

NEWS OF FINANCIAL WORLD NEW YORK STOCK EXCHANGE TRANSACTIONS LOCALS FAIL TO CONTINUE YESTERDAY'S SMART RALLY

RAILROAD SHARES ASSUMED ACTIVE MARKET LEADERSHIP

Fresh Outburst of Strength After Irregular Start Carried Leading Stocks Up Three Points

New York, Feb. 18.—For the first time in many months the railroad shares dominated the trading, both as to activity and extent of their advance in today's stock market.

It looked for a time shortly after the opening as if the upward swing in the rails was going to prove another false start. Yesterday's buoyant recovery was resumed at the outset, but before the end of the first fifteen minutes strong reactionary current developed.

Rails supplemented yesterday's many substantial gains at the opening, transcontinentals and grangers rising 1 to 2 points. Shares of the roads covering western and southern territories averaged large fractional advances, but others were reactionary. Oils improved, but the movement otherwise was somewhat irregular.

When the pressure against the industrial specialties became more pronounced within the first hour most of the initial gains were forfeited. This setback proved of short duration, however, industrials rallying easily when buying of rails was resumed at additional gains.

Shorts were badly squeezed in the early afternoon when the advance embraced many speculative favorites recently under severe depression. In addition to the fact that recent rail quotations for the standard railroad shares was lowest in the last two decades.

The railroad shares, in consequence, were in a position to respond to slightest turn for the better in the transportation situation. There were a great many who held to the view that a forward movement in the rails to be sustained must be preceded by an essential change in the position of railroad bonds.

With money easier, the railroad bonds can be expected to move back to what will be their relative ratio compared with money rates. It is also reasoned if the new railroad legislation should assure dividends on present dividend-paying stock, that its primary effect must be to fortify interest in railroad bonds.

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NEW YORK STOCK EXCHANGE TRANSACTIONS

Table with columns: Sale, Div, High, Low, Today's Net, Close, Chng. Last. Lists various stocks like Advance Rumely, Ajax Rubber, Alaska Gold Mines, etc.

ANOTHER SPIRIT IN RAIL SHARES

Beleated Response of the Public a Bit Puzzling to the Street

Trading More Active

NEW YORK, Feb. 18.—The New York Evening Sun's closing financial review today says: To all outward seeming today's stock market resembled yesterday's, but there was far more of public interest brought in by a further demonstration of strength in the railroad share list.

The details of the bill already agreed upon by the conference of the House and Senate are known only in a general way, but what really matters to everybody is that the bill will become law in time and that seems assured.

LOCALS FAIL TO CONTINUE YESTERDAY'S SMART RALLY

The Trading Was of Small Dimensions and Was Conspicuously Lacking of Initiative

Rather than stimulating interest, the renewed buoyancy of the New York market had the effect to divert attention from the local stocks. Today's market, in consequence, for the greater part of the session was a very tame affair in contrast with the spirited rebound of the preceding day.

The animated forward movement in the railroad shares was reflected in only a small way, Lehigh Valley and Pennsylvania Railroad being the only members of the transportation group which were represented. Quotations in both instances were governed solely by the New York price level, or, in other words, prices in both markets were kept in close parity.

Yesterday's boom in American Stocks was sidetracked until something definite was obtained from the directors' meeting today. As stated yesterday, banking interests in close touch with the affairs of the company did not expect any action on the common dividend at this time, although some distribution to the junior shareholders was unquestionably warranted by the largely increased earnings.

Moderate profit-taking by those perhaps who had the tenacity to pick up the stock during the disquieting slump last week took \$1 of Electric Storage Battery in a decline to 112. All the loss, however, was regained on small buying orders.

Trading of a conspicuously perfunctory type prevailed in most all other parts of the local list. Prices were generally stationary, or insignificantly changed. Alliance Insurance Co. warrants moved up to 68 1/2, while the Insurance Co. of North America warrants dropped back to yesterday's low mark at 10.

Lehigh Navigation continued neglected, despite the favorable showing made in the annual report, but was well sustained at 62 1/2. United Gas Improvement Co. of North America warrants advanced to 27 1/2, and Philadelphia Rapid Transit, 23 1/2.

In discussing the local and general domestic monetary situation, an official of one of the large up-town trust companies today expressed the opinion that only in the adoption of a strict policy of economy can there be a satisfactory adjustment of the credit situation.

There is nothing alarming in the situation, he said, only everybody has been going at a breakneck rate and must make up their minds to do business on a lesser speed. This means, he said, that the manufacturer and business man will necessarily arrange their affairs to permit reduction of financial accommodation.

At the same time the leading institutions must take measures to curtail credits and reduce outstanding loans conservatively. This, in his opinion, can be accomplished without serious interruption or disruption to the general business situation.

While having little effect marketwise, the developments concerning the transportation situation came in for widespread discussion in both local banking and market circles. There has been a little short of a revolutionary change in the character of ownership of railroad securities in the last three years.

Railroad stocks and bonds have undergone a tremendous liquidation and hundreds of holders have disposed of them owing to the uncertainty as to the outcome of the government control.

There is every reason for believing the worst side of the railroad situation is behind us, and with the return of the roads to their owners, it can be confidently expected that the transportation industry is concerned. Unless some inconceivable catastrophe faces the carriers, it will be many years before the current level of prices will be seen again.

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