GREAT BRITAIN'S FINANCE

A Most Prosperous Year Closes with Better Times Coming.

LOMBARD ST. OPTIMISTIC

Millions Ready for Investment Abroad—A Period of Cheap Money Expected.

[By Cable to The Tribune.]

London, Dec. 31.—This has been one of the most prosperous years in general business and foreign trade, and there is a prospect of even better times for the coronation period.

The budget controversy a year ago created artificially an enormous deficit and the bulk of the income tax was withheld from lack of authority for collecting it. This caused monetary stringency and financial disorder, but eventually the budget was passed and collections were rapidly made. The deficit was speedily wiped out, and swollen revenue returns now indicate a surplus of considerable magnitude for the next financial year.

The Chancellor of the Exchequer has not only averted the collapse of the free trade system, but has also demonstrated that there are large resources not heretofore tapped for obtaining abundant revenues for social reforms. The Unionists can no longer assert that tariff reform is indispensable for supplying a construction fund for a new and powerful navy and pensions for the aged and invalided workmen.

This enlargement of the revenue reserves of the Treasury has been accompanied by continuous investment of great masses of capital abroad. Applications for new capital during 1910 have been nearly double what they were in 1906.

British Investments Abroad.

Not only has there been good business in the United Kingdom, but there has also been a general revival of industry throughout the world. Governments, corporations, mining companies and railways have been borrowing millions at high rates, and British investors, after supplying $300,000,000 for use at home, have distributed $1,035,000,000 among the British possessions and foreign countries.

As much as $19,795,000 has been sent to the United States and very large investments have been made in Brazil, Argentina, Canada and Australia. Not during recent years has there been a more continuous outflow of British capital.

Gold production in South Africa and other fields has been larger than ever, and the bulk of the new bullion has come to London, but it has not remained here. It has passed through England as through a sieve, and gone to the Continent and the Western Hemisphere for currency requirements and industrial developments.

The rubber boom during the earlier part of the year was one of the most remarkable speculative movements ever witnessed in London. Scores of new companies were formed, and rubber shares rose by leaps and bounds until the horde of new investors were drawn into the speculation.

The January dividends promise to reduce the bank rate and to bring in a brimming year of cheap money, with conditions highly favorable for investments abroad and home speculation.

Optimism for New Year.

Optimism is the prevailing mood in Lombard Street. The solid men of the city are undisturbed, although excited partisans are forecasting civil war as the sequel to the creation of five hundred "puppet peers" for the enactment of the veto bill. They know that England is so well ordered a country that the outbreak of a revolution against King, Lords or Commons does not come within the range of possibilities. While disappointed politicians in comfortable arm chairs in the smoking rooms of luxurious clubs are proclaiming relentless warfare with radicalism and socialism, the experienced financiers of the centre of the world's exchanges are convinced that a modus vivendi will be found for the coronation year.

Dismal as were the forebodings of political oracles last Christmas, the city was on the eve of a revel of stock promotion and speculation which would closely approach the Kaffir circus. The rubber boom was based on an enormous increase in the consumption of crude material, especially in America, in consequence of the phenomenal expansion of the motor industry and new uses of the raw material in building operations. New sources of supply were required, and East Indian planters, who had set out rubber orchards on a large scale, were in a position to sell their properties to syndicates and to make arrangements for a largely increased production in the course of a few years. Great fortunes were made by well informed financiers, who purchased large blocks of shares at low rates and sold them for ten or twenty times what they had paid for them. Scores and even hundreds of new companies were formed, and their issues of shares were absorbed with astonishing rapidity. Thousands of small investors joined in this frantic scramble for wealth. Shares for new enterprises were subscribed twice over before the ink of the prospectuses was dry. Jobbers, brokers and middlemen had the best business which had been known for years.

Stock promotion was naturally overdone when investors were neither critical nor inquisitive about the sites of rubber farms, the conditions of labor and the methods of valuing properties and of estimating earnings. The boom came to a premature end when small investors were convinced that a flyer in rubber was a leap in the dark. Scores of hastily organized companies were left to disappoint the hopes of credulous speculators, and brokers and jobbers looked about for other promising fields of activity. Kaffirs and Rhodesians did not turn out so well as they expected, and their forecast of a revival of speculation after the summer holidays was not fulfilled. Within the last fortnight there has been a marked improvement in tea shares, and Mincing Lane has been wondering whether there may not be another boom in East Indian interests like the rubber speculation of last spring. The number of marketable tea shares, however, is limited, and while there has been a shortage of supply for ordinary consumption there has been no phenomenal increase in demand, as there was for rubber. Moreover, it is not unlikely that the Chancellor of the Exchequer will propose considerable reductions in tea duties, so as to leave Tariff Reformers no margin for equivalents for the taxation of bread and meat.

Cheap Money Expected.

Leverage for speculation will be found in cheap money early in the new year. Notwithstanding political complications, monetary conditions have been easier during the last twelve months than during the previous year; and while the bank rate, which was changed from 5 to 4½ per cent on December 1, is artificially maintained, successive reductions may be confidently expected when money is released in January dividends. Even without cheap money prices have not sagged in leading sections of the stock list; and when the bank rate falls below 3 per cent there will be abundant resources for investment and speculation. Holders of brewery shares have abandoned hope of higher prices so long as Mr. Lloyd-George is at the Treasury. Cheerless apathy is their portion. The returns of British railway traffic are, however, most encouraging, and there is practical evidence that economies have been effected by the abandonment of unprofitable competition, by improvements in engines and by co-operation in the maintenance of workshops. Not only railway shares, but all classes of industrial stocks as well, are attracting investors, for the general conditions of business are excellent and there is an improved prospect of avoidance of labor troubles through conciliation processes conducted by the Board of Trade.

