

STILL EXPECT SEA FIGHT.

JAPAN PREPARING FOR IT.

They Believe Russian Fleet Will Return with Reinforcements.

Tokio, Jan. 7.—In naval circles here the recall of the Russian second Pacific squadron is not regarded as a sign that Russia does not hope for final success on the sea. It is considered that the authorities at St. Petersburg have realized the improbability of the second Pacific squadron alone defeating Vice-Admiral Togo, and have recalled it to await reinforcements and to further train its officers and men preparatory to a supreme effort for the mastery.

A naval officer said to-day: Japan has confidently awaited the arrival of the second Pacific squadron of the Russian navy in the Far East. It would have been a splendid fight. Now we must prepare for the future, of which we are not afraid.

ROJESTVENSKY'S MAPS POOR.

Fear in Paris That This May Lead to Accidents in the Indian Ocean.

Paris, Jan. 7.—Information received in official quarters here shows that Vice-Admiral Rojestsvensky's charts of the waters in which the Russian second Pacific squadron is now cruising are defective and practically worthless. This arouses apprehension of a possible future catastrophe, as it is known that the charts do not show the recent hydrographic dangers of the Indian Ocean.

NOGI MEETS STOESEL.

Courtesies Exchanged by Victor and Vanquished.

Headquarters Third Japanese Army, in Front of Port Arthur, Jan. 5, via Tien-Tsin, Jan. 5.—The meeting of General Nogi and General Stoessel to-day was without any dramatic incidents. It had previously been arranged to take place at noon in the single undamaged house of the village of Shushui. This house was a miserable hovel called Plum Tree Cottage. Through a misunderstanding, General Stoessel rode out of Port Arthur at 10 o'clock, accompanied by Colonel Riess and two staff officers, to the Japanese lines and missed the Japanese officer delegated to escort him to the meeting place.

The general rode there without an escort, and was received by a junior officer, who happened to be on the spot. The latter telephoned to General Nogi, who hurried his departure from headquarters, and arrived at 11 o'clock, accompanied by Major General Ichi, his chief of staff, and Colonel Yasuhara, Matsudaira and Watanabe, staff officers, and M. Kawakiri, secretary of the Foreign Office at Tokio.

General Stoessel is a large man, of heavy appearance, who looks like a good fighter. When Nogi, looking careworn, entered the compound of the cottage the two generals cordially shook hands, and Nogi, through an interpreter, expressed his pleasure at meeting a general who had fought so bravely and gallantly for his Emperor and country.

General Stoessel thanked General Nogi for the pleasure of meeting the commander of the victorious army. General Nogi explained that he had received a message from his Emperor asking that the greatest consideration be shown to General Stoessel and his officers, in appreciation of their splendid loyalty to their Emperor and country. Because of that wish, he added, the Russian officers would be allowed to wear their swords.

General Stoessel expressed his gratitude to the Japanese Emperor for thus saving the honor of his (Stoessel's) family, and said his descendants would appreciate such thoughtful kindness. He also expressed the gratitude of his officers, and thanked Nogi for sending the message from him to Emperor Nicholas and transmitting the Emperor's reply which read:

I allow each officer to profit by the reserved privilege to return to Russia, under the obligation not to take further part in the present war. I thank you and the brave men of the garrison for the gallant defence.

Both generals then mutually praised each other and their officers for their bravery. The conversation afterward turned on the explosion of the mine at Sungshu Mountain Fort. General Stoessel said the entire garrison of the fort were killed or made prisoners. The Russian commander highly praised the Japanese artillery practice, especially the concentrated fire instantaneous with the explosion of the Sungshu mine. The gallant deeds of the Japanese infantry, General Stoessel added, spoke for themselves. It was impossible to exaggerate their good qualities. The skillful work of the engineers had also won his admiration.

Continuing, General Stoessel said he had heard that General Nogi had lost both his sons, and praised his loyalty in thus sacrificing his sons, who had died fighting for their Emperor and country.

