

TOPICS OF THE DAY IN WALL STREET

Market Hears New Report
About Reading—Talk
of a Syndicate.

RATE INCREASE NOW SEEMS MORE REMOTE

Weaker Railroads Worried About
Waiting—Prospect of Long
Test Is Dismaying.

Control of Reading, as the stock market so often makes plain, is in a few hands—Baltimore & Ohio and Lake Shore between them have 44 percent of the first preferred and 29 per cent of the common ears. As much more of the common shares is owned by three or four individuals whose interests are not dissimilar to those of the railroad stockholders, if they choose they can make or unmake markets in the stock. They can give or take to stores that the road will distribute its assets—assets which, for all the street knows, are grossly overrated or grossly underrated. (Books have been written about that.) Or they can help the street to believe, as it did yesterday, that a syndicate has bought the B. & O.'s holdings and the Lake Shores, and is distributing them adroitly in the open market. In the financial district they are getting a little tired, however, of the idea that every time a brokerage firm identified with Henry C. Frick sells Reading Stock is unloading.

Rock Island Liquidation.

The last time that there was heavy liquidation in the Rock Island shares and in the collateral trust bonds, rumor was on a false scent and was not set right until it became known that the Phelps-Dodge interests were to take over the management of the company. Lately rumor has been hot again, and this time the selling of Rock Island issues is not attributable to the retirement of the Reid-Moore party from the property, but to liquidation of a big block of the stock and some of the bonds held in common ownership with a block of Missouri Pacific shares.

Spendthrift Railroads.

A spendthrift who attempts to retrench when his credit melts away like snow off a river. A railroad which has had a way for its necessary growth for a series of years with one note issue after another, each with a heavier discount than the last, is in the same position. There is a number of railroads in that category at the present time. Their credit is precarious, fading, but they can't be reformed in their financing. To them and to speculators interested in their names the Interstate Commerce Commission's pronouncement of Tuesday might dismay. These roads, in common with their shadier brethren, have been told that the legacy which was to be their heritage—the increase in freight rates—will come only when they have learned to economize.

Standing the Gaff.

It is one thing to make a gift on a scale of reform and another to withdraw it until the reform is demonstrated. But if the roads which have been giving signs in the form of special allowances and tax lines were to stop the practice immediately, and if all roads could indicate at once sure methods of gaining efficiency, it would still be months before the fruits of the change would be apparent enough to warrant the Interstate Commerce Commission's granting of a freight rate increase. It might be, as Street argued yesterday, that a majority of the roads would not then be able to show the need of an increase. But until the weaker ones stand the strain of the long test?

Railroad Parasites.

It is an open secret that what the Interstate Commerce Commission is most anxious to break up is the system of joint between a large number of the roads and certain supply houses. An offer of one of the large equipment companies said recently that the public would be surprised if it could learn of any of the practices by which railroad men were swelled for the benefit of some of the directors and other insiders. Many of the roads, he said, was forced to companies only with the promise that they use a certain coupling, or what not, the sole virtue of which was that it was manufactured by a company in which some of the railroad directors were stockholders.

How They See It Abroad.

B. F. Yostum, of the Frisco road, and the syndicate which helped it to acquire Southwestern properties, said a few days ago in his apology that public opinion had changed in the last decade, and he implied, if he did not expressly state it, that little financial matters which were criticism ten years ago were now forgotten. In view of Mr. Yostum's explanation and of the Interstate Commerce Commission's report on Frisco affairs this extract from an opinion of "The London Statist" may be of interest. It was not prompted by the developments in the Frisco situation, but it was the wholesale retirement of Morgan partners from different directorates. "It is the duty of bankers," says "The Statist," "to act impartially between borrowers and investors, and to minimize with the greatest care the securities offered and the prices demanded before recommending those securities to the investing public. If, however, bankers are directors of enterprises which tend to borrow largely, they unintentionally throw their weight onto the side of the borrower against the investing public. The impartiality of bankers as between borrowers and investors is essential to the effective working of the credit system."

BRIEF WALL STREET NEWS.

London was a seller in this market yesterday to the extent of about 15,000 shares. Trading was restricted somewhat on account of the fortnightly settlement.

Thompson, Tewl & Co. have issued the second edition of "Essential Railroad Statistics." It contains the leading facts as to bonded debt, capital stock, earnings, per mile, maintenance per mile, number of stocks, dividend record and stock quotations of the principal railroad systems.