It has been a profitable year for banking, and even with the numerous consolidations of capital and resources it is not likely that any prominent corporation will show any reduction of dividend. Concentrations have been required when consols and other gilt edged securities have been falling during the last ten years, and it has been necessary to meet this depreciation by offsets from current profits. In consequence of good times and improved management bank shares are likely to appeal to investors, although dividends have not been rising during recent years and consols have fallen below 80 and reached a level which could only have been expected in time of foreign war. The imports of gold from South Africa and other mining fields have been larger than ever before. Every week as much as $3,500,000 in new gold comes into the London market, but there is no evidence that much of it remains in the country. The gold reserves of the Bank of England are not materially increased, and the joint stock banks are not strengthening their resources for supporting it in a grave emergency.

Not only are the needs of the industrial world outside the "tight little kingdom" steadily increasing, so that more gold is required for currency and for the enlargement of productive resources, but the living expenses of the well-to-do classes of investors are also running up. There has to be a larger return from investments for increased income; and that is the real explanation of sagging prices of consols and gilt edged securities when the times are good, nearly all industries in full operation and not the smallest clouds in the circle of the European horizon. Home investments are neglected and large consignments of capital are made for mining, railway, industrial and other enterprises abroad, because the ordinary returns for the use of money are considered inadequate. British investors have become by force of circumstances more speculative than they used to be. In the new year, with its promise of cheap money before and after coronation, they will watch intently for the first signs of another rubber boom.

I. N. F.

FOREIGN COMMERCE IN 1910.

While the December figures of the country's foreign commerce are not yet available, it is safe to say that for the last year the total of exports and imports of merchandise makes a better showing than ever before reported in the history of the United States. For eleven months to November 30, imports amounted in value to $1,425,770,128, an increase of $88,993,648 over the same time in 1909, while the total of exports was $1,636,990,585, a gain of $81,269,654, the value of both exports and imports in the eleven months amounting to $3,062,760,713, compared with a total for the twelve months of 1909 of $3,202,903,433. Imports and exports in December, based on preliminary figures, should amount to upward of $312,000,000, making the total for the year approximately $3,374,760,713. Imports of merchandise in 1910 were heavier than ever before recorded, showing a gain, as compared with five years ago, to the value of $347,768,377. In the same time exports showed an increase to the value of $209,738,310 (eleven months).

In certain other respects the year 1910 made new records in our international trade. March imports of $162,999,435 were unique in the amount of a single month's incoming traffic. It so far overshadowed exports as to leave a trade deficit of $19,341,578, the largest in forty years. There were five months in all in the year in which the country had an adverse balance of trade. Balances in favor of exports now prevail, but not in such large volume as in earlier years. This year's excess (December estimated at $65,000,000) should total $275,224,638.

For the turn of the scale of the trade balance in our favor in the last three months cotton alone has been responsible. In each of these months the value of raw cotton exported has exceeded the total excess of exports over imports, and reversed the financial position of the country in international account.

COFFEE PRICES UP IN 1910.

In the year just closed the price of coffee has been moving toward a higher level. For future delivery coffee sold in December, 1910, above 11 cents a pound, compared with 6.60 cents in December, 1909, while the average price for the next three months was estimated in the last month of 1910 at 66 per cent in advance of the price prevailing in December a year ago.

The advance in prices was due in part to crop conditions in Brazil, which turned out to be far less favorable than had been hoped for. A change also occurred in the year in the position of available supplies. Brazil stocks in the United States are nearly 40 per cent less than a year ago, having declined from 4,652,000 bags to 2,950,000 bags. Against this reduction in visibles here is an increase in the holdings at Rio and Santos from 1,978,000 bags last year to 3,137,000 bags at the present time. Smaller stocks here and larger speculative holdings in Brazil, under a reduced crop, give the supply side of the market a decided advantage. This is shown in New York spot quotations for December of 11.10 cents, as against 6.55 cents last year.

The consumer's position, including that of the roasting trade in the interior and of retailers, is correspondingly less favorable. Warehouse deliveries have fallen off more than a third in recent months, and stocks are unusually low on the distributing side of the market. Under rising prices invisible holdings have tended to diminish. Visible supplies have increased since January 1 in the world's stocks only 1,023,000 bags, compared with 4,710,000 bags in the like six months of last year and 2,186,000 the year before.

COURSE OF OUR INDUSTRIES LAST YEAR

Most of the Country's Large Corporations Enjoyed a Twelvemonth Period of Normal Business.

CURTAILMENT IN METALS AND COTTON GOODS

With only a few exceptions the industrial corporations enjoyed a period of normal prosperity in the year just closed. Although net earnings were not particularly large, they were sufficient in most cases to meet dividend requirements, while gross earnings reached a volume in many cases larger than that recorded in 1909. Pig iron production was larger than ever before reported, approximating 27,000,000 tons, or about 1,000,000 tons in excess of the high record of 1907. The production, however, was heavier than the consumptive demand, and as a result extensive curtailment in the output was found necessary in the latter part of the year. The producers overestimated the requirements of the mills.

