

GOSSIP OF THE STREET REASONS FOR YESTERDAY'S DECLINES IN STOCK PRICES AS SEEN BY LOCAL BROKERS

German Counter-Attack and Appointment of Von Mackensen Thought Partially Responsible—Trend of Bond Prices—Gossip of the Street

WHEN prices declined rather sharply in virtually the whole list, especially during the last hour of trading in the New York stock market yesterday afternoon, there were three reasons advanced in brokers' offices and in the Street for the declines.

One was a rumor that the directors of the United States Steel Corporation might not declare the regular dividends and the extra at their meeting yesterday afternoon. Some said it was hinted that the powers in Washington had given a hint on the subject to the directors.

Another reason given was the news of the counter-attack by the Germans on the Allied forces. And the third reason was the appointment of Von Mackensen to the head of the German armies.

A few minutes after the close of the stock exchange the first reason was disposed of by the action of the Steel directors declaring the regular dividends and the extra 3 per cent.

As for the second reason, more encouraging reports were coming in from the war front; and as for the third, many expect it will cease as a factor in influencing the trend of the market.

Bonds Show Slight Gains in Four Years The principal of a well-known bond and investment house drew attention yesterday to the trend of bond prices on the New York Stock Exchange during the four years since the beginning of the European war.

Expect Revision Upward of Profits-Tax Bill "The comparative mildness of the excess-profits tax law," said a certain broker yesterday, "as approved by the House Ways and Means Committee, makes one feel that it will be revised radically upward, and yet it is hoped that legislation on this subject will be less drastic than had been anticipated.

"Under the committee's plan," he said, "the excess profits and income taxes on the earnings of the United States Steel Corporation, if the earnings were \$300,000,000 this year, would run from \$115,000,000, leaving \$185,000,000 for the common stock, to \$246,000,000 on earnings equal to last year, or \$457,000,000, leaving \$36 a share for the common stock. These estimates would assume an income tax of 18 per cent on undistributed and 12 per cent on distributed taxes.

"In the calculation," he concluded, "the invested capital of the corporation is taken as \$1,100,000,000 and no change in the current dividend rate is allowed for."

There are only slight changes in the Government bonds from day to day. Inasmuch as most of them have advanced in the last two or three weeks, a little irregularity is perfectly natural, but it is measured by small fractions. The trading in all of the bonds continues on a very fair scale. Among the foreign Government issues the Anglo-French 5 and the City of Paris 6 1/2 continue in the most active demand, but throughout a business session the fluctuations are within a range of about half a point. The dealings in industrial bonds on the stock exchange are on a very small scale. A few of the railroad issues are being steadily bought by careful investors. Union Pacific 4s, Southern Pacific convertible 4s, Atchafalpa general mortgage 4s and Northern Pacific preferred 4s appear to be the favorites. The report of the Southern Pacific Company for the last fiscal year conclusively demonstrates that holders of the company's bonds need not have the slightest apprehension regarding the ability of the company to pay its bond interest.

Many of the investment houses in this city continue to report a fairly good demand for high-class long-term bonds and high-yield short-term notes. At the time approaches for the launching of the next Liberty Loan campaign the demand for these and other securities is expected to slow up.

Long Silence on Mercantile Marine Unbroken A customer in an uptown broker's boardroom yesterday remarked: "Isn't it near time we should have another public statement of some kind about International Mercantile Marine? It is not their policy to keep quiet so long."

It seems an authority who claims to know what the company is doing, or rather what the directors are doing, says they are still considering the deal and, as usual, trying to straighten out the tangle. This authority claims the English joint owners, who were agreeable at first to the deal, have changed their minds and are not particularly anxious now, as it is said they would have to pay over 60 per cent of their receipts to the Government. There is also the matter of operation by the United States Government to be considered in all its ramifications. The directors do not know just how much to charge off to a sinking fund for ships lost, and while the Government credits the company with the full value of each ship torpedoed, the actual cash has not yet been paid.

In this manner the International Mercantile Marine has a large surplus on its books, which cannot be paid out until the Government makes an accounting.

