

ALL WALL STREET IS AGREEABLY SURPRISED BY UPWARD TURN OF STOCK MARKET AFTER DROP

Selling of Steel Common at Opening Causes Declines, but Early Sellers Buy Later, and Some Issues Rise Above Yesterday's Close

High Points in Today's Financial News
Stock prices advanced on the New York exchange after weakness in initial transactions. War-order and oil shares attracted most attention on the curb. Demand for corn was good. Cotton advanced. Foreign exchange was uninteresting. Average and actual loans and reserves decreased by the New York bank statement and demand deposits increased in both.

Wall street was agreeably surprised in the course of the stock market trading today by the manner in which the leading stocks acted and the recoveries which were made from opening declines. There was a large mass of brokers in United States Steel common at the beginning of business, with selling orders, which they executed in a wild manner.

This was the case especially with Colorado Fuel, which, after selling down to 59 1/2, had a quick advance to 52 1/2, a gain of 7 points over yesterday's close.

Mexican Petroleum also showed a net gain before the end of the first hour and the whole list developed a steadier tone, with fluctuations now flowing down to a fractional range after the initial decline and later rally.

The opening sales ranged all the way from 100 1/2 to 106, against 107 1/2 at the close yesterday, but it was not long before the price was above 107, again with some of the early sellers making efforts to buy back their stock.

The trading in Liberty Bonds continued on a large scale, with the 4 1/2 making a new low record, selling at 97.36. Railway bonds were quiet and without important change.

Reaction in Stocks Response to Profit-Taking
The reactionary tendency which has been displayed so distinctly this week by the various activities represented in Wall street appears to have been chiefly a response to profit-taking sales by those who so actively purchased securities on the remarkable rise of the preceding fortnight. It is true that some of the most important financial developments of the war, having a direct bearing on railroad, shipping and general industrial shares, have occurred this week.

In the railroad world, for instance, two spectacular announcements stand out prominently. First, the decision of the director general, Secretary McAdoo, to authorize the expenditure by the railroads of nearly \$1,000,000,000 for improvements, extensions, new equipment, etc., a sum fully three times as large as the average expenditures of the three years immediately preceding our entrance into the war.

As against this highly important feature is a second announcement by Secretary McAdoo which does not appear to have been accorded the same unanimous recognition as an influence entirely favorable to present holders of securities. This announcement is that of a general removal of railroad presidents so far as management of the lines while they are under Government control is concerned.

As to the possible decision of the railroads to themselves retain their old executives, it is rather difficult to appreciate how such a method can be pursued. In the first place, the Government is running the entire railroad fabric of the country as a single organization. Rules are formulated to apply not to single roads, but to all; expenditures are subject to the approval of the Government's representatives and may not be contracted without Government consent.

The contract between the Government and the railroads provides that the various companies shall receive no more and no less in revenue than their average for the three years preceding our formal participation in the war. This amount will be determined after a Government authorization and examination of expenditures. Hence it appears quite logical to assume that if Secretary McAdoo has decided that railroad presidents are no longer needed he will not authorize the appropriations necessary for continuing their salaries.

Commercial failures this week in the United States are 184, against 194 last week, 211 the preceding week and 314 the corresponding week last year. Figures in Canada number twelve, against twenty-three last week, fourteen the preceding week and fourteen last year.

March gross revenue of the Postal Telegraph of New York was \$197,664, against \$186,325 the same month last year, or an increase of \$11,339. But operating revenue increased \$10,679. Three months' gross was \$545,258, an increase of \$18,974, with net operating revenue for the period increasing \$17,725.

New York Stock Sales

Table with columns: High, Low, Close, Net. Lists various stocks like Alaska, Am. Sugar, Am. Tobacco, etc.

WAR STOCKS AND OILS IN DEMAND ON CURB

The market on the curb maintained a firmer tone than had been expected in view of the unsettled condition on the Stock Exchange last yesterday, and at the opening today there was fairly good demand for many of the important issues, including the war stocks and the independent oil shares.