The steel companies were more prosperous than the blast furnace concerns, and although in the closing months of the year there was a heavy falling off in the demand for finished materials, the larger number of companies ended the twelvemonth period showing substantial improvement over the records of 1909. For instance, the United States Steel Corporation earned net upward of $145,000,000, compared with $131,491,000 in the preceding year, $91,847,000 in 1908, and $160,964,000 in the record year of 1907. Unfilled tonnage has been on the decline since the first of 1910, the United States Steel Corporation's unfilled orders on hand on December 31, 1909, of 5,927,000 tons comparing with about 2,650,000 tons at the present time.

A year ago the steel mills were operating on a basis of 95 per cent of their capacity, compared with upward of 55 per cent today. Consumers are not disposed to make large commitments for the future, but in trade circles the idea prevails that a marked change for the better will be recorded before the end of the first quarter of 1911. Probably the chief cause of the reaction in the iron and steel industry in 1910 came from the action of the Interstate Commerce Commission in suspending proposed freight rate increases by the railroads.

It is estimated that the railroads consume upward of 15 per cent of the steel production in this country, and it therefore can be readily realized what the effect of their withdrawal from the market means to the steel manufacturing concerns. The railroads did not care to make large purchases pending the decision of the Interstate Commerce Commission on their application for higher rates, while the uncertainty over the outcome of corporation cases before the Supreme Court likewise served to restrain activity in the steel market. It is not believed that steel prices will advance in 1911 above the high levels of 1910, while it is thought in many circles that lower quotations will be recorded before an active demand develops.

The copper industry also was unfavorably affected in the year by overproduction, although consumption of the metal showed an increase over 1909. Quotations were low and the margin of profit was light. It is estimated by "The Wall Street Journal" that the refineries of the country are producing at the rate of 1,400,000,000 pounds of copper a year, which is regarded as more than sufficient for consumptive requirements. In 1911 the copper mines of this country, Canada, Mexico and South America could easily turn out 1,650,000,000 pounds if the demand required such a large increase. The buying of copper for actual trade purposes showed a material contraction at the end of the last year, and it was considered quite likely that the companies would be compelled to exercise further curtailment in 1911.

At the present price of copper the margin of surplus earnings of copper companies over dividends is extremely small. In the year the copper producers co-operated to a greater extent than ever before. Reports of the formation of a large copper combination were frequently heard in 1910, but no actual arrangements were made for an amalgamation. In the coal trade business was good most of the year, and with the exception of the strikes at the Illinois mines there were no serious labor disturbances in the industry. In the year packing companies enjoyed a fair gross business, but net profits were reduced owing to high prices of supplies.

At the close of 1910 the sugar market was quiet, with prices somewhat under those of the preceding year. Leather conditions were exceptionally poor. Prices were low and the volume of sales showed a heavy contraction. The outlook for this market, however, is more promising. In the dry-goods trade high prices of raw cotton made the year extremely unsatisfactory in the manufacturing department, and while retail operations were considered fair, merchants stated that the trade handled in the year was far below expectations. Building expenditures for the year, on the basis of eleven months, as figured by "The Wall Street Journal," approximated $715,000,000, compared with $857,526,000 in 1909, a falling off of about 10 per cent. Compared, however, with 1907 and 1908, 1910's figures showed a gain.

In the petroleum industry the event of the year was enlarged production and the declaration of war by the Standard Oil Company against foreign competitors. The net profits of the Standard Oil Company in the year aggregated $80,000,000, about the same as in the year before. There was a heavy increase in the business of the American Tobacco Company and its subsidiaries, which practically control the manufactured output in this country. The chief feature of the rubber situation was the fluctuation in the price of the raw material. Early in the year quotations touched the $3 mark, and subsequently declined to $1 25.

The electrical companies reported a fair business, the General Electric Company showing sales billed of about $70,000,000 and the Westinghouse Electric and Manufacturing Company gross earnings of about $135,000,000. In the railway equipment market a period of retrenchment was in existence ever since the end of May, when Attorney General Wickersham's injunction against the raising of railroad rates put an effective stop to the placing of many new orders. The last year was an unfavorable one for wool growers and wool manufacturers throughout the country, due to agitation over the tariff, natural conditions affecting sheep raising and high prices, which restricted the market.

CURB STOCKS.

PRICE RANGES NEW YORK CURB STOCKS FOR THE YEAR 1910.

(Furnished by J. Thomas Reinhardt, No. 38 Broad street, New York.)

MINING.

