REFUNDING BONDS MUST BEAR BRUNT

Reorganization of the Missouri Pacific Prevents Financial Problems Involving Many Uncertainties

PROTECTIVE COMMITTEES

Asserted that a Preferred Stock Issue or Income Bond Issue in Place of the Refunding Bonds is Not Altogether Improbable—Rock Island Troubles May be Repeated.

New York, July 31.—In view of the strain that is now current in Gould road financing, the following analysis of the condition of the Missouri Pacific (prepared by W. C. Langley & Co.) will undoubtedly prove of interest:

"The situation has so many uncertainties that, it is impossible to predict with accuracy the outcome, but it would seem certain that a reorganization, with or without receivership, is imminent, and protective committees have already been formed for the holders of the first and refunding 5s, the 40-year gold loan 4s and the stockholders of the Missouri Pacific Railway Company. In this connection the following facts are pertinent:

"The Missouri Pacific has a bonded debt of about $163,000,000, with a stock issue of only $83,251,085 (now selling between 10 and 11). About $50,000,000 funded debt is in the company's treasury or held by trustees of its various mortgages.

Capitalization Per Mile.

"The capitalization per mile of the Missouri Pacific is:

Stocks	$13,200
Bonds	30,300

"An undue proportion of bond to stock mileage capitalization such as this has caused many receiverships, notably in the case of the St. Louis & San Francisco Railroad.

"The company also has outstanding an issue of $25,000,000 6 per cent notes, due June, 1915, which were recently brought out to extend an equal amount of notes due July, 1914, and are now quoted around 83 to 86.

"The equipment obligations amount to approximately $4,000,000, due 1915 to 1921, having been reduced from outstanding issues of about $8,500,000. Equipment issues are apparently well protected.

Maturities Next Six Years.

"Among the funded debt there is the following maturing within the next six years:

Collateral Trust 5s, due 1917	$14,375,000
Central Branch 1st 4s, due 1919	3,459,000
Collateral Trust 5s, due 1920	9,636,000
Consolidated 1st 6s, due 1920	14,904,000
Total	$42,374,000

"None of these bonds (or the bonds deposited as collateral for their security) can be extended at maturity. This provision was inserted in the mortgage of the First and Refunding 5s, as it was then determined to finance these maturities through the sale of the First and Refunding 5s, which were originally brought out in 1909 at 95 and interest, and are now selling around 48.

"The First and Refunding 5s, due 1959, are authorized to the amount of $150,000,000, and are outstanding to the amount of $31,778,000. At the time of the authorization of this mortgage it was stated by the company that after November 1, 1920, as a result of refunding the bonds above mentioned, the Refunding 5s would be a first mortgage on at least 3,079 miles of road. At present they are practically the last bond on the system, being a first lien only on 165 miles of road and a general lien on 3,620 miles, of which they are a second mortgage on 1,806 miles; a third on 1,513 miles; a fourth on 12 miles, and a fifth on 284 miles, and also a second lien on certain collateral subject to $66,280,500 prior liens.

Covered Interest Charges.

"The 40-year-loan 4s, due 1945, are outstanding to the amount of $37,255,000, and under the terms of the Refunding 5 per cent. mortgage, the issue is closed. These bonds are secured by an equal amount of stock of the St. Louis, Iron Mountain & Southern, which is at present paying dividends at the rate of 4 per cent per annum. They were offered in 1905 at 95 and interest, and are now selling around 43.

"The earnings of the Missouri Pacific for the last fiscal year are reported to have about covered interest charges, but in order to do any refunding it is stated that at least $85,000,000 must be available. Of this $10,000,000 is needed for improvement in the next two years; $25,000,000 to refund the notes due 1915 and approximately $50,000,000 to refund the maturing obligations in the next six years.

"The Missouri Pacific has among its investments $17,000,000 Denver & Rio Grande common, $9,800,000 Denver & Rio Grande preferred, $7,000,000 Wabash Railroad preferred, $6,400,000 Texas & Pacific Railway Co. and $5,653,000 St. Louis, Iron Mountain & Southern Railway (in addition to about $38,500,000 pledged), only the latter of which is at present time paying dividends.

Position to Pay Dividends.

"The Denver & Rio Grande, on account of its guarantee on the Western Pacific First 5s, is not in a position to pay any dividends. The Western Pacific already owes the Denver & Rio Grande an amount stated to be something like $18,000,000. The Western Pacific last year had a deficit of approximately $1,500,000 on its First 5s, and it took practically all of the Denver & Rio Grande surplus of last year, amounting to $1,457,373, to make good this deficit.

"The Western Pacific earnings from July to April 30 of this year were only $609,000, as against $1,267,385 the corresponding period of last year. This will leave approximately a deficit of $2,000,000 this year, and so far the Denver & Rio Grande has fallen materially short in its earnings to make up this deficit therefore a receivership for the Western Pacific, with a scaling down of its first mortgage bonds, seems inevitable, if not imminent, and a receivership for the Denver & Rio Grande is also thought to be near. A foreclosure of the Denver & Rio Grande would eliminate its guarantee on the Western Pacific First 5s, although the Denver & Rio Grande has an investment in the Western Pacific of $25,000,000 of the Second Mortgage 5s and $50,000,000 stock out of an outstanding issue of $75,000,000.

