

LOAN NEW YORK

Unrest on Stock Exchange Belies August Traditions, but Wall Street Rally Improves View.

(SPECIAL CABLES TO THE HERALD.) The HERALD's European edition publishes the following from its correspondent:— LONDON, Sunday.—American rails, as usual, have been the barometer of Cape Court, and the rally that was made in Wall Street in the latter part of the week resulted in a more cheerful view being taken here.

All the authorities, however, preach caution. It is considered evident that the recent general weakness of the markets here has to be attributed chiefly to nervousness with regard to possible developments in New York.

The Statist, for example, says:—"We can scarcely hope the trouble is ended and liquidation over. "After the enormous fall in prices that occurred the disclosure of further difficulties seems to be inevitable, but there are signs that not much further selling will be necessary."

Similarly, the Economist says—"The Stock Exchange may be called happy these days when every one is away and the markets should be enjoying the 'douce fiente,' doing nothing and doing it thoroughly well. The air of unrest and unease that hangs over the house is an insult to August traditions, and it comes without doubt from financial causes and the anxiety that exists across the Atlantic.

"It is all very well to say there remains no open account worth mentioning on this side. A crash in Wall Street would inevitably lead to a vivid reflection over here."

While it is generally agreed that for a long time past there has been no big account open in American rails on behalf of the operator, the point is made that large lines of Americans are carried on this side, not in the good old fashioned style by which their volume could be measured by dealers, but pawned with banks.

The system of financing speculation is one which some banks, in their eagerness for profitable accounts, have been too ready to encourage, and it is predicted that if the so-called "Yankee panic" goes on much longer these banks are likely enough to pay for their imprudence.

This is the reason given to show why the American disturbance, which ought to be a source merely of academic interest to London, causes so much anxiety.

One thing for which the Stock Exchange is very thankful is the cessation of rumors of war between Japan and Russia. These rumors, which threatened the peace of the world, have been so dangerous.

Some of the newspaper agencies still harp on the string, but in Cape Court the subject has barely been mentioned this week. The five per cent Japanese bonds are back again in the neighborhood of par, but have not yet quite regained all they lost during the period when the war rumors were rampant.

Mr. Chamberlain's Proposal. It is difficult to estimate exactly how much effect Mr. Chamberlain's proposals are having upon the markets. Beyond doubt, the various classes are disinclined to employ their money in the stock markets so long as the fixed policy of the country is in the air, where Mr. Chamberlain has placed it.

The Economist, in a leading article, argues that the Colonial Secretary's proposals so far are patently inconsistent with each other.

The attempt is made to explain the drop in consols, which is otherwise inexplicable, by the suggestion that people who have had money invested in government securities are selling out. In some reports, it is intimated that the market is suffering from a "baring crisis."

THE WEEK'S SPECULATION

money, but in the state of credit; an unusually extended employment of credit during the earlier period, followed by a great diminution, never however amounting to an entire cessation of it in the latter.

In the present time it is thoroughly recognized that the buying movement of the recent boom amounted to a craze. With recent justice it may be added that the present selling movement bids fair to it, if it has not already, become a mania. Both extremes are to be deplored, and that condition indicated as the ultimate outcome of certain reactionary markets by Mr. Mill is entirely unnecessary if men will but use calm judgment.

The present is not the time for unnecessary sales of securities, but rather for careful, discriminating buying by men who can pay for what they purchase. Not all stocks are of equal merit or alike attractive, but some of the lines have assuredly reached a point where men with ready money can buy without taking other than an ordinary business risk, and with reasonable confidence that if prices, through bear raiding or other cause, should be further depressed speedy recovery will follow when the storm clouds blow away.

Assuredly, though some conditions are disturbed, there is nothing in the situation as it stands revealed that does not warrant any one who holds securities outright and is otherwise free and clear to refuse to sell what he owns at a sacrifice.

That much mischief was wrought by the manner in which certain industrial concerns were shovelled together and by speculative excesses, and furthermore that credit has been disturbed by far too rapid development, is now generally admitted. That phase of the situation has been referred to so frequently that reiteration of it is not necessary now. The future must meet and deal with the problem therein presented and some others which will grow out of it.

The decline in security prices has certainly not been a result of the "Yankee panic" but may not in the end turn out to be as serious as would seem to be indicated by the extent of the decline. The market has been disturbed and disquieting atmosphere of the financial district. But much of this, it is thought, is due wholly to idle and unfounded rumors.

It is well to bear in mind that the break in the stock market has arisen chiefly from causes of a local nature. Outside of the market itself, outside to be sure, there have been strikes and labor disturbances, and the high rate of interest which has out of it, but aside from that, the general business continues promising.

It will be recalled that the general opinion of the country's leading financiers, the merchant and the manufacturer, is that the country is in a better position to stand a test than those who plunged into every harrowing adventure, loaded up with undigested and indigestible things, and seriously injured their credit. Men with money last longer than men with stocks which are not owned but carried upon margin.

The hope of the future rests upon the outcome of the growing crops, concerning which the government monthly reports, due after the close of business each day, will give the best information. Private advices recently received have been somewhat encouraging.