	Open.	High.	Low.	Last.
Argentum	12	13	2	—
Alpha Copper	6¼	7⅛	5	6
Amazon Mont	6½	7½	3¼	3¾
Amazon Can	2⅝	3⅝	2⅛	3⅛
Arizona Can	3½	5⅛	2⅞	3⅜
Big Vein Copper	8⅜	9	8⅛	8⅜
Boston Copper	22⅛	22¼	16½	—
Bovard Consol	5	7	½	¾
Braden Copper	4⅞	5½	3⅜	3⅞
British Col Copper	8¼	8¾	4½	7¼
Butte Coal'n	27¾	29	15⅞	17⅞
Butte & Balaklala	12⅝	12⅝	12⅝	12⅝
Butte & New York	2	2½	1⅛	1/16
Bradshaw Mining	20	24	12	18
Buffalo Mines	2½	2½	2½	2½
Barnes King Devel	⅜	⅜	1/16	1/16
Beaver Cobalt	32	32	32	32
Butte & London	10	10	7	7
Canadian Mines	8¼	8½	5	6⅝
Carisa	.50	.65	.17	.17
Chino Copper	12⅝	25½	9⅝	21½
Cobalt Central	.24½	.26	.05½	.10½
Combination Frac	37	61	17½	17½
Commercial Mining	51	55	50	50
Con Ariz Smelt	3½	3⅝	1 1/16	1½
Colonial Silver				
Calumet & Arizona	101⅝	101⅞	101⅝	101⅞
Calumet & Montana	2⅛	2⅝	2⅛	2¼
Cal Kakul R Cop	2½	2½	2½	2½
Caledonia Copper	1⅛	1⅝	⅝	⅝
Corbin Mining	.50	.55	.50	.50
Cobalt Prov Mining	52½	59	52½	59
Crown Reserve	2.97	3.13	2.78	2⅞
C O D Consol	9½	19	9	15
Cumberland Ely	6½	6½	6½	6½
Daly West	8⅝	8⅝	8⅝	8⅝
Davis-Daly	4⅝	4⅝	11/16	—
Dolores Mining	7½	7½	5½	6
Day-Daly asst pd	1⅝	2½	1⅛	1½
El Rayo	2⅞	4⅛	2⅛	4
Ely Central	2	2⅝	.04½	.06½
Ely Consol	.78	.93½	.15	.15
Ely Verdi	.24	.27	.24	.25
Eureka Con	18	50	10	10
Ely Con asst pd	.35	.38	.20	.31
First National	6⅝	6¾	1⅛	2¾
Florence	3⅛	3⅛	1⅛	1⅛
Gila Copper	11	11⅝	5	5
Giroux Mining	11¼	12⅝	6	6¾
Goldfield Consol	7⅜	10	6⅞	8¼
Gold Hills	1⅝	2⅜	½	½
Greene-Can	11⅞	12	6¾	7
Greenw C M & S	.13	.23	.04½	.05½
Guggenheim Exp	250	250	170	198
Guerrero Mines	2	2½	1	1⅛
Guanajuato Consol	1⅝	1⅞	1⅛	1⅛
Harcuvar	.50	1.50	.09½	.13
Husted Mining	.65	.80	.48	.48
Inspiration Copper	9⅜	10⅝	6¾	8¾
Inter Smelters & Ref.	150	157	137	137½
Jumbo Ex	.50	.62	.21	.25½
Kerr Lake	9⅛	11	6	6⅞
King Edward	⅝	⅝	.05	.09
La Rose	4⅝	5	3⅛	4⅝
Lenape G & C Min	1	1	1	1
Little Miami	2⅛	3 11/16	2⅛	2⅛
Little Nip	17½	31	17½	20
Lake Copper	35½	35½	35½	35½
Mason Valley old	2⅞	2⅝	2 11/16	1⅝
Miami	28¼	28¾	16⅝	19⅝
M Co of Am old	.50	.76	.45	.56
McKin-Darragh	.82	1.45	.75	1.24
Montezuma	.57	.07	.02½	.03
Montana Corbin	3¾	4	3¼	3½
Montgom Shoshone	1 1/16	1 1/16	.07	.51
Micmac Gold Mines	⅝	⅝	⅝	⅝
Mason Val rights	2½	2½	.30	.30
Mexican M M S	3	4	3	4
Mines Co new	5½	6¼	4½	5⅝
Mason Val new	9	11⅝	6⅝	9¾
Nev Con	27	27	18⅛	20⅛
Nev Smelting	1	1⅛	⅞	.16
Nev Utah	1 1/16	1 11/16	½	⅞
New Baltic	13	13¾	5	7
Nipissing	10¼	11⅞	9¼	10½
North Butte	43⅝	43⅝	19	19
Nevada Hills	2⅛	2⅜	⅝	2⅛
Ohio Copper	5¾	6	1 3/16	1⅝
Otisse	.23	.23	.02	.02½
Old Hundred	¼	¼	¼	¼
Orphan Copper	⅛	4½	1/16	1/16
Pacific Smelters	1⅝	1⅝	⅝	½
Precious Metals	1½	3	1	1¼
Pitts Dick Creek	.60	1.50	.60	.98
Rawhide Coalition	.20	.36½	½	3½
Rawhide Queen	.24	.45	.05	.07
Ray Consolidated	27	27½	15	18¾
Ray Central	3½	4¼	1¼	2¼
Red Warrior	2⅛	3	1⅝	1½
Ray Con rights	.45	.45	.30	.34
South Utah M & S	4⅛	4½	1	1
Salida Copper	66	70	66	70
Siero Consolidated	4½	4⅝	4¼	4¼
Silver Queen	25	35	11	35
Silver Leaf	13	14	.06½	.06½
Stewart Mining	⅝	1 3/16	½	¾
Superior & Pittsburg	15	15¾	8⅞	13⅞
Superior & Boston	13⅛	13⅛	13⅛	13⅛
Standard Consolidated	65	110	65	108
Tenabo M & S	1⅝	3 3/16	1⅝	2
Tintic	⅝	⅝	¼	¼
Tonopah Extension	72	115	65	97
Tonopah Min of Nev	7⅛	9¼	6¼	8⅜
Tramps Consolidated	.04½	.10	2	2½
Tri-Bullion	1	1⅛	1/16	½
Trinity Copper	9	9⅝	5¾	5¾
Tularosa	1¼	1½	¾	¾
Tuolumne Copper	3¼	4½	2⅝	—
Tonopah Belmont	1.93	5	1.93	5
Union Mines	2	2⅜	3/16	3/16
Union Pacific Cobalt	.14	16	2	2
United Copper	8⅛	9	4	4¼
Utah Consolidated	38	38	33	33¼
W Va-Wyoming Cop	2⅛	2⅜	1⅝	2⅛
Yukon Gold	5	5	3½	3 11/16
Yellow Jack	52	58	33	42½

BONDS.