John G. Lonsdale, of Logan & Bryan has been elected a member of the board of managers of the New York Cotton Exchange.

The Missouri Pacific-Iron Mountain has made an order with the Baldwin Locomotive Works for twenty-five locomotives

of the Mikado type. They will be used for freight service and will be of the very latest construction.

S. I. Cromwell was elected a governor of the New York Stock Exchange yesterday to succeed F. K. Sturgis, resigned. Mr. Cromwell is also a member of the firm of Strong, Sturges & Co.

The New York, Ontario & Western reports gross for December of \$853,256, a loss of \$51,000 as compared with the same month of 1912. Net earnings were \$82,165, a loss of \$7,659, and there was a deficit of \$80,822, a decline of \$88,730.

The Chesapeake & Ohio purchased fourteen locomotives from the American Locomotive Company, and the Lackawanna has ordered twelve passenger coaches from the Pullman Company. The Wheeling & Lake Erie is in the market for twenty cabooses and the Wabash for sixty locomotives.

F. S. Wynn has been appointed secretary of the Southern Railway Company to succeed R. D. Lankford, deceased.

PUBLIC UTILITY NOTES

General News and Earnings of Various Corporations.

The La Crosse property of the American Public Utilities Company will, it is estimated, save about \$35,000 in raw materials used this year in the manufacture of gas, as a result of recent improvements. The Minnesota-Wisconsin Power Corporation, another subsidiary of the American company, has closed contracts with the municipalities of Lake City, Prescott and Hastings, Minn., to furnish them with electric light and power. The Red Wing Gas, Light and Power Company, also a subsidiary, has contracted for the city pumping at Red Wing.

Rockford Electric Company.

The Rockford Electric Company reports gross earnings for December of \$30,786, a gain of \$6,573 over December, 1912. Net earnings were \$30,362, an increase of \$3,386, and surplus after charges was \$2,017, a gain of \$5,885. For the twelve months ended with December gross earnings were \$464,659, an increase of \$47,351, and net earnings were \$42,235, a gain of \$4,499. The surplus after charges for the period was \$18,883, a gain of \$40,469 over the previous year.

Massachusetts Electric Companies.

The quarterly report of the Massachusetts Electric Companies for the period ended December 31 shows gross earnings of \$2,234,461, an increase of \$54,768 over the same quarter of 1912. Net earnings were \$80,383, a loss of \$18,731, and surplus after charges was \$121,489, a decrease of \$40,844. For the six months ended with December gross earnings were \$51,857,436, a gain of \$67,106, and net earnings were \$1,387,391, a loss of \$124,499. Surplus after charges decreased \$171,891 to \$789,696.

Wheeling Electric Company.

The comparative statement of the Wheeling Electric Company, a subsidiary of the American Gas and Electric Company, for the month and twelve months ended with December is as follows:

Month of Dec.	1912	1913
Gross earnings	\$30,000	\$28,662
Net earnings after charges	18,971	11,512
Surplus after charges	8,156	8,156
Gross earnings	312,115	297,426
Net earnings	150,914	137,408
Surplus after charges	82,645	58,432

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OIL EARNINGS LARGE

Former Trust Subsidiary Shows 17.68 Per Cent on Stock.

The Northern Pipe Line Company, the first of the former subsidiaries of the Standard Oil Company to issue its annual report for 1913, shows net earnings of \$70,725, equivalent to 17.68 per cent on the \$400,000 capital stock, as compared with 18.87 per cent earned on the same stock the previous year.

This company's pipe line system extends from the western border of Pennsylvania, where it connects with the Buckeye Pipe Line, to Olean, N. Y., where the Vacuum Oil Company's refinery is situated.

W. C. Teagle resigned yesterday as a vice-president and director of the Standard Oil Company of New Jersey. F. H. Bedford and F. W. Weller were elected vice-presidents.

MISCELLANEOUS SECURITIES.

(Furnished by Harvey A. Willis & Co., No. 32 Broadway.)

BID ASKED

American Bank Note..... 51 53

do preferred..... 133 133

American Vehicle..... 197 197

do preferred..... 36 36

Amer. Dist Tel & Tel..... 109 112

American Express..... 25 25

American Cement..... 109 109

American Can..... 109 109

American Gas & Elec. 109 109

American Gas & Elec. pf..... 109 109

American Gas & Elec. pf..... 109 109

American Baking..... 109 109

American Baking pf..... 109 109