Submarine cables led to 17 1/2, and declined to 16 1/2, after a fractional decline to 17 1/2, after a fractional decline to 17 1/2, after a fractional decline to 17 1/2.

NEW YORK BOND SALES

Table with columns: High, Low, Close, Net. Lists various bonds like 1890 Anglo-Fr. 5 1/2, 14000 Am. Gov. 4 1/2, etc.

SALES IN PHILADELPHIA

Table with columns: High, Low, Close, Net. Lists various stocks like Am. R. R. 4 1/2, 2 1/2, etc.

OFFERINGS ARE LIGHT IN THE CORN MARKET

Reports That Government Has Given Contract for Alcohol Has Bullish Effect

PHILADELPHIA INACTIVE STOCKS

Table with columns: Bid, Ask, Price. Lists various stocks like Am. R. R., etc.

GOVERNMENT WILL NOT DEMAND FROM MILLS TAKE OVER STEEL MILL STRENGTHENS COTTON

Authorities in Trade State Increased Inquiry for Low Grades From Domestic and Foreign Interests

On a more general demand, based on reports of an increased inquiry for low grades both from domestic mills and foreign interests, the cotton market developed strength today.

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Philadelphia, Pa., May 25, 1918. The following are the prices of various commodities as reported by the market.

BUSINESS ON THE LOCAL STOCK EXCHANGE IS SMALL AND LITTLE OF SPECIAL INTEREST DEVELOPS

Philadelphia Traders Show Waiting Attitude Until New York Market Turns Upward—Lake Superior Again Takes Lead for Home Shares

Little of interest was found to discuss in stock transaction during today's short session on the Philadelphia exchange. Outside of United States Steel common, business was generally confined to small, odd lots, with price changes small and to lower levels, following the early trend on the big board.

Lake Superior Corporation attracted the most attention of the home shares, and opened at 14 1/2, unchanged from last night's closing quotation, but later advanced to 18 1/2, up a trifle. Philadelphia Electric and Tonopah Mining also came out unchanged, while United Gas Improvement declined 1/4.

United Companies of New Jersey 1/2 and the railroad issues yielded fractional gains.

Lehigh Valley lost 1/2, Pennsylvania dropped a trifle. Reading yielded a small amount on important sales, and West Jersey and Seashore was off 1/2.

Steel made up the large amount of transactions and, although it sold as low as 106 1/2, at one time, the closing quotation was 107 1/2, a drop of 1/2 from the last price of the previous session.

The unsettled condition at the close of yesterday's New York market caused a waiting attitude here, and when quotations came over at lower levels from the big exchange, there was naturally a feeling of unrest here. However, as prices advanced later in Wall street, the local market took on a firmer appearance, but too late to cause interesting developments in trading during the brief session.

Liberty Loan bonds were quiet but fairly steady.

Officials of railroads operating eastward from Chicago and St. Louis report no general changes in the traffic situation. Cars are scarce on account of Government business and the readjustment of the operation of the railroads to a strict Government basis, is causing some little confusion in railroad circles, although not to any great extent.

As a matter of fact, it is quite remarkable, according to railroad officials, that so much has been accomplished in that direction since the Government assumed operation.

Business in eastern sections in all that could be expected, in view of everything which is going on in other words, general trade is satisfactory.

Officials of southern roads show that traffic is 8 per cent larger than a year ago, and that shipping to the South is better than to any other section, although new state that the supply of cars on the southern lines is fully adequate.

On a more general demand, based on reports of an increased inquiry for low grades both from domestic mills and foreign interests, the cotton market developed strength today.

The statements about the request for poorer sorts of the staple relieved fears that July would be the dumping ground for these classes and predictions were heard that the summer position would be at a large premium over the fall months.

The first report on the condition of the crop by the Federal Department of Agriculture, which was issued at 11 a. m. June 1, will give the status as of the close of business tonight. The weather during the past two weeks generally has been favorable and the disposition is to look for a comparatively high condition figure.