	Open.	High.	Low.	Last.
Adams Ex col 4s	93¼	93¾	90	90
Am Steel Fdy 4s	76½	95⅛	76½	95¼
Am Wr Paper 5s	88⅝	94¼	87⅝	89½
Atl Gulf & W I 5s	73	73	63½	67¼
Bing Cent Ry 6s	90⅝	91¼	89	91
Braden Cop 6s	111⅝	113½	99	102¼
Chic Gt West 4s	91⅝	91⅝	88½	90
Con Ariz Smelt 5s	65	72	40	42
Con S S 4s T R	22	22	20	20
Des M Ft D 2d 5s	89⅛	90⅝	88⅞	89
Jones & Laughlin	101⅛	102	100	101⅛
Lack Steel deb 5s	95	96	95	96
do com 5s	85	86	85	85
Miami Cop 6s	140½	150	127	127
Missouri Pac 5s	95⅛	95½	94½	95½
do 5s less int	95¾	96	95¾	95⅛
do 5s P F	95⅝	95¾	95½	95½
N Y Gel 1st 4½s w i	98⅞	98⅞	96½	96½
So Ir & Stl 4s and 5s	70	70	62½	67¾
So Ry 5s w i	98¾	98¾	98⅝	98⅝
Tidewater 6 p c notes	102	102½	99½	101
T St L & W ct 4s	84⅞	102⅛	84⅞	102½
Western Pac 5s	98	98	89½	92½
Atl Coast L con 4s	101	101	101	101
Cuban Govt 4½s	98½	98½	98	98¼
Atch Convt 4s w i	109⅞	110	103¾	104
Ches & Ohio 4½s	95	96⅝	95	95⅝

BONDS.

	Open.	High.	Low.	Close.
Inter Nickel 5s	95½	95½	93½	93½
Jamestown F & C 4s	95¼	95¼	94⅞	95
Kan City Terml 4s	98¼	98⅝	97⅝	98
Lake Shore Bed 4s	92½	93¼	92½	93¼
N & W f p conv 5s	104¼	104¼	104¼	104⅛
N Y Tel 4½s rcts	97⅝	97½	96¾	96½
N Y City 4½s w i	101¼	102	101 1/16	101⅝
Otis Elev 5s w i	98	98½	98	98½
R I Ark & L 4½s	96⅝	96⅝	95⅝	95
Seaboard 5s w i	71¼	71¼	71	71
St L & S F 5 p c n	97¼	97¼	96⅝	96⅝
Baldwin Loco 5s	99⅝	99½	99⅝	99½
Mason Val 6s	102	110	94	110
Inter Salt 5s	54	54	54	54
Miami Cop 6s	127	127	127	127
So Pac 4s w i	93¼	93¼	91½	91¾
N Y State Cul imp 4s	101	101	100	100⅞
Utah Cop 6 p c notes	103	103	103	103
So Pac Fw 4s	93¼	93½	92	92¼
Wilkes-Barre 1st 5s	67½	67½	67½	67½
Am Malting 6s	102½	102½	102½	102½
Cent Foundry 6s	40	40	40	40
Hudson & Man 4½s	73	77½	73	73
Am Sm Sec 6s w i	103	106	100½	101
Ray Cons 6s	115	116	113	116
So Bell Tel & Tel 5s	96¾	97	96½	96¾

INDUSTRIAL.

	Open.	High.	Low.	Last.
American Tobacco	425	480	390	412
Am Writing Paper	3	3½	1⅝	3
do pref	25	30	23	29¾
At Guf & West Indies	11¼	11¼	7¼	9
do pref	28	28½	18	21
Bay State Gas	11/16	1	½	9/16
DuPont (E I) Powder	135	138	135	137
Havana Tobacco	6	6	4	4¼
do pref	11½	11½	7	7
Houston Oil	7⅞	9¾	4½	8
June Oil	24	60	13	16
N Y Auto-Locker	8¾	9	7	8½
Rendall Steel	7	7	3	3
Royal B Powder pref	112	112	110	111
Sears-Roebuck	157½	163½	150	163½
South Iron & Steel w i	23	23	10⅝	11
do pref w i	52¼	54¼	21	21
Standard Milling	19¾	20½	14½	17
do pref	59	59	46	52
Standard Oil	670	670	585	618¼
United Cigar Stores	215	215	215	215
U S Light & Heat	2⅞	3¼	11/16	2 1/16
do pref	8½	9	7¼	8⅞
Am Coal Products	96½	102	96	101½
Chicago Pneum Tool	46⅛	46½	46⅛	46⅛
Lack Steel rights	1-32	¼	1	1
Otis Elevator rights	1/16	1/16	1/16	1/16
Pope Co	70¼	70⅛	70¼	70⅛
Cal Nat Oil	10	17	3	3
Int Rub T ctfs	20½	35⅝	15	33⅝
January Oil	38	53	18	20
Mich Pac Line Co	11⅛	12⅝	10⅝	11⅞
Oil Fields of Mexico	90½	93½	90½	93½
Mays Oil	140	146	60	68
N Y Trans	5⅝	5⅞	5	5½
Otis Elev pref	97½	97½	97½	97½
Cuban Telephone	40	51	40	51
Palmer Oil	1.55	1.63	1.30	1.62½
Georgia Dev Co	5¼	5⅝	5⅛	5⅝
July Oil	41	50	25	50
Inter Salt	5	5	5	5
Central Foundry	1	1	1	1
Inter Rubber pref	98	98	98	98
Houston Oil pref	40	40	40	47
Wilkes-Barre Coal	17⅞	20½	17⅞	20½
Am Smelt Sec rts	⅛	⅛	1/16	3-32
Pitts Steel pref	100	101¼	100	100⅝

RAILROADS.