General Nogi smilingly replied: One of my sons gave his life at Nanshan and the other at 203-Metre Hill. Both of these positions were of the greatest importance to the Japanese army. I am glad that the sacrifice of my sons' lives was in the capture of such important positions as I feel the sacrificers would not made in vain. Their lives were nothing compared to the objects sought.

General Stoessel then asked permission to present his horse to General Nogi as a token of his appreciation and admiration. General Nogi expressed his thanks for the Russian general's kindness. He could not accept the horse, he said, but he continued, he would accept it for the army, as he considered that the Russian horses were the property of Japan, and felt he could not make General Stoessel's charger his private property. General Nogi also professed, when the horse was handed over to him, to see that it was treated with the greatest kindness, out of respect for the brave Russian general.

Thereupon General Stoessel assured General Nogi that he admired his rigorous principles and appreciated his point of view. The Japanese commander requested General Stoessel to continue to occupy his residence at

ASTHMA AND CATARRH MEET THEIR MASTER. The Advance Guards of Consumption Successfully Treated by Ascatco.

A cablegram is just received, dated Vienna, January 7.—Reports for the year 1904, covering continental Europe, compiled by medical statisticians, show a marked decrease in the number of fatalities from diseases of the respiratory organs due to the introduction of the new Austrian discovery ascatco. Catarrh, asthma and bronchitis, the forerunners and advance guards of tuberculosis, have been so successfully treated by the new drug that fatal diseases of the lungs have been noticeably checked.

A report showing 400 cases of asthma and 441 of catarrh by ascatco during the month of November in the United States has been received here with much gratification and great surprise, as the efficacy of the new treatment was heretofore questioned by some medical authorities on account of the severe climatic conditions that exist in America. This conclusively proves the earlier statements of European savans, who claimed that the action of the drug ascatco would not be affected by climate or conditions.

With the new year the Austrian dispensary, located at No. 6 East Fourteenth street, New York City, the only depot for distribution of ascatco in the United States, has been commissioned to pursue a more vigorous campaign than ever to stamp out these dreaded diseases, and to this end will send free by mail a supply of the drug to any sufferer who will write to or call at the dispensary if free.

THE CZAR. M. WITTE. M. MURAVIEFF. M. KOKOVOFF. President of the Council. Minister of Justice. Minister of Finance.



Port Arthur until arrangements were completed for his return to Russia with his family.

Referring to the burial of the dead, General Nogi said the Japanese, since the beginning of the military operations, had always buried the Russian dead. Those found later would be buried at a special spot, and a suitable memorial would be erected as a tribute to their bravery.

After luncheon, at which both generals sat together, a group photograph was taken at the cottage, and General Stoessel remounted his horse to show his good points, said goodbye to General Nogi and rode back to Port Arthur.

The quiet, and even solemn, meeting of the generals ended at about 1 o'clock. The regular Russian soldiers in Port Arthur marched out to-day. The only troops now in the city are the volunteers.

Two fires were started in Port Arthur to-day, for which General Stoessel apologized. He said the volunteers were unable to control the populace, and he desired that the Japanese enter Port Arthur immediately, to keep order.

The formal entry of the Japanese army into Port Arthur has been fixed for Sunday, January 8.

EMPEROR THANKS NOGI.

Togo Abolishes Blockade of Liao-Tung Peninsula.

Tokio, Jan. 7.—The Emperor to-day issued a rescript thanking General Nogi, the Third Army, Admiral Togo and the combined fleet for the taking of Port Arthur.

Admiral Togo has issued an order abolishing to-day the blockade of the Liao-Tung Peninsula.

RUSSIAN ADMIRALS AT CHE-FOO.

Said to Have Arrived in Disguise on a Launch. St. Petersburg, Jan. 7.—A special dispatch from Che-Foo says it is reported that Rear Admiral Prince Ouktomsky and Rear Admiral Dohnsky have arrived there, disguised, on board a launch.

Prince Ouktomsky assumed command of the Port Arthur squadron after Admiral Makroff was drowned, as a result of the sinking of his flagship, the battleship Petropavlovsk, at the entrance of Port Arthur on April 13. Later the prince was replaced in command of the squadron by Rear Admiral Witthoef, and after the latter was killed in the naval battle of August 10, Prince Ouktomsky again assumed command of the squadron, and, it is said, contrary to orders, returned to Port Arthur, for which, it is alleged, he was to be tried by court martial. This, however, was denied, but the prince was succeeded in command of the naval forces by Rear Admiral Wren, who had previously been in command of the armored cruiser Bayan. Recently, it is understood, Prince Ouktomsky has not been attached to any of the Russian ships.

The names of Rear Admiral Dohnsky has not figured in the cable dispatches from the Far East.

ARMY NOT DEPRESSED.

Troops with Kuropatkin Had Long Expected Port Arthur's Fall.

Moukden, Jan. 6, via Peking, Jan. 7.—Though the news of Port Arthur's capitulation was first generally known here to-day it was surmised by the Russian army on January 4, from the cheering heard in the Japanese camp along the entire line, when cries of "Benzai!" were distinctly heard. The news created no surprise, because the army had become accustomed to the possibility of Port Arthur's fall from before the battle of Liao-Tung.

While concerned at the disaster, the Russians are lost in admiration of the wonderful and unexampled defence. Although the deaths of Generals Fock and Kondratenko were not published here, the facts regarding Fock had been accepted for six weeks, and the condition of Port Arthur was known throughout. The authorities here as early as December 25 denied that relief vessels had successfully run the blockade as reported, and candidly admitted the desperation of the defenders. The Russians regarded the expectations of foreign expert visitors to Port Arthur before the war that Port Arthur could resist for eighteen months as being too optimistic, provided there was no relief.

While it is impossible to telegraph the tenor of opinion, yet it is evident that greater events must transpire before the end of the war is apparent. The Russian army is beginning a cheerful but quiet celebration of the Russian Christmas, which is to-morrow.

There was an unusual commotion yesterday along the centre. It was continued in a moderated form to-day.

SUSPECT ENGLAND'S MOTIVE.

Diplomats in Paris Believe She Wants a Voice in Russo-Japanese Peace Terms.

Paris, Jan. 7.—After conferring with Foreign Minister Delcasse, a leading diplomat said to-day that mediation in the Russo-Japanese War would be as unacceptable to Russia now as it would have been to the United States after the defeat at Bull Run. The belief is growing that Great Britain's anxiety for mediation is

TSARSKOE SELO PALACE. Here an extraordinary council of the Czar and his chief ministers was held to consider the war situation.

not entirely disinterested. A British official recently said: "If Europe or America do not intervene Japan and Russia will make their own terms of peace without consulting Europe or America."

This leads diplomats to say that Great Britain is less desirous of peace than she is to secure a voice in the terms of peace.

DOUBASSOFF IN PARIS.

Russian Admiral to Plan for Navy's Rehabilitation.

Paris, Jan. 7.—Vice-Admiral Doubossoff, who succeeded Admiral Kaznakoff as Russian representative on the International North Sea Commission, arrived here to-day and was received by Foreign Minister Delcasse. It is known that his service on the North Sea Commission is a mere incident, his chief mission being to preside at the meeting of the Naval Technical Commission, which is considering the complete rehabilitation of the Russian navy.

This is not connected with the fall of Port Arthur or the present war, as the Russians recognize the necessity for recreating their navy without reference to the contest with Japan. Therefore, naval experts, M. Dolgoroukoff, M. Poretchine, M. Brinck and others have arrived here after visiting the shipyards of Germany, Holland, Austria, Italy and France for the purpose of learning their capacity for the execution of an extensive programme for naval construction. Admiral Doubossoff, who is chief constructor of the Russian navy, will preside at the meeting of experts and go over the reports.

