STEEL FOUNDRIES CAPITAL

COMMITTEE PROPOSES TO REDUCE IT AND ISSUE NEW STOCK.

GOSSIP OF WALL STREET.

The bears made several attempts to break the market yesterday, but could not do more than depress one or two stocks at a time and these only temporarily. Almost everything appeared to be down to rock bottom and even the most vigorous driving failed to send the level of prices appreciably lower. The larger shorts had done some covering in the general list on the preceding day with the aid of the special weakness in a few issues, but when they tried to break a few other stocks for the same purpose yesterday they met with little or no success and were forced to the conclusion that in getting away from a position which every minute was becoming more uncomfortable the quickest way was the best way.

American Smelting and Refining opened at an advance over last night's closing and at no time during the day sold as low as the lowest price touched on Thursday. There appeared to be only a moderate short interest in the stock, and the general opinion regarding the recent decline was that it had been engineered to afford insiders who were temporarily on the outside an opportunity to get back into their own. Rightly or wrongly, the Street believes that large quantities of American Smelting and Refining were sold by leading interests in the company last year, when the business outlook was uncertain, and that now, the price of the stock being much lower and the trade outlook showing signs of improvement, manipulation has been resorted to for the purpose of facilitating accumulation on advantageous terms. Such a theory is by no means incompatible with the fact that some of the insiders talk pessimistically of the outlook, for as has often been remarked in Wall Street, "there is no bear so bearish as a sold out bull."

Among traders who favor the metal stocks there is a disposition to regard American Smelting and Refining as relatively more attractive than Amalgamated Copper at the present relative level of quotations for each. The two stocks sell only about 10 points apart, while even if the greatest reduction that has been anywhere talked of is made in the dividend on American Smelting and Refining, the rate of distribution will still be double what it is in the case of Amalgamated Copper. The one company is probably about as liable to increased competition as the other, for although quite a little has been heard recently about a new organization of Western mining interests to build an independent smelter, the project does not seem to have attained much headway and the probability is that it will never get beyond its present stage. The greater part of the American Smelting and Refining Company's business is protected by long term contracts, and could still be held, no matter what inducements might be offered by a competitor. In any case it would take a couple of years at least to build and properly equip a plant that could treat even a fraction of the ores handled by the existing concern, and meanwhile the mine owners who are backing the new project might be obliged to shut down their mines or enter into contracts that would prevent them from sending their ores to their own plant when built.

In their operations against the market the bears utilized the story that in order to obtain money for the year's requirements Union Pacific would sell a part of its holdings of New York Central, Atchison and Baltimore and Ohio and that indeed such selling was actually in progress. All these stocks were put under pressure for the sake of giving "verisimilitude to an otherwise bald and uninteresting narrative," but the defects of the story were too patent to be disguised and the selling movement failed, as it should have. Later in the day the old rumor of an issue of $35,000,000 bonds by Union Pacific was revived and while it was generally believed that something like this would have to be done before very long there was a general disposition to doubt the version of the story which said that the financial plan would be announced within a few days.

The selling that broke Atchison to 66 was handled by a recognized bear house, and few of the traders had any doubt as to its character. It was accompanied by rumors of a reduction in the dividend, as well as by the story of liquidation by Union Pacific, about which all that need be said is that Union Pacific never owned any Atchison common, its interest in the latter road being confined to ownership of $10,000,000 preferred stock. In order to sustain the dividend rumors the bears made use of figures showing how the road would fare in case its net earnings for the remainder of the fiscal year showed no improvement over recent months, the fact that the returns for October and November were affected by the inclusion in operating expenses of some rather heavy special charges being entirely disregarded. In any case, the results of a few months could not obscure the real earning capacity of the road as maintained for several years past.

The market slowly gathered strength up to the time the bids for the New York city bonds began to appear on the news tickers, and then almost at a jump doubled the advanced scored previouly. The sale of the bonds was considered a great success. The expectation had been that a price of between 103 and 104 would be realized, and when it was made plain that this would be realized and that many of the bids approximated the outside figure there was universal satisfaction. That there will be a good market for the bonds when they begin to leave first hands is practically assured by the number of bidders, for it has almost invariably happened that a large proportion of those whose bids were unsuccessful have entered the market early to fill their requirements.