	Open.	High.	Low.	Last.
Amer Lt & Traction	300	303	266	287
do pref	100	109	103½	105
Chicago Subway	4⅝	6	2	4⅝
Kan City, M & O	15	31¼	18⅝	22½
Manhattan Transit	2½	2½	1⅛	1¼
Nor Sec stubs	105	114½	95	105
St L & S F, w i	42	43½	20	25½
Seaboard Co	27½	27½	25	25¾
do first pref	80⅝	80⅝	43½	43½
South Shore Trac	54⅞	56⅝	51	56⅝
P C C C & St L Rys	⅛	⅛	⅛	⅛
Atchison rts	1	1⅛	1/16	¼
Ches & Ohio rts	⅝	1⅝	1-32	1-32
North & West rts	1/16	1/16	1/16	½
Kan C, M & P pref	31	31¼	23	23
Hudson & Man	21	21¼	21	21¼
Lehigh Valley	95	95⅝	92½	94

MONTHLY FOREIGN TRADE.

The government's returns of merchandise exports and imports of the United States in 1910 made the following contrast with 1909 and 1908, the returns of December this year being estimated:

EXPORTS.

	1910.	1909.	1908.
Jan.	$144,461,435	$156,712,842	$206,114,718
Feb.	124,558,030	126,051,734	167,757,932
March	143,657,857	139,291,367	141,588,149
April	133,110,253	125,174,860	133,357,956
May	131,083,890	123,322,778	113,610,378
June	127,887,780	117,419,589	115,369,280
July	114,627,492	109,336,952	103,199,576
August	134,666,378	109,751,893	110,443,055
Sept.	168,873,643	153,962,895	139,327,205
Oct.	207,709,084	200,697,343	171,984,538
Nov.	206,354,741	193,998,678	161,252,653
Dec.	200,000,000	172,477,714	188,830,907
Total exports—	$1,837,000,000	$1,728,198,645	$1,752,835,447

IMPORTS.

	1910.	1909.	1908.
Jan.	$133,670,278	$103,576,501	$84,997,514
Feb.	130,117,980	118,653,526	84,752,651
March	162,999,435	132,873,926	89,113,607
April	133,921,911	122,167,675	87,437,827
May	118,837,907	116,060,535	84,042,628
June	119,876,487	124,665,129	92,106,928
July	117,813,591	112,488,354	86,435,493
August	138,358,307	117,094,080	91,183,536
Sept.	117,264,513	121,014,630	98,427,984
Oct.	124,046,331	127,673,351	102,040,110
Nov.	130,361,388	140,508,773	103,915,247
Dec.	130,600,000	138,744,244	111,920,562
Total imports—	$1,555,000,000	$1,475,520,724	$1,116,874,097

PROBLEMS FOR 1911

Supreme Court and Interstate Commerce Decisions.

In their weekly financial review J. S. Bache & Co. say:

The year is closing enveloped in uncertainties. The questions which thinking business men give most weight to are:

What will the Interstate Commerce Commission decide as to rates for the railroads?

What will the Supreme Court decide as to the Sherman anti-trust cases against Standard Oil and American Tobacco?

Upon the decision of the Commerce Commission depends activity or curtailment on the part of the railroads. This decision will come, it is hoped, soon, and the course of business in 1911 will depend very much upon it. If raises are not granted, or only meagrely, the roads must either cut dividends or expenditures. The latter proceeding seems the most reasonable, and if the railroads continue to curtail expenditures, it will mean further falling off in general business all along the line and probably through the greater part of the year.

If rates are raised measurably the effect upon sentiment would be undoubtedly great and would inspire more hopefulness in new enterprises. Nevertheless, the actual effect of the expenditures would not be felt in real business at once, but would be gradually beneficial. If rates were raised appreciably this would also undoubtedly give good stimulus to foreign investment, as no securities in the world as good as ours yield such high income, and the belief of the foreigner that present dividends would be maintained by reason of raised rates offsetting increased wages and costs should give great impetus to foreign investment in our stocks and bonds. This flow of foreign purchases has been held back for nearly a year by the government rate injunction, the eventual effect of which was to start all business in the United States down hill.

The problem for railroads now is to work out satisfactory results to both stockholders and the public on lines of legislation already on the statute books. President Taft, in his last message, indicated his opinion that no new statutes for regulation of corporations should be enacted until the effect of those already in force could be observed in operation. The attitude of the railroads, as evidenced by the expressions of some of their officers, is to honestly endeavor to give full consideration to the rights of the public, of the shippers and of the security holders under the present laws.

The second important question noted above, that of the Supreme Court decisions, will probably not be answered until far along in the year. Until the decisions are rendered there must be continuing hesitation in business enterprises, although the success with which other obstructions are cleared away will have a marked effect upon sentiment with regard to the decisions. In other words, if the country, due to economy with attendant lowering prices, is able to work up a gradually increasing volume of business with good profits, the effect of the decisions, even if most adverse, would be negligible and temporary because of the confidence that a way out must and would be provided.

THE INVESTMENT PROBLEM

Backward Swing in Money and Business Will Be Followed by Industrial Revival.

