crisis in England yesterday, an unusually well informed banker gave his personal opinion that the whole discussion in England is being manufactured for special consumption in Germany. He dld not look upon it very seriously and expressed himself as not being in the least disturbed as to the result on the financial markets,

Improved Demand for Short-Term Notes

A well-known banking and investment house which specializes in short-term notes says that the demand shows an improvement each day, especially since the close of the Liberty Loan campaign.

Prices are also steadily advancing, it maintains. As examples, General Electric 6s were quoted yesterday at 100% to yield 5.70 per cent. The Procter & Gamble 7s of March, 1923, were 10212 to yield 6.40 per cent. All the issues in this series are now quoted above par, the quotations ranging from 100% to 192%, depending on the date of maturity. The Winchester Repeating Arms notes were 99% to yield 71-3 per cent, and Cuban and American Sugar 6s of January, 1919, were at par, with no offerings at that price.

It was said on the Street today that a prominent railroad company is about to offer an issue of short-term notes. Negotiations for the sale of this issue are said to be near completion, but at present it is not possible to state if any of the local houses will take part. It is said that these railroad notes will probably be offered on a basis to yield between 612 and 7 per cent. It is generally conceded that the market is now in a good position to absorb them.

There is also some talk in the financial district of several industrial and public service corporations that must soon seek financial assistance, and the feeling prevails that the only method at present of accomplishing such results is through short-term financing with attractive

Arrangements have been completed for the offering of \$5,500,000 bonds by the city of Philadelphia and bids will be opened on May 27, The rate of interest will be 41/2 per cent, the rate having been raised from 4 per cent by the City Council. This issue has been passed by the capital issues committee at Washington, but without approval of merits, security or legality. The issue comprises one entire authorized loan and a part of another. The former-\$2,500,000-is for the payment of mandamuses issued for the condemnation of lands for public purposes, and the latter-\$3,000,000-is part of a loan of \$42,450,797 to be used for the crection of the new public library building.

Railroad Situation Never Better

A leading local brokerage house in a review of the present market

"Considering the renewed German offensive and the heavy profittaking this week, especially in the steel shares, the market is acting very well. The steel stocks having had a very good inning in a comparatively short space of time, it is only natural that attention should be directed to the railroads, which have participated to only a small extent in the upward movement. The railroad situation from a stockholder's standpoint was never better than at present. After many denials by the Interstate Commerce Commission the roads are about to get a substantial increase in freight and passenger rates under Government management. This means, of course, that instead of the appalling net earnings witnessed since the first of the year, large gains will be shown when the new schedule takes effect. To be sure, the Government has to stand in the gap for any deficiency on the terms of the guarantee; nevertheless. more buyers are found for stocks when earnings reports are good than when they are bad. Another thing which is going to help the railroads very considerably is the immense wheat crop, the indications being that this will turn out to be one of the largest ever grown. The German forces seem to be making some progress in the Ypres sector, but no one apparently apprehends serious results, although the friction among the political parties in England may create the impression in the minds of some persons that all is not well on the battlefront. Under the circumstances the market is behaving well."

Industrial Situation Satisfactory

The May letter of the National City Company is unusually interesting and informative. Starting with an exhaustive review as to where responsibility for the war should be placed, it deals generally with economic conditions, governmental finance and United States securities in a broad,

Under the heading "Concentrating on War Work" it says;

"The entire industria: situation is coming into more satisfactory shape as war work assumes its proper proportions and production for ordinary consumption shrinks correspondingly. The country is being organized to the one great purpose which is now supreme. Less than a year ago people were arguing that the war requirements could be met by speeding up and enlarging the capacity of the industries, allowing other consumption to go on as usual. It was even said that 5 or 10 per cent of the capacity of the steel works and about the same share of the capacity of the textile mills would take care of the war requirements, but today it is realized that the Government can use virtually the entire capacity of the steel industry, all of the woolen mills and a very large percentage of the cotton goods capacity, and all of the man-power that can be possibly had. Not one day's work can the country afford to spare to unnecessary things while the line wavers in France. Nonessential industries and relatively unimportant ones are being converted to important work. Through the reorganized War Industries Board the guiding hand of the Government is reaching into every locality and every business and co-ordinating all agencies to the task in hand. This is as it should be and must be, for the result of the war will depend upon superiority in industrial concentration. Germany is ruthlessly shutting down small works and concentrating machinery and labor where it can be used to the best advantage. Recent figures show that of 1700 weaving and spinning mills only seventy are still working at high pressure; in the boot and shoe industry 300 factories are all that remain out of 1400, and in the oil industry fifteen establishments out of 720. Of course, these reductions are not wholly due to concentration; a shortage of raw materials is largely responsible.