"All of the Denver securities are selling at prices which indicate drastic reorganization.

SPLENDID PROGRESS BEING MADE IN PREPARING ALASKA GOLD PLANT

General Manager Jackling Hopes to Have it Producing Actively in January— Mechanical Equipment is Practically Completed.

General Manager Jackling, under date of July 23rd, says concerning the progress of affairs at the Alaska Gold property:

"Our principal efforts a h min ar now dircd teeteeet

"Our principal efforts at the mine are now directed toward opening up operating workings and preparing stopping sections in a preliminary way so that they will be ready to produce when we are ready to use the ore. We are doing very little work of any nature calculated to extend our developments into new territory or to increase our reserves, because of such work is not warranted at the present time, in view of the fact that we have already proven the existence of tremendous ore reserves; in fact, more than we could handle in a generation with the capacity of plant now under construction.

"In the power plant division, the big Salmon Creek dam is finished, or substantially so, and this is practically the last thing necessary to complete our power supply installation.

"The short railroad connecting the new mill with the mine through the Sheep Creek tunnel is completed, with the exception of laying permanent track with heavy rail.

"The construction of the milling plant itself is going along as rapidly as required but our schedule, which contemplates completion so that a part of it can be started about the first of the year. The coarse crushing plant is practically finished now, including machinery. The steel building for the main reduction plant is going up rapidly, and practically all of the material for it is on the ground.

"All designs and engineering work, as well as technical work and experimenting on metallurgical problems, have been completed, and everything for the entire equipment is either delivered, in course of delivry, or in process of manufacture, so that there remains now only the physical performance of putting the apparatus in place and starting it in operation.

"All of the mechanical equipment at the mine is practically completed, andk in satisfactory operation. The weather has been very favorable this year, and this is, of course, a gratifying factor favoring good progress."

BOSTON ELEVATED BONDS

Market is Now on a 5 Per Cent. Basis, Representing on 1942 Maturity About Four Points Appreciation.

Boston, Mass., July 31.—Reflecting the favorable transformation in earnings of the Boston Elevated, the bonds as well as the stock have displayed considerable market strength. Not long ago the bonds were offered on a 5¼% basis, and even at that concession there was little or no demand. The present market is about a 5% basis, the difference representing on the 1942 maturity about four points appreciation. Comparatively few bonds are around the Street.

The question now arises whether the $22,300,000 Boston Elevated bonds automatically become legal investments again for the savings banks, it being accepted as a practical certainty that during the last fiscal year the company earned over 5% for its stock. Under the law the savings bank commissioner is required to prepare a list of legal bonds and notes not later than Feb. 1 of each year, but it is understood that the banks, acting on their own responsibility sometimes invest in bonds in advance of this official statement. In all human probability Elevated will go back on the list next winter, but until this has been officially established bond dealers are somewhat hesitant about offering them to the banks.

The law under which Boston Elevated's reinstatement is made possible allowes a street railway with a certain record of dividends and earnings two years in which it can fail to meet the law's requirements, but by fully covering requirements in the following year its bonds again become proper savings bank purchases.

ILLINOIS CENTRAL

Annual Report Expected to Show a Net Increase—President Markham Predicts Good Year.

Chicago, Ill., July 31.—The annual report of the Illinois Central is expected to show a net increase. President Markham says: "Our territory has been exceptionally favored. All crops have been good in the South and South-east, and business generally in that territory has increased rapidly. The company's great showing is due in great measure to its heavy local business. Short-haul freight is most productive. Cotton furnishes less than 1 per cent. of our total tonnage, and corn less than 7 per cent." Mr Markham predicts a good year ahead throughout his territory.

A reward of $10,000 is offered by Emil Havas, manager of the Budapest Bank at Budapest, Hungary, for information of his son Dr. Ernest Havas, who has been missing since March, 1913.

CURB CLOSED.

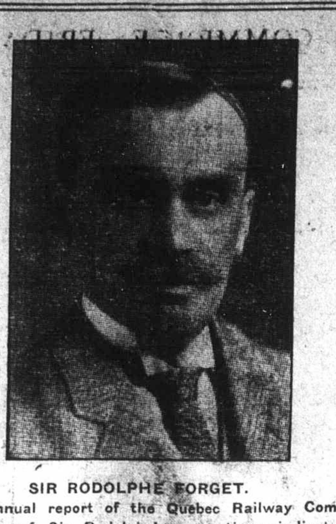
New York Curb will not open to-day.

Probably Scaling Down.

"The Missouri Pacific probably could not pay any assessment on its Denver & Rio Grande stock, and neither could it protect its Wabash investment. In a reorganization the Refunding 5s will necessarily have to bear the brunt, probably scaling down or else assessment. A preferred stock issue or income bond issue in place of the bond is not altogether improbable, and their present selling price, in view of these many uncertainties, seems too high. The common stock will undoubtedly have to stand a heavy assessment as well.

"As long as the St. Louis, Iron Mountain & Southern continues to pay dividends, the forty-year 4s are not in danger, but it is altogether possible that in a general reorganization it may be desirable to stop paying dividends on this stock and bring these bonds into the rehabilitation. Their present prices of 42-44 indicate their speculative possibility and, being secured only by the Iron Mountain stock, apparently have not yet reached their level.

"A situation such as the Rock Island Collateral Trust 4s have recently found themselves in is not altogether improbable