The operation of investing in these days is attended with much deliberation and hesitation. These are the words of J. S. Bache & Co. in their annual letter just received, which is in part as follows:

For nearly a year we have been in the backward swing, with ups and downs not only in prices of securities but also in volume of business and in profits of business. The possession of funds and property in such periods means much anxiety for the holder. To see the market value of his principal shrink from 5 to 50 per cent is a serious business, especially for the average American investor, who is, after all, largely a speculator and becomes restless if the securities he has bought do not advance at a swinging pace; and if, on the contrary, they decline, he becomes despondent and discouraged—and often sells out at a loss. In older countries the investor is more of an immovable proposition. He buys carefully, first for safety, and then for income. It never occurs to him to sell a security once thus bought. He watches its fluctuations up or down indifferently, or rather disregards them altogether and goes about his business.

In addition to the large sums coming on in the shape of dividends and interest, we have a vast number of millions added to the ownings of the agricultural class from the year's crop; but as far as known not a large proportion of this wealth goes into securities, at least not listed securities. The farmer puts his new money into more land, or, if he is getting on and has accumulated much, he loans against land to his neighbor. Some day our farmers will learn the advantage of sound investment in securities which are as good as gold or as first-class real estate mortgages, and which always have a quick market. When the tide of agricultural investment, which has already started, begins to flow steadily towards listed securities in great volume, it will sweep the market bare of them.

Hesitation of investors is due to the present situation, brought about by the happenings of 1910. The year opened with glowing prospects and it was generally expected that it would be one of the most prosperous in our history. At its bright dawning a joyful crowd, the workers of America, sat on the hills watching the breaking light of new prosperity. But mingled in the crowd of watchers, unperceived by most, a few skeletons sat grimly on guard.

Natural laws commenced to work and have already begun to clear away two or three of the adverse features. Prices of commodities have declined, the foreign trade balance is swinging strongly to the credit side, and receding business has reduced stocks of material gradually, and will release a volume of capital.

Much of any future trouble, then, has already been discounted. The business of the country has been steadily settling down to a point from which natural law, backed by inexhaustible resources, must again revive it. The better securities will undoubtedly continue their present attractive dividends, and from the real investment point of view, buying outright and putting securities away to hold, there need be no hesitation as to action.

RAILROAD RECEIVERSHIPS.

In 1910 seven railroads were placed in the hands of receivers, compared with five in 1909, but the mileage and capital affected in the last year were much smaller than reported in 1909. The mileage in 1910 of railroads that went into bankruptcy was 735 miles, and the total capitalization of the companies $51,427,500, against 859 miles and $78,095,000 capital in the year before. The heaviest year for railroad receiverships was 1893, when seventy-four roads, with a total mileage of 29,340 miles and a total capitalization of $1,781,046,000, were involved. The second heaviest year was 1908, with twenty-four roads, 8,009 miles and $596,359,000 capital.

Coupons due and payable at the office of the

UNITED STATES MORTGAGE & TRUST COMPANY

55 Cedar St., New York

On and after January 3rd, 1911

Acker, Merrall & Condit Co. (Jan. 10th) Deb....6s	Mut. Ter. Co. of Buffalo, N. Y., 1st 4s
Alexandria, La., Public. Imp't....5s	Natomas Consolidated of Cal....6s
American Felt Co....5s	N. Y. Bay Extension Ry. Co. 1st 5s
Arkansas, Okla. & West R. R. Co. 6s	New Bern Gas Co. of N. C....5s
Baton Rouge, La., Perm't Imp't..4s	North Spring Lake, N. J., Water..5s
Billings, Mont., Funding....6s	North Indiana Ry. Co. Cons. 1st 5s
Boomfield, N. J., Fire Department.4s	Norwalk, Conn., Ref'g & Sewer..4s
Buffalo Creek R. R. Co. 2nd....5s	Oskaloosa Traction & Light Co. 5s
Cairo, Ga., Water Wks. & El. Lt. 5s	Pacific Telephone & Telegraph Co. 5s
Camden County, N. J., Building..4s	Pelham, Ga., School....5s
Canandaigua, N. Y., U. F. School District No. 1....4s	Pelham Public Improvement....5s
Cane & Rice Belt Irrigation Co...4s	Pensacola, Fla., Improvement...4½s
Cedartown, Ga., School Imp't....6s	Pensacola, Fla., Special Imp't....6s
Cohoes, N. Y., Public Imp'nt...3½s	Philipsburg, Mont., Water....6s
Coldwater Gas, Lt. & Fuel Co. 1st 5s	Pitts. & Fairmont Fuel Co. 1st..5s
Det., Monroe & Tol. S. L. Ry Co. 5s	Portland Gas & Coke Co....5s
Durham, N. C. School....4s	Port Vue, Pa., Funding....4½s
Easton, Palmer & Beth St. Ry. Co. 5s	Richland, Ga., Water Works & Elec. Lt....5s
Elberton, Ga., Paving....4s	Richmond, Va., Series I....4s
Elmira Water, Light & R. R. Co 5s	School City, Ft. Wayne, Ind....3½s
Elyria, O., Water Works....4½s	South Orange, N. J., Sewer....4s
Fresno City Water Company....5s	So. Porto Rico Sug. Co. (Jan. 31) 6s
Fulton, N. Y., Sewer....4s	Stonington, Conn., Sch. Dis. No. 18 4s
Glassport, Pa., School District..4½s	Stockton Gas & Elec. Corporation 6s
Glassport, Pa., Boro....5s	Sullivan Water Company 1st....6s
Goldsboro Gas Company....5s	Syracuse, N. Y., School....3½s
Greensboro, N. C., Street....4s	Tampa, Fla., Refunding....5s
Griffin, Ga., Sewer, Water & Light 5s	Telfair County, Ga., Court House 5s
Hawaii Territory Improvement.3½s	Toledo, O., Rfg. 4s & various others
Idaho Falls, Idaho, Municipal....5s	Toronto, Canada, Local Imp't....4s
Inter-Ocean Steamship Company.5s	U. S. Mort. & Trust Co. Ser. "K" 4s
Jennings, La., School....5s	U. S. Mort. & Trust Co Ser. "L" 4s
Klickitat County, Wash., Funding.6s	Water, Light & Power Co. of Hot Springs, S. D....5s
Long Island R. R. Co. Consol'ted.5s	Water Works Co. (San Antonio) 6s
Long Island R. R. Co. New Consol 4s	Westerly, R. I., Refunding....4s
Long Island R. R. Co. Nor. Sh. Br.5s	West Indianapolis Fdg (Jan. 6th) 6s
Marq. & Bess. D'k & Nav. Co. Deb. 5s	West Orange, N. J., Educational..5s
Montauk Extension R. R. Co....5s	Wilkes-Barre, Pa., City Imp't....4s
Monterey & Pac. Grove Ry. Co..6s	Wilmington, N. C., Refunding....4s
Montgomery, N. Y., Water....4s	Woodl'n Cem. Co. of Md. (Jan. 15) 6s
Monticello, Ga., School....5s	Yel'stone Co., Mont., S. D., No. 2 4½s
Muncie Island Co. 1st....6s	Yosemite Valley R. R. Co....5s
Mutual Life Insurance Company.5s	Zenith Steamship Co. (Jan. 15th) 5s