"Between now and the opening of another winter it is expected that the facilities and methods of transportation will be very much improved. The co-ordination of the railways will be worked out, terminal fitions will be bettered, cars will be built and the water lines will be ought into use. The new Erie Canal is now open in virtually its entire has been taken over by the Federal authorities for use in with the rell lines; barges will be constructed and lake and

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DAIRY PRODUCTS

CHEESE—The market ruled firm on the which there was a good curied while-milk, fager, 25%; a special bulger, New York whole milk, fatter was a good curied with the work of the while there was a good curied with the work of the while milk, fatter 25%; a special bulger, New York whole milk, fatter of mod, 23°25c, the work of the wo

38. 34c; fair to accol. 28-8 line, surveys, western, dry-picked, best. 22-83 c; Tair to soon and purchess of the tons, according to the soon and purchess of the tons, according to the

Government's Local Market Reports

This daily report is sent out by the Bureau of Markets of the United States Department of Agriculture, Philadelphia branch, with headquarters at 300-215 In surance Exchange Building. Wholesules prices on large lots to Jobbers.

PRUITS PRUITS

APPLES—Very few offerings. No bbls.
Boxes, Yellow Newtowns, 12:25-92:75.
PEACHES—Georgia Mayflowers, 6-basket crairs, 4:44-56.
PINEAPPLES—Porto Rico, per crais (21 to 48 pines), 13:73-95-50.
STHAWRERRIES—Per of, North Carolina (32-50), crais), Kindykes and Missionsries, 23-92-26; poor, 3-6-71c. Norfork, 32 and 60 of, craiss, Klondykes and Missionaries, 25-93-9c; poor, 16-9-70c.
VEGETABLES

ASPARAGUS—Nearby, green, per bunch,

ASPARAGU'S - Nearby, green, per bunch, Colossal, 25 8 27c; few best, 35c; fancy, 15 9 25c; primes, 14 9 18c; culis, 86 12c.
BEANS - Florida, per bush, basket (14 to 15 or pecks), green, \$1.25 61.75. Savanpal, 31. Charleston, 13.50 62.75.
HEETS - South Carolina, per bunch, 66 7c.
CABRAGE - South Carolina, per crate (00 to 100 bb.), 75c 6 11.50. Norfolk, 75c 6 11.50.

portation conditions would materially

South Omaha, May 10.—HOGS—Receipts, \$500 head. Five to 10c higher. CATTLE—Receipts, 1200 head. Five to 10c higher. SHEEP-Receipts, 1200 head. Steady.

SHEEP - Receipts, 1000 head. Market

NEW YORK BUTTER AND EGGS New York, May 10.—HUTTER—Receipts.

CHICAGO BUTTER AND EGGS Chicago, May 10.—BUTTER—Receipts, 451 toba. Market unchanged EGGS—Receipts, 16,099 cases. Extra rate, 32% 938br.

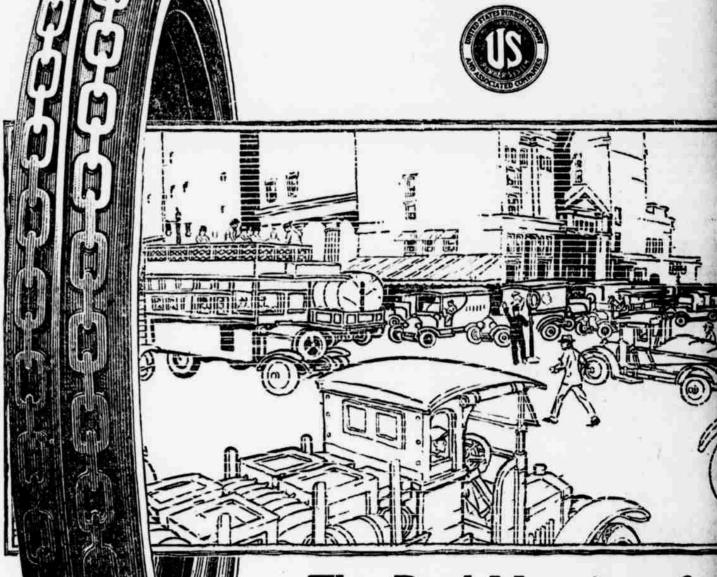
Philadelphia Arrivals at New York Hotels

JERSEY COURT HOLDS U.S. STEEL TO BUILD

PUBLIC SERVICE CO.



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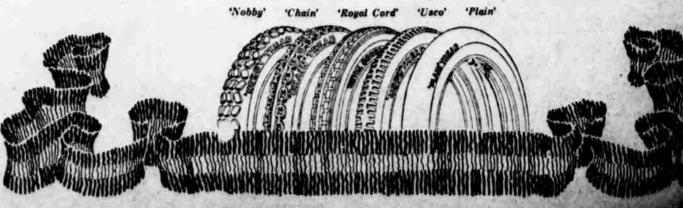
-most mileage at lowest mileage Buy your tires on the sound bust

ness basis demanded by war times. Equip with United States Tires.

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Ask his advice.



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