It is understood that the Russian programme contemplates the expenditure of \$200,000,000 during the next three years of naval rehabilitation. The meeting of the experts leads to a coincident gathering of representatives of the leading shipyards, including those in America.

RUSSIA'S SAD CHRISTMAS.

All Ordinary Festivities and Entertainments Omitted Because of War Losses.

St. Petersburg, Jan. 7.—With a heavy heart Russia to-day celebrated Christmas. The day was peculiarly a family fête. The trials of the war and losses at the front had brought sorrow and mourning to countless homes, and the usual rejoicing was absent. In St. Petersburg all the departments of the government were closed until Tuesday, and intense cold kept the people indoors. All the ordinary public festivities and private entertainments were omitted.

The imperial family observed the day quietly at the Palace of Tsarskoe Selo. There was a large Christmas tree for the children, but there was no elaborate celebration such as generally marks the day there.

SUPPLIES FOR VLADIVOSTOK.

Portland, Ore., Jan. 7.—The steamship Olympia will leave Portland next week with a cargo of contraband destined for the Russian army at Vladivostok. The cargo will consist of oats and canned beef.

PRISONER OF RUSSIANS.

San Francisco, Jan. 7.—The officers of the steamer Harold Dollar, which recently arrived from Petropavlovsk, say that Lieutenant Ito Matsumoto, of the Japanese army, is a prisoner in the hands of the Russians. They say that the lieutenant was captured at Yavino, on the western side of Kamchatka Peninsula, and that he held as a spy by the Russians. Fearing that he intended to escape on the Harold Dollar, the local authorities put him behind the bars, and he was in confinement when the vessel put to sea.

OLD SNUFF EXPERT PENSIONED.

New-Brunswick, N. J., Jan. 7 (Special).—After thirty years of service, William Frisnuth, who has been an expert at snuffmaking in the United States for fifty years and is seventy-two years of age, has been retired by the American Snuff Company at Helmetta, and the company, commencing January 1, will allow him pension. He is a native of Philadelphia, and forty years ago became interested in the snuff business at Spotswood. He had an excellent experience in business and earned considerable when the business was first started here. The plant at Helmetta is the largest snuff concern in the United States.

EDITOR MYSTERIOUSLY MISSING.

New-Brunswick, N. J., Jan. 7 (Special).—W. R. Hazleton, the Editor and proprietor of "The South River Review," has been missing from his home for the last three weeks. His assistants know nothing of his whereabouts, as he gave them no intimation that he contemplated taking a vacation. No cause can be ascribed for his absence.

ZETA PSI FRATERNITY OFFICERS.

Boston, Jan. 7.—The national convention of the Zeta Psi Fraternity to-day elected as grand president Governor William T. Cobb, of Maine. The other officers chosen were as follows: Vice-president, Frank Durling, San Francisco; recording secretary, Thomas I. Chatfield, New-York; corresponding secretary, George L. Uiman, Philadelphia; treasurer, Albert Buchman, New-York; guard, Almon C. Barrett, New-York, and historian, Israel C. Pierson, New-York. It was voted to institute a chapter at Syracuse University.

Tuffis College Chapter entertained the delegates this afternoon at Medford. President Elmer Capen welcomed the guests and Assistant Secretary of the Navy, Charles H. Darling, who was a delegate, delivered an address. A banquet at the Hotel Somerset this evening, with Mr. Darling as the principal speaker, brought the convention to a close.

A GOOD SALESMAN.

always awake and ready for business, is "Little Ad. of the People." Employ one.

HANDWRITING IN PAGE TRIAL.

Expert Confronted by Evidence He Gave in Molineux Case. Cambridge, Mass., Jan. 7.—Charles Louis Tucker, who is being tried for the murder of Miss Mabel Page, listened for three and one-half hours to-day to the testimony of Marshall D. Ewell, a handwriting expert. Mr. Ewell reiterated the statement made by him yesterday that he was confident that the "J. L. Morton" address, written on a small piece of paper, found near the body of the murdered woman, was written by the same person who filled out certain sales slips which the prosecution alleges were written by Tucker when he was employed by a stationery firm in Boston. Only one session was held to-day, and Mr. Ewell was on the stand all the time.

Only two things occurred to arouse any degree of interest among the auditors. One was the reiteration by the witness of his belief that the sales slips and the "Morton" address were written by the same person, and the other was the introduction of part of the testimony given by Mr. Ewell when he was a witness for the defence at the second trial of Roland B. Molineux, in New-York.

Mr. Ewell testified that the probability was forty to one that the writer of the 13 sales slips, alleged to have been written by Tucker, and the address on the paper found in the Page house, was the same person. Under cross-examination Mr. Ewell became confused with reference to the question whether there were letters enough on the slip under discussion to determine the question of handwriting. Mr. Ewell at first said that there were enough, but when Mr. Vahey read portions of the record of the second trial of Molineux, moving that in the future a careful, dispassionate opinion, and repeated his question, the expert gave a negative answer. At this response Mr. Ewell was heard from again, and the visiting lawyers within the bar inclosure, and Judge Sherman sharply reprimanded the offender.

MIDSHIPMAN AND MEGAPHONE.

He Is Held in Bail for Assaulting Boy Who Stole It. Philadelphia, Jan. 7.—Richard Mann, a midshipman in the United States Naval Academy, at Annapolis, was held in \$200 bail for a further hearing by a magistrate here to-day, charged with assault and battery. Mann came here last November with a battalion of midshipmen to attend the army and navy football game. According to the story told to the magistrate, John Lyons, eleven years old, of this city, grabbed Mann's megaphone and ran off with it. Mann, it is asserted, gave chase, and when he came up with the fugitive, a scuffle ensued, during which Lyons was kicked and severely injured. He was a patient in the University Hospital until yesterday. Mann was brought from Annapolis to Lyons appeared against him to-day. The magistrate expressed the opinion that any person had the right to pursue a thief, but he continued the case in order to give Lyons an opportunity to show, if possible, that the assault upon him was unlawful.

NEW-YORK PRIEST ATTACKED.

He Has Fierce Fight with Three Men in St. Louis and Is Overpowered. St. Louis, Jan. 7.—The Rev. Father Charles Quinn, a New-York priest, is in a hospital here as the result of a conflict early to-day with three men, who attacked him in Market-st., near the City Hall. They told Father Quinn to throw up his hands. He struck the leader on the jaw and felled him. A fierce fight followed, in which the priest was finally left unconscious on the street. Three hours later he made his way to a drug store, from which he was removed to a hospital. He is in a serious condition, with a knife wound on the right side of the face, one in the chest, and another extending from the corner of the right eye to the ear. No disfigurement is expected, but he is expected to be confined to bed for some time.

FEAR FOR URADD'S SAFETY.

No Trace of Lifeboat at Cape Cod—Crew of Four Aboard. Highland Light, Mass., Jan. 7.—Nothing could be seen to-day of the disabled Norwegian lifeboat Uradd, bound from Aalesund, Norway, for New-York, which was off here yesterday. The life savers think that the craft has drifted around Race Point into Cape Cod Bay, if, indeed, in her helpless condition she has not been wrecked and her crew of four lost. The weather was thick off the cape this morning and tremendous seas were running. The wind blew sixty miles an hour from the southeast, accompanied by a heavy rain. No distress signals were reported. No vessels had been sighted since yesterday.

MINISTER GUILTY OF MURDER OF SON.

Owensboro, Ky., Jan. 7.—The Rev. W. W. Armer was to-day found guilty of the murder of his son and sentenced to twenty-one years in the penitentiary. The father is said to have killed his son, who was twenty-one years old, because the young man had gone to work for a farmer and had refused to return home.

WOULD SAVE WOMEN FROM GALLOWS.

Stamford, Conn., Jan. 7.—Mrs. William J. Blenkenseder has prepared an appeal to the women of America, urging them to use their influence with the Governor of Vermont and the Governor of Pennsylvania to save from the gallows Mary Rogers, of Vermont, and Kate Edward, of Pennsylvania. The appeal is based on grounds of general opposition to capital punishment as a principle.

HIGGINS TO ENTERTAIN COLLEAGUES.

Albany, Jan. 7.—The Governor and Mrs. Higgins will give a dinner for the State officers and their wives on next Thursday. Mrs. Higgins will be informally at home on Wednesday, January 11 and 12, from 4 to 6 p. m.

LOOK AROUND YOUR OFFICE.

and see what you lack. There are many bargains in desks, safes and office furniture offered in to-day's paper. Read the "Little Ads. of the People."

ARMY EXPENSES CUT.

Appropriation \$89,000,000, a Reduction of \$5,500,000. Washington, Jan. 7.—The House Committee on Military Affairs to-day practically completed the Army Appropriation bill. It carries, in round numbers, \$89,000,000, which is about \$5,500,000 less than the estimates and \$5,500,000 less than the appropriations for the current year. The following are the important changes, compared to the amounts appropriated last year: Horses for cavalry and artillery, \$200,000, reduced \$200,000; barracks and quarters, \$3,488,959, a reduction of \$291,000; military post and quarters in the Philippine Islands, \$290,000, a reduction of \$135,250; transportation of the army and its supplies, \$12,600,000, a reduction of \$3,000,000; construction and repair of hospitals, \$315,000, a reduction of \$75,000; shooting galleries and ranges, \$75,000, an increase of \$30,000; medical and hospital department, \$800,000, an increase of \$40,000; ordnance stores, \$1,000,000, an increase of \$100,000; militia materials, \$816,000, a reduction of \$41,000; converting muzzle-loading guns to breech-loaders, \$15,000, a reduction of \$24,000.

TRIED TO BLACKMAIL TISZA.

Man Arrested for Sending "Black Hand" Letter to Hungarian Premier. Washington, Jan. 7.—Chief Wilkie of the Secret Service to-day received a telegram from Lebanon, Penn., saying that Ignaz Wenzler, a laborer in one of the iron mills there, had been arrested and held in custody for attempting to blackmail and for threatening the life of Count von Tisza, the Premier of Hungary.

Some weeks ago, it is said, Wenzler wrote to the count, signing three fictitious names to the letter, stating that Wenzler, a distant relation of his, was in great need and demanding a remittance of \$2,000, in default of which a representative of the "Black Hand" would go to Budapest and kill the count before Christmas Day.

The letter came to Chief Wilkie through the State Department, and Secret Service officers were at once put on the case. Wenzler was found, and a sample of his handwriting obtained by a German who secured his assistance in writing to a friend in Hungary. Later the writer obtained a written statement from Wenzler to the effect that he expected a remittance of \$2,000 from Count Tisza.

The handwritings being identical, Wenzler was arrested, and in default of bail was sent to jail in Harrisburg, charged with using the mails to defraud.

NO ULTIMATUM TO VENEZUELA.

This Government's Patience Not Yet Exhausted. Washington, Jan. 7.—Reports that this government has addressed an ultimatum to Venezuela are officially declared to be untrue. Although the situation there has long caused considerable annoyance to this government, its patience is not yet exhausted, and no recent instructions have been sent to Minister Bowen.

FREIGHT RATE HEARINGS.

Washington, Jan. 7.—The Interstate Commerce Commission to-day fixed a hearing on what is known as the differential case at Washington on January 25. This case involves the problem of the differentials in the relative freight rates to New-York, Philadelphia, Baltimore, Newport News, Norfolk and other Atlantic seaboard points. It has set a hearing to be held in this city on January 31 on the question of adoption of a uniform bill of lading throughout the official classification territory of the railroads. The commission also has set the case of William R. Hearst, of New-York, against the coal carrying railroads, involving allegations of excessive rates, for oral argument in this city on February 7.

MILES ASSIGNED TO DOUGLAS'S STAFF.

Washington, Jan. 7.—The War Department to-day assigned Lieutenant General Nelson A. Miles as a member of the staff of Governor Douglas of Massachusetts.

PRESIDENT PARDONS A FILIPINO.

Washington, Jan. 7.—The President has pardoned Juan M. Gutierrez, now serving a life sentence in Bilibid Prison, Manila. Gutierrez is a native Filipino, and was convicted by a military commission of having killed prisoners and sentenced to be hanged, but on account of the aid given by him to the United States in securing the surrender of other insurgents the sentence was commuted to imprisonment at hard labor for life. The present action of the President is based on information that the testimony on which Gutierrez was convicted was untrue, and that no additional evidence is being sought to get him out of the department of the Philippine insurrection.

A NEW FEDERAL JUDGE.

Washington, Jan. 7.—The President has appointed John E. McCall to be federal judge for the Western District of Tennessee, at Memphis, to succeed the late Judge E. H. Hammond.

PANAMA CANAL APPOINTMENTS.

Washington, Jan. 7.—Secretary Murphy of the Isthmian Canal Commission announced to-day that all positions under the commission which, by executive order, are exempt from Civil Service examination have been filled, and that no additional appointments can be made in any department of the commission except through the Civil Service Commission, where applicants desiring to qualify for appointment should apply for information.

BLEW UP A BANK WITH DYNAMITE.

Council Bluffs, Iowa, Jan. 7.—Word was received here to-day that the Bank of Treynor, Iowa, a town sixteen miles east of Council Bluffs, has been wrecked by dynamite. It is not known how much money was secured by the robbers.

The Financial World.

The record of the week helps confidence. Big events and lesser events alike tend with practical unanimity the right way. To find one dispiriting general factor the searcher must superheat imagination and work overtime. Yet we have on the Stock Exchange a bear contingent alert and resolute. Here is their philosophy: Security prices are higher than they used to be on a variety of selected dates; and this is a danger signal. Yes, the country grows, business expands, and the assertive tokens of prosperity keep intruding; but never mind natural growth, business expansion, prosperity's looming sturdy—these are only a habit anyway; the real test is that quotations are above where we get used to them in our boyhood.

Wherefore, an aggressive short interest; and though the shorts make little money they are plucky and persistent—their raiding struggles required (even if in no other way) by a joy that every bear forever levels in—the license to make faces at John W. Gates and call him names—for Gates and they with whom and for whom he acts still stand unwavering in their confidence that actual good times are neither a hurt nor a handicap.

"I see," says he, "just one thing bigger than all the rest—prosperity!"

And what answer anywhere is there of logic or of fact contradictory? Would you have ultra-conservative leadership? Mark, then, the corporation example of A. J. Cassatt, and realize that swelling earnings and expanding surpluses, translated into bigger dividends, signify something. Pennsylvania sets no pace that prudence does not warrant. What Reading does, what the Pennsylvania Company does—what the list of Pennsylvania's controlled and related corporations are to do—provide guidance clear enough. The business situation is not only undisturbed, it is all right; it is more than passively satisfactory, it is inspiring.

Union Pacific has had prominence in the week's market. In the character of its absorption buying appeared the important feature. Investors who are seldom satisfied with anything less attractive than exceptional first mortgage bonds, have been conspicuous buyers—impressed by the fact elaborated in this review last week that Union Pacific is now actually earning its entire dividends from the income of the security investment it owns—not taking into account the vast sums which will reach Union Pacific treasury when (soon) Southern Pacific is put upon a dividend basis—present Union Pacific dividends completely earned without recourse to the tremendous earnings which its transportation returns pile up.

Vying with Union Pacific in activity, New York Central and Erie issues have commanded notable attention. As said here last Sunday, New York Central is about to benefit through new developments whose immediate effect must show in extraordinary expansion.

As to Erie, the plain, simple truth is—just as in this column over and over again has been insisted—Erie's common is on its way to dividends. Of course, tradition snickers at this; just the same snickering that has kept the superior snickers from reaping, so far, an iota of the 20 point advances averaged already by all these classes of Erie stock. Where is the sanity in comparisons that fail to recognize change and progress, and the certainty of prosperity, in Erie's record—a property that to-day handles and profits—not as a carrier merely, but as miner and owner of virtually a full eighth of the entire anthracite coal trade of the country. The bear on Erie is simply preferring prejudice to profit. Of course, there may be market "turns"; quick traders may be able to scalp occasional advantage out of fluctuations; but for the buyer who is something else than a day by day nervous trader, Erie will return rewards. There are special reasons for the buoyancy of the second preferred.

Rock Island looks attractive. The common stock acts as if actual manipulative force had to be used to hold the price down. The common stock is to be accorded voting power.

Pacific Mail is a stock worth watching. Apparently it has not a market friend. But more than one influence is shaping to assure increased value.

Mexican Central developments beyond expectation seem approaching. Contest for control may even be renewed—though contest is hardly the word to describe competition free from belligerency. What appears is that important financial interests already having vast Mexican commitments are ambitious to own Mexican Central. This they do not attempt to disguise—going so far the past week as to make a formal firm offer to the property's present controller of approximately \$15 per share above the current market price for blocks of the stock all the railroads of the Republic under concentrated control would establish a new situation and it is easy to see—a profitable one.

Local tractions, notably the Metropolitan, have been showing some softness. It is probable, however, that Brooklyn Rapid Transit's fortunes will soon benefit substantially. Earnings now running at the rate of \$15,000,000 per year—Manhattan's gross approximately—and gains scored at the rate of \$100,000 per month would seem to warrant the estimate of the banker who says:

"As the result of actual personal investigation I am convinced that this Brooklyn property will soon reach a permanent dividend basis. Its stock is destined to rise above par and stay there. Study Brooklyn's phenomenal progress—building records there going beyond any figures ever anywhere hitherto known—and realize that as at present managed Brooklyn Rapid Transit is keeping abreast of the city's rushing growth—note just this one thing—and there can be no doubt by any sane observer that the property, monopolizing local transit service, is bound to prosper almost limitlessly."

He who expresses this view is no professional optimist. An important capitalist and investor of New York has gone as an investor into Brooklyn shares on a substantial scale and he is taking strong friends with him. Such investment relationships have significance beyond mere immediate stock market considerations.

Foreign interest in American securities is showing increase at the beginning of the year. Buying for London and Berlin becomes especially significant. The British, the large German orders in Southern Railway, Southern Pacific, and a new development—in Steel stocks. Orders from London indicate confidence in the Canadian Pacific—these orders being on a large scale close under current quotations. The Canadian Pacific dividend record is exceedingly persuasive in British investment circles. Dividends in 1904 were reached (regular dividend basis "rights") 18 per cent, while in the year just ended the stockholders received upwards of 14 per cent. Business development throughout the Canadian Pacific territory is proceeding with a regularity which assures rapid further expansion in the company's traffic—current quotations for the stock by no means yet reflecting conditions.

How firm is the confidence of the investment world shows with significant clearness through the reception given to the Northern Securities decision. For some months we have been deluged with direful prophecies of what would forthwith ensue to pass through the decision should be rendered, be the determination whatever way. What actually does happen is appreciation in value all round. Northern Securities itself has come to show such real value that the substantial fund against the corporation are the emptiest foolishness. Eminent authorities on value—wholly without pretensions as to either Mr. Hill or Mr. Higgins—find, there, a basis for calculation showing very much larger intrinsic value than indicated by any quotations yet current. One fact exceedingly distinct is that not one important interest holding Northern Securities is showing any disposition to part with the investment—regardless of what new form the value represented may take. The development of the properties constituting Northern Securities, extraordinary acceleration of their earning capacity, leaving no doubt certainly as to the masterfulness of James J. Hill in railway administration.

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