CONDENSED STATEMENT OF CONDITION

Empire Trust Company

MAIN OFFICE

42 BROADWAY, NEW YORK

BRANCH OFFICES

487 Fifth Avenue, N. Y. 242 E. Houston St., N. Y.

FOREIGN OFFICE

9 New Broad St., London, E. C.

AT THE CLOSE OF BUSINESS DECEMBER 31, 1910

RESOURCES		LIABILITIES	
N. Y. State and City Bonds	$1,051,624.24	Capital	$1,000,000.00
N. Y. Real Estate Mortgages	516,500.00	Surplus and Undivided Profits	1,156,557.15
Other Stocks and Bonds	1,572,295.40	Reserved for Accrued Interest and Taxes	40,916.07
Loans	11,608,276.35	DEPOSITS	20,102,339.34
Cash on Hand and in Banks	7,397,837.54		
Interest Receivable and Other Assets	153,279.03		
	$22,299,812.56		$22,299,812.56

THIS COMPANY IS THE FISCAL AGENT OF THE STATE OF NEW YORK FOR THE SALE OF STOCK TRANSFER TAX STAMPS.

TITLE GUARANTEE & TRUST Co

Statement At Close of Business, December 31, 1910

RESOURCES		LIABILITIES	
City of New York Bonds (Market Value $443,900)	440,100.00	Capital	4,375,000.00
Other Stocks and Bonds (Market Value $5,159,581.61)	4,978,546.68	Surplus (all earned)	10,625,000.00
Bonds and Mortgages	9,202,188.52	Undivided Profits	113,488.74
Bills Purchased	4,063,723.59	Amount Due Depositors	23,440,377.05
Banking Houses, New York, Brooklyn and Jamaica	1,984,410.07	Certified Checks	784,428.59
Other Real Estate	211,737.48	Treasurer's Checks	1,579,493.70
Accounts Receivable	199,151.00	Reserved for Taxes	85,784.15
Overdrafts	672.41	Accrued Interest	49,746.64
Accrued Interest	319,873.75	Accrued Expenses	14,481.01
Time Loans on Collateral	4,822,622.75		
Demand Loans on Collateral	6,357,656.49		
Cash on Hand and in Banks	8,486,117.14		
Suspense	1,000.00		
	41,067,799.88		41,067,799.88

176 BROADWAY, MANHATTAN

196 Montague St. and 175 Remsen St., Brooklyn

350 Fulton St., Jamaica. 67 Jackson Ave., Long Island City

Guaranty Trust Company

of New York

CAPITAL, $5,000,000 SURPLUS, $18,000,000

Statement at the Close of Business December 31, 1910

RESOURCES		LIABILITIES	
Bonds and Mortgages	$483,000.00	Capital	$5,000,000.00
Public Securities	7,656,508.98	Surplus	18,000,000.00
Other Securities	39,693,342.19	Undivided Profits	3,224,197.50
Loans & Bills Purchased	46,215,547.86	Deposits	124,684,139.83
Cash on Hand and in Banks	30,959,757.71	Accrued Interest Payable	74,302.61
Foreign Exchange	25,567,774.20	Reserve for Taxes	172,748.61
Accrued Interest and Accounts Receivable	979,457.61	Quarterly Dividend, 8%	400,000.00
	$151,555,388.55		$151,555,388.55

Main Office—28 Nassau St., New York.

Fifth Ave. Branch, 5th Ave. & 43d St.

London Office, 33 Lombard St., E. C.

Chas. D. Barney & Co.

BANKERS AND BROKERS

25 BROAD ST. - - - - NEW YORK

PHILADELPHIA OFFICE

122 and 124 South Fourth Street

Members New York and Philadelphia Stock Exchanges