Enormous Expansion of Corporation Activities Reference was made in this column yesterday to the number of new issues which have been approved by the capital issues committee in this country as compared with the amount of the new issues approved by the British Treasury since a similar method went into operation. It was shown that for the first six months of the present year the total of the corporate issues approved by the British Treasury amounted to \$37,275,000. Compare this with the following from the regular weekly letter of Henry L. Doherty & Co. of July 29 on the subject of "New Corporation Financing":

"According to figures compiled by Dow, Jones & Co., corporate financing in the United States since the close of the third Liberty Loan on May 10 has totaled \$414,875,000 principal amount, compared with \$308,057,055 for the first four months of the current year. Of this large amount of new financing it is said that only \$109,044,000 was for the purpose of refunding or retiring maturing securities, so that some idea may be gleaned from the figures regarding the enormous expansion that is going on in corporation activities as a result of the war.

"Substantially all this new financing consisted of short-term note issues bearing interest at rates of 6 and 7 per cent, which were in most instances offered to investors at prices to yield between 7 and 8 per cent or more. Dow, Jones & Co. state that the corporations of the country obviously resorted to these short-term issues because of the high rate of money at the present time and on the theory that after the war money will be plentiful at much lower rates, when the short-term securities now being issued may be refunded, if necessary, by long-term bonds on which a lower interest rate may be secured.

Son of Gen. Beary Joins Army Henselburg, July 31.—Karl T. Beary, a son of Adjutant General Beary, has enlisted as a private in the regular army at the recruiting station here. The youth, who is not yet twenty-one years of age, has been conducting his father's jewelry business at Allentown.

Will Be Married in White House Washington, July 31.—Miss Alice Wilson, daughter of Mr. and Mrs. Joseph R. Wilson, of Baltimore, and a niece of President Wilson, will be married in the White House to the Rev. Isaac Stuart McElroy, Jr., White Sulphur Springs, W. Va., at 10 o'clock this evening, August 7, according to an announcement here.

Will Be Married in White House (Continued) The school is located in a beautiful country setting, and is well equipped with modern buildings and grounds. The school is open to all students, and is a fine place for a young man to receive a liberal education.

Philadelphia Markets GRAIN AND FLOUR. WHEAT—Receipts, 67,430 bush. Offered in lots and prices were firm. Quotations: Car lots, in export elevator, 1.00; in export elevator, 1.00; standard, 1.00; No. 1, 1.00; No. 2, 1.00; No. 3, 1.00; No. 4, 1.00; No. 5, 1.00; No. 6, 1.00; No. 7, 1.00; No. 8, 1.00; No. 9, 1.00; No. 10, 1.00; No. 11, 1.00; No. 12, 1.00; No. 13, 1.00; No. 14, 1.00; No. 15, 1.00; No. 16, 1.00; No. 17, 1.00; No. 18, 1.00; No. 19, 1.00; No. 20, 1.00; No. 21, 1.00; No. 22, 1.00; No. 23, 1.00; No. 24, 1.00; No. 25, 1.00; No. 26, 1.00; No. 27, 1.00; No. 28, 1.00; No. 29, 1.00; No. 30, 1.00; No. 31, 1.00; No. 32, 1.00; No. 33, 1.00; No. 34, 1.00; No. 35, 1.00; No. 36, 1.00; No. 37, 1.00; No. 38, 1.00; No. 39, 1.00; No. 40, 1.00; No. 41, 1.00; No. 42, 1.00; No. 43, 1.00; No. 44, 1.00; No. 45, 1.00; No. 46, 1.00; No. 47, 1.00; No. 48, 1.00; No. 49, 1.00; No. 50, 1.00; No. 51, 1.00; No. 52, 1.00; No. 53, 1.00; No. 54, 1.00; No. 55, 1.00; No. 56, 1.00; No. 57, 1.00; No. 58, 1.00; No. 59, 1.00; No. 60, 1.00; No. 61, 1.00; No. 62, 1.00; No. 63, 1.00; No. 64, 1.00; No. 65, 1.00; No. 66, 1.00; 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