

STOCKS ON A BOOM

Upward Movement General, with Hill's Leading.

LONDON MAKES POOR REPORT

Loss of Nearly Five Millions in Bullion by Bank of England—Stockholders of Knickerbocker Ice Company of Chicago Asked to Turn Over Property to New Concern.

New York, Dec. 27.—The distinct re-advance noted in the stock market yesterday broadened out today into a strong and general upward movement in the price of securities. There were several pauses during the day in the rise, but no reactions, and the advance in the market was practically continuous.

It was greatest, of course, in those stocks which have recently declined most, extreme gains being made, which were nearly all retained at the close, of 5 1/2 points each in Northern Pacific and Great Northern preferred, 2 1/2 in Union Pacific and St. Paul, four in Reading, and 4 1/2 in Canadian Pacific, while gains of between 1 and 2 points were common in the other leading stocks.

There were two forces which, according to common judgment, had most to do with the day's market. One of these was the seeming probability that the year's annual financial settlements now almost immediately at hand would take place without the severe monetary stress which was recently threatened; responsibility for this uplift of the market being placed on the fact that the recent heavy liquidation, particularly in the high priced stocks that have required so much money to carry them speculatively.

Call Money at 7 Per Cent. Call money to-day did not get above 11 per cent, and, although bank renewals were made at 9 per cent, most of the day's loans made on the floor of the stock exchange were at 10 per cent. There was, it is true, no alteration to-day in time money rates, but conditions were such as to warrant a dissipation of fears of an extreme shortening of the supply of money for speculative use in the few days around the end of the year.

The other development, which it could not really be called a surprise, favorable to the market to-day assumed the form of rumors that late yesterday afternoon various large accounts opened for the rise in the Great Northern preferred and Northern Pacific shares and that private traders from hands that were no longer able to care for them to stronger financial interests. These stories were not verified, but it was generally believed that there was basis for them and that the forces which had been "overhanding the market" was averted.

Beyond any question, too, a large share of the day's advance in prices was directly attributable to the fact that the short interest in the market, which, in the course of the last ten days, had assumed considerable proportions.

The Bank of England made, perhaps, a poorer weekly report of conditions to-day than had been looked for, showing a loss in bullion during the week of nearly \$5,000,000, and a proportion of reserves against liabilities of 37.12 per cent, compared with 35.54 per cent a week ago. The bank's condition is, however, not much stronger than it was at this time last year, a further point of difference between the two periods being the bank's minimum rate of discount was only 4 per cent, as against to-day's high rate of 6 per cent.

German Bank's Report Bad. The Imperial Bank of Germany's weekly report to-day was, too, not over-optimistic. A favorable feature of the general situation continues to be the weakness of the foreign exchange market here. Sterling in this market is now clearly at a point where gold could be withdrawn for our benefit from London, and the only reason why it is not so withdrawn is that this course would probably throw financial affairs in London into confusion. The exact construction that must be placed upon such a state of affairs, and the meaning that it has to our security market, is at the moment, and has been for some time, a matter of interested discussion in high financial circles.

Reference is made to the very singular proposition emanating from a concern known as the Western Ice Company and addressed to the stockholders of the Knickerbocker Ice Company of Chicago, asking these stockholders to turn over their property to the Western Ice management.

The Knickerbocker Ice Company has been, as is well known, the leading concern engaged in the distribution of ice in the city of Chicago. It has had its operations and down like all other corporations doing a local business in that city, but it has never failed to earn and pay the interest on its bonds and preferred stock and in the present calendar year will show earnings of over 15 per cent on its common shares.

Company in Good Condition. The company is, in other words, in a flourishing condition, and, owing to the firm grip that it has attained upon the business situation in its territory, has very bright prospects in the future. Now turns up the Western Ice Company, whose possession of more than utterly satisfactory facilities for conducting an ice business in Chicago is undisclosed, if, indeed, it does not turn out to be a fact that the company is a mere paper corporation. The Western Ice Company asks the Knickerbocker Ice Company stockholders to turn over their stock to the former corporation, receiving therefor the Western Ice Company's bonds and a certain additional quantity of stock.

What possible motive a Knickerbocker Ice Company shareholder might be expected to have for divesting himself of his property in this way is not at all clear; and what is very clear, is that he is asked to surrender his stock and the control of his company, receiving in turn bonds representing an unduly small portion of the stock handed over, and the stock of a company whose practical sole asset is the possession of the property which the Knickerbocker Ice Company people have parted with. It is understood that various stockholders of the Knickerbocker Ice Company have unwittingly turned in their shares in the way described, under the utterly erroneous impression that some sort of reorganization of their company was impending, and that they were forced to enter into the arrangement or lose their property.

A protective committee of the Knickerbocker Ice Company shareholders has been formed, and has endeavored to put the facts of the case plainly in a circular sent out to the shareholders' interest, and it is, therefore, a source of gratification that there is little probability that a predatory operation of such barefaced character as that contemplated in the present proceeding will be at all successful.

Stock Exchange Set Costs \$88,000. A New York, Dec. 27.—Although no official announcement has been made, it has been learned that a seat on the New York Stock Exchange has sold for \$88,000. This is an advance of \$6,000 over the last sale and \$5,000 under the high record.

NEW YORK STOCK MARKET.

Table of New York Stock Market prices for various stocks including American, Union Pacific, and others.

CURB MARKET.

Table of Curb Market prices for various commodities and bonds.

GOVERNMENT BONDS.

Table of Government Bonds prices for various denominations and maturities.

MISCELLANEOUS BONDS.

Table of Miscellaneous Bonds prices for various companies and issues.

BOSTON STOCKS.

Table of Boston Stock Market prices for various local stocks.

WALL STREET NOTES

Contraction of Business in Coming Year Predicted.

STEEL TRADE KEEPS BOOMING

This Seems to Discount the Predictions of the Alarmists, as It is Considered the Best Gauge of Commercial and Industrial Activity—Notes and Comments of Trades.

New York, Dec. 27.—Almost to a man the Wall street traders have come to the conclusion that the country is on the eve of a decided contraction in business. Various causes have combined to produce this unanimity of opinion, chief among which is, perhaps, the interference with corporation affairs on the part of legislatures, State and Federal.

The expectation of a decline in the country's prosperity has induced a feeling of conservatism if not of positive bearishness, which may result in lively times being seen in Wall street next spring. If the business activities of the country should then show signs of continuing at unabated pace.

It is quite possible that the general opinion of the business outlook is wrong, for there is absolutely no evidence so far of any change for the worse in the situation. As the opinion has been made the basis of a stock market position, it follows that if the opinion is wrong the commitments made in accordance with it must also be wrong, and if so set these right stock must be bought, it is easy to see what will happen in the market.

When ever there is talk of a contraction in business it is natural to look in the steel trade for signs of it. But most careful scrutiny of conditions in this important branch of the country's industry fails to disclose any weakness there. Orders piling up in spite of a higher average level of prices tell of health and strength, and unless the pessimist is willing to sacrifice all the views of conditions, he had better not investigate the steel trade too closely.

The whole tale is told in the resistance which United States Steel opposed to the recent decline in the general market. When the bears used pressure against it, knowing that it would be far-reaching in its effect than one of similar proportions in any other issue.

For the notable strength of the United States Steel issue various reasons have been assigned. Some of these have been really ingenious, almost making it appear as if the strength was more of a bearish than of a bullish factor, as, for instance, that large speculative operators had been heavy buyers of calls on the stock to protect themselves against short sales, and that the foreign buying, which had been such a notable feature for some time past, was for the account of the option dealers who had sold the calls.

The buying of steel, however, has not been of this kind. It has been of the most significant character, not for any large interest merely, but for the account of people outside of Wall street who know the conditions in the industry, and see no reason to place narrow limits on our prosperity.

"Stranger hands than mine," said the elder Rothschild in his deathbed, "will save the situation—the hands of the great public lie so in steel. The stock is in the hands of a discriminating public, and no speculation has any effort to promote interest in it, or in any way interfere with its market movements.

As an indication of improvement in the money situation, the purchase of \$10,000,000 of 3 per cent bonds of the Chicago, Rock Island and Pacific Railway by Speyer & Co. was regarded as encouraging. It is a long time since any road succeeded in placing bonds—the conditions in the money market deterring bankers from making purchases—and the hope is felt that the purchase just made by a house that is among the most conservative in the city means the beginning of better conditions in money and in the bond market.

According to a dispatch from Montreal to one of the Wall street news agencies, a prominent director of Canadian Pacific, closely associated with all the members of the board, says that not a single director of the company made any large amount of money from the recent large advance in the stock.

Here, perhaps, was a golden opportunity lost—but not necessarily so. The whole matter may hinge on what would be considered a "large amount," though more probably it turns upon the "good money," the profits from the "good money" paper. The "large amount of money" may yet be made when profits are cashed in.

The spokesman for the directors does not see a positive injustice in trying to make it appear that, collectively and individually, they have been so lacking in optimism as to sell their own shares. The reason for the freedom with which opportunities presented in Wall street in many months.

In the afternoon the relatively greater strength in Northern Pacific than in Great Northern brought out a report that there was still a line of the latter speculatively held which might be forced upon the market if it was not disposed of at a private sale. The amount mentioned, however, was small, and it was felt that the situation had been about cleared up.

These at private sales were also interested in reading the terms in their affairs removing the only block of the latter that had been hanging over the market. One thing, however, was made clear—that there is a pool of considerable strength in the latter. This pool is said to have sold a large amount of stock at high prices a couple of weeks ago, and to have since taken it back at a much lower level.

When call money rose to 11 per cent around noon one of the large national banks put out about \$300,000 at 6 per cent in lots of \$50,000 and \$100,000; and while at first the offering of these small quantities had no effect on the general rate, the whole amount lent in this way was so considerable as to make itself felt to an appreciable extent.

Purchase of the rights on 100,000 shares of St. Paul by a house which handles a good deal of business for Harriman interests was regarded as significant, in view of the rumors of closer relations between St. Paul and Union Pacific. The strength in Union Pacific was accepted as further evidence on the same point.

NEW YORK MONEY MARKET.

New York, Dec. 27.—Money on call at the stock exchange to-day opened at 8 per cent; highest, 11; lowest, 4; closing, 8. Most of the loans were for 30 days.

Time money was slightly less active to-day, being held in the market at 6 per cent. The market for the bid and asked rates, on the whole, quiet. Rates, 7 1/2 to 8 per cent for thirty and sixty days; 7 to 7 1/2 per cent for ninety days; 6 1/2 to 7 per cent for one year.

Mercantile paper continued dull, with a slight improvement in the country. Rates were more or less nominal. Rates, 6 to 6 1/2 per cent for sixty days, 5 1/2 to 6 per cent for ninety days, and 5 to 5 1/2 per cent for one year.

WASHINGTON STOCK MARKET.

Sales—Regular call, 12 o'clock noon. Columbia Railroad, \$600, 100 1/4; Washington Railway and Electric, \$1,000 at \$100, 100 1/4; Chesapeake and Potomac Telephone, \$1,000 at \$100, 100 1/4.

Capital Traction, 20 at 104 1/4, 20 at 104 1/4; Washington Railway and Electric common, 100 at 80; Washington Railway and Electric preferred, 50 at 85.

Washington Gas, 40 at 87 1/2; Metropolitan, 100 at 100 1/4; Capital Traction, 20 at 104 1/4; Chesapeake and Potomac Telephone, 100 at 100 1/4.

Public Utility Stocks. Capital Traction, 20 at 104 1/4; Washington Railway and Electric common, 100 at 80; Washington Railway and Electric preferred, 50 at 85.

Miscellaneous Bonds. U. S. Elec. L. deb. Imp. 6.00, 100 1/4; U. S. Elec. L. deb. Imp. 5.00, 100 1/4; U. S. Elec. L. deb. Imp. 4.00, 100 1/4.

National Bank Stocks. American, 100 at 100 1/4; Capital, 100 at 100 1/4; Commercial, 100 at 100 1/4; National City, 100 at 100 1/4.

Trust Company Stocks. Amer. Security and Trust, 100 at 100 1/4; National Safe Deposit and Trust, 100 at 100 1/4; Union Trust, 100 at 100 1/4.

Grain Markets. Wheat—Open, High, Low, Close. December, 85 1/2; January, 85 1/2; February, 85 1/2; March, 85 1/2.

Local Produce Market. Butter—Market strong and unchanged. Eggs—Market steady. Cattle—Market steady.

LOCAL FINANCIAL GOSSIP.

Mitchell Mining was the center of interest on the Washington Stock Exchange yesterday, no less than 1,400 shares of the stock going under the hammer, and two options being sold, one for 500 shares, and one for 200. The price was between 5 1/2 and 5 3/4, even the options going at the latter figure.

There was much bidding and some few sales in the local railway and public utility bonds, in some cases the quotation bids being marked up a trifle. Little interest was manifested in the railway and gas shares.

Outside of one made in American Security and Trust, the bank shares were passed without any business. Opinions on the New York Market. S. H. Agnew, of Henry Clews & Co.—"The better feeling engendered in London, owing to the Bank of England's discount rate remaining unchanged, was reflected in our market. Cables brought over a good supply of orders, and a number of houses have also been picking up stocks. The fact that only a few days intervene before January 1, and money rates not as high as expected, has somewhat allayed apprehension concerning the money market. It has also developed that during the last few days quite a large short interest was created, on the belief that very high rates for money would prevail during the last days of the year. Renewals of loans to-day are not so numerous as last week, but a large number of shorts into covering, especially in Reading. This is another reason for the advance. The United States Treasury now has a cash balance of about \$25,000,000, of which \$15,000,000 is deposited in the national banks throughout the country. At this time one year ago the Treasury balance was only \$12,000,000. The large increase in cash holdings is partly accountable for present conditions. For the six months ending 1906 the Treasury deposit showed a deficit of \$9,000,000, for the corresponding period this year the surplus is estimated at \$25,000,000, which clearly shows the absorption of money by the government. In the national banks, however, and in the Treasury, there is a surplus of \$10,000,000. The supply of cotton bills was good.

Herbert L. Jones, of Charles G. Gates & Co.—"The market continues almost wholly professional. In the event of a continued strong market I am in favor of selling stocks. We are not yet out of the woods in the high money."

J. B. Weed, of Dick Brothers & Co.—"The market exhibited a healthier undertone than has been evidenced in some days. Easier call money, with the anticipation of a flood of new cash into the public pocket as the result of large dividend disbursements due around January 1 are evidently being discounted by Wall street. The market looks to be a purchaser of all occasions, though the time seems hardly ripe for urging a decided position on the long side or the purpose of averaging the price of speculative commitments."

Benjamin Woodruff, of Post & Flaeger—"The rapid rise in American Ice Securities stock of about 15 points was the real feature of the market, which, altogether, acted very nicely during the day. The rally seemed to be the result of an over-optimistic condition, and while the market hesitated during the afternoon, I do not think it is likely to be a permanent one. The market will probably be a buyer until after the first week in the new year, when, with reasonably favorable monetary conditions, stocks should reach somewhat higher levels."

G. Bowie Chapman, of E. R. Chapman & Co.—"The higher London market gave our first prices support and in many instances the overnight gains were material. The Hill stocks showed a let-up of liquidation and shortly after the opening the list broadened and improved. Almost the entire list closed considerably higher, and, although the leaders sagged slightly from the high points, their final tone was quietly confident. The outlook would seem to point toward a continuation of this movement, but naturally any seasonal depression in the early part of the new year, when the market is likely to be depressed."

Local Produce Market. (Prices quoted are wholesale.) BUTTER—Market strong and unchanged. Eggs—Market steady. Cattle—Market steady.

Washington Cattle Market. Receipts of cattle light and market firm. CATTLE—Extra, 3.00 per cent; butchers, 4.00; ordinary, 2.50 to 3.00.

Union Pacific Accused. The Union Pacific Railroad, a Harriman line, is made the defendant in a complaint filed with the Interstate Commerce Commission yesterday, in which a charge of unjust and unreasonable rates in violation of the law is alleged. The Omaha Grain Exchange is the complainant.

Charles G. Gates & Co. (Trust Building) 111 Broadway, New York. Members of all Exchanges. Branch Offices: 71 Wall Street, New York; 100 Broadway, New York; 100 Broadway, New York.

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