From the action of St. Paul yesterday it looked very much as if the weakness on the preceding day resulted from selling by those who did not own rather than from liquidation of long stock.

Delaware and Hudson was one of the strongest stocks on the list and the short interest put out on the stories of a suit to restrain the payment of dividends appeared to meet with little success in its efforts to cover. It is not believed that the threat of a suit will ever amount to anything more than what it really was—a part of the bear campaign now ended in failure—and according to well informd interests President Loree sees a way to bring down operating expenses quite materially without detriment to the property. The company intends to arrange for all its financial needs by a new issue of $35,000,000 4 per cent. bonds which will not only suffice for all requirements of the next few years but for taking up at maturity such of the convertible debentures as may not be converted into stock. The bonds will of course be a legal investment for savings banks, and it it expected that such portion of them as it will be necessary to sell this year can be disposed of on a 4¼ per cent. basis.

STATE BANK STATEMENTS.

Clark Williams to Make Them Public at Noon.

Clark Williams, Superintendent of Banks, will give out at the office of the State Banking Department, 52 Broadway, every Saturday at 12, beginning to-day, a statement of the principal items of all the State banks in Greater New York, including those which are members of the New York Clearing House.

He will also give a statement separately of all of the trust companies of Greater New York and a combined statement of all State banks and trust companies in Greater New York not reporting to the New York Clearing House.

The latter is substantially the statement given out by him last week through the Clearing House. This statement will also be furnished to the Clearing House as heretofore and given out there with the regular Clearing House bank statement.

The State Banking Department will give out every Tuesday a consolidated statement of all State banks and trust companies outside of New York.

Beginning with this week the statements referred to will show changes in each item from the preceding week.

QUESTIONS FOR HARRIMAN

JUDGE HOUGH MAKES UP A LIST OF THE INQUIRIES.

Otto Kahn Must Also Answer to the Interstate Commerce Commission Questions in Regard to Financing of the Union and Southern Pacific and Other Roads.

Judge Hough of the United States Circuit Court yesterday granted an order supplementary to that issued a fortnight ago in which Edward H. Harriman and Otto H. Kahn were directed to answer the questions which they had refused to answer in the investigation by the Interstate Commerce Commission into the affairs of the Chicago and Alton, the Illinois Central and the Union and Southern Pacific companies.

The present order is granted on the petition of the commission, argued on Thursday before Judge Hough, asking that Messrs. Harriman and Kahn be required to appear at a time to be fixed upon by the commission and answer the questions put to them in February, 1907. Just when the commission will sit for that purpose has not been made public.

The questions which Harriman is now required to answer are the following:

I now renew the question if you owned any of that stock which was so deposited with the Union Pacific?

How much, if any, of the preferred stock which was sold to the Union Pacific Company, and valued by your judgment, did you own?

Well, had these parties acquired from $25,000,000 to $30,000,000?

Was that a part of the stock which had been previously acquired by you, Mr. Rogers and Mr. Frick?

Was it, or any part of it, at that time owned by any of you three gentlemen?

Mr. Harriman, was that stock acquired by a pool of you three gentlemen?

Was it acquired with the view of selling it to the Union Pacific?

Was that stock purchased by you, or any part of it, at a much lower price than $175 a share, with the intention of turning it over to the Union Pacific?

Did you have any interest in the 105,000 shares which were sold at the same time by Kuhn, Loeb & Co. to the Union Pacific?

Was that acquired by a syndicate or pool for the purpose of selling it to the Union Pacific?

When did you acquire these stocks?

What did you pay for these stocks?

Were any of the directors of the Union Pacific interested, directly or indirectly, in the New York Central stocks at the time they were sold?

Mr. Kahn is required to answer the following questions:

Now will you state whether any of the directors of the Union Pacific Railroad Company were the real owners of the shares so deposited with you and sold to the Union Pacific Railroad Company?

The question I asked you was whether any of your fellow directors were owners of any of that stock. (Question by Commissioner Lane). (Mr. Severance) "Then I will ask you the direct question, Mr. Kahn: Of the 105,000 shares of stock which you sold—of Illinois Central stock which you sold on August 9, 1906, to the Union Pacific Railroad Company and for which you were paid $175 a share—will you please state how much, if any, of that stock was held by you in the interest of or for the benefit of the Union Pacific Railroad Company?"

You decline to state in whose interest you held that stock or who owned the stock which you offered to sell?

And you decline to state whether that 105,000 shares of stock or any part of that stock which you sold to the Union Pacific for $175 a share really, equitably belonged to or was held by you for any persons or any number of persons who were at that time directors of the Union Pacific Railroad Company.

Did you also buy at the same time for Messrs. Harriman, Rogers and Stillman the stocks they sold at the same time you sold yours?

Was this 105,000 shares of Illinois Central stock and the 90,000 shares turned in by Stillman, Rogers and Harriman all of it bought through your instrumentality for a pool of which these gentlemen and yourself were members, who were operating in Illinois Central stocks during the period of several months at least prior to July, 1906?

Judge Hough denied the petition requiring Mr. Harriman to answer the following questions:

(Commissioner Lane) Were you directly or indirectly interested un any stocks that were bought between July 19 and August 18 that appreciated?

Did you or any director purchase any Union and Southern Pacific stock in anticipation of that dividend?

PENNSYLVANIA ECONOMIES.

The Company Seeks to Offset Its 77,000 Idle Cars.

Recent statistics of Pennsylvania Railroad operation showed the company with 77,000 idle cars and 77,000 stockholders, in other words, with an idle car for every stockholder. The figures were encouraging neither to stockholder nor employee. Yesterday there were presented other figures tending to show that the management has taken steps to minimize the disadvantages of the times so far as concerns both owners and employees of the road.

Confronted with the necessity of retrenchment in the interest of stockholders, the management has endeavored to cut down expenses without laying off men for whom employment could be found. It has been the policy to reduce the number of hours of employment rather than lay off men. The working of this policy is shown in a number of instances.

In the car shops on the lines east of Pittsburg and Erie there has been a reduction in hours of employment from 55 to 32 a week. In the locomotive shops the number of hours has been cut from 55 to 45 and 40. In the maintenance of way forces there has been a reduction to 40 hours from the 54 hours of employment in the old prosperous times. In the freight service there has been a cut of 25 per cent. and so on.

In many departments of course many men have been laid off, but in cutting down forces the company has followed the principle of its pension system. It has retained the employees of longer service and has placed the remainder on the extra list, calling them out on occasions when men are needed. In some of the biggest yards the entire force has been laid off, but the more experienced men have been put to work elsewhere.

As the result of these economies the payroll on the lines east of Pittsburg and Erie has been reduced $1,500,000. While the company was unable to cut expenses in December, the reduction in January gross was materially offset by a reduction in expenses. As an accompaniment to the 77,000 idle cars the company has 400 idle locomotives. All repairs to locomotives are held up pending a revival of business. The idle locomotives, which are carefully swabbed in oil and waste and boxed up, can be drawn on whenever one of the others breaks down.

CASE AGAINST TOBACCO TRUST

All In Says Government Prosecutor After Three Months of Testimony.

James C. McReynolds, the Government prosecutor conducting the suit against the American Tobacco Company, announced yesterday that he had concluded the taking of testimony and the Government rested.

Counsel for the defendant corporations said that they would defer any decision on further steps to be taken until Monday, February 24. The hearing, with the exception of two breaks of a fortnight each, has been in continuous session here since last November. Testimony was taken recently in Louisville and other points of the South and middle West.

FISH REPLIES TO HACKSTAFF.

TRUST CO. MERGER SUSTAINED

APPELLATE COURT UPHOLDS MERCANTILE-EQUITABLE DEAL.

RIDGELY DENIES IT.

MISCELLANEOUS MARKETS.

MARINE INTELLIGENCE.

NEW HEAD FOR JENKINS CO.

THE GRAIN MARKETS.

DIVIDENDS AND INTEREST.

ELECTIONS AND MEETINGS.

FINANCIAL NOTES.