The interests of all capitalists in Wall Street at the present time are identical, and there is presently little room left to choose between the desirability of one group's promotion schemes and those of another. All alike have gone down like plummet, and all alike are affected by the same general influences.

FINANCIAL

To the Holders of First Consolidated Income Bonds Second Consolidated Income Bonds Registered Income Bonds OF Mexican Central R'way Co., Limited.

For and on behalf of Mexican Central Railway Company, Limited, Ladsenburg, Thalmann & Co. hereby make the following offer to all the holders of the above income bonds:— Provided that bonds of the above issue to an amount satisfactory to Mexican Central Railway Company, Limited, be deposited in accordance with the terms hereof, Mexican Central Railway Company, Limited, will deliver through the undersigned in exchange for the Bonds deposited hereunder its Five-Year Gold Collateral Trust Debenture Certificates of 1908, bearing interest from October 1, 1903, payable semi-annually at the rate of 5 per cent per annum, and at the rate of 4 per cent per annum for two years thereafter, and redeemable at the option of the Railway Company on any interest date at par on thirty days' notice, as follows:—

FOR EACH FIRST CONSOLIDATED INCOME BOND OF THE PAR VALUE OF \$1,000 SO DEPOSITED, TWO HUNDRED AND THIRTY DOLLARS (\$230) PAR VALUE IN THE DEBENTURE CERTIFICATES.

FOR EACH SECOND CONSOLIDATED INCOME BOND AT THE PAR VALUE OF \$1,000 SO DEPOSITED, ONE HUNDRED AND FORTY DOLLARS (\$140) PAR VALUE IN THE DEBENTURE CERTIFICATES, AND FOR EACH REGISTERED INCOME BOND OF THE PAR VALUE OF \$1,000 SO DEPOSITED, ONE HUNDRED AND FORTY DOLLARS (\$140) PAR VALUE IN THE DEBENTURE CERTIFICATES.

Each depositing bondholder, if the plan outlined be effected, is subject to the right of exchange and substitution hereinafter set forth to be secured by the income bonds deposited under this offer, and in each event they shall be delivered to the Trust Company, named as Trustee in, and are to thereafter hold by subject to, the provisions of a Collateral Trust Agreement, to be approved as to form by Ladsenburg, Thalmann & Co., and as to legality by their counsel.

Each depositing bondholder who deposits with the depository at the same time as the bond, in any particular case bonds with maturing coupons may be received by the depositories on terms approved by the Railway Company. Registered Bonds deposited hereunder must bear or be accompanied with a suitable power of attorney insuring their transference by delivery.

Debiture Certificates will be issued only in the denomination of one hundred dollars (\$100) each. The Debiture Certificates will be issued for fractional amounts, convertible on or before January 1, 1904, into Debiture Certificates, when amounts sufficient to make a whole Debiture Certificate are presented for exchange.

Application will be made in due time to list the Debiture Certificates on the New York Stock Exchange.

Any holder of the above bonds desiring to accept this offer must deposit his bonds to the order of Ladsenburg, Thalmann & Co., with THE EQUITABLE TRUST COMPANY OF NEW YORK, 205 NASSAU STREET, NEW YORK CITY, or with the OLD COLONY TRUST COMPANY, BOSTON; or with the MISSISSIPPI VALLEY TRUST COMPANY, ST. LOUIS, or with MESSRS. J. HENRY SCHROEDER & CO., 145 LEADENHALL STREET, LONDON, E. C., ENGLAND, before the close of business on SEPTEMBER 4, 1903, unless the Railway Company shall elect, upon the undersigned, transferee by delivery, entitling the holder, on the surrender thereof, at such date as the Railway may fix by newspaper notice published in New York, Boston, St. Louis and London, to the delivery of Debiture Certificates as herein above provided for, or temporary certificates therefor, or at the option of the Railway Company, to the return of the securities represented by said deposit.

For the MEXICAN CENTRAL RAILWAY COMPANY, Limited, LADENBURG, THALMANN & CO.

Business on the New York Stock Exchange for the week commencing August 4, 1903. DIVERGENCE: 2,872,623; 3,874,845; Inc. 1,002,222. RAILROADS: 10,105,500; 10,105,500; Inc. 0. STOCKS: 2,000,000; 2,000,000; Inc. 0. BONDS: 10,000,000; 10,000,000; Inc. 0.

FINANCIAL. Henry Charles James B. (Member N. Y. Stock Exchange) and J. W. St. John (Member N. Y. Stock Exchange) have organized a firm under the name of HENRY CLEWS & CO., 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35, 37, 39, 41, 43, 45, 47, 49, 51, 53, 55, 57, 59, 61, 63, 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87, 89, 91, 93, 95, 97, 99, 101, 103, 105, 107, 109, 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131, 133, 135, 137, 139, 141, 143, 145, 147, 149, 151, 153, 155, 157, 159, 161, 163, 165, 167, 169, 171, 173, 175, 177, 179, 181, 183, 185, 187, 189, 191, 193, 195, 197, 199, 201, 203, 205, 207, 209, 211, 213, 215, 217, 219, 221, 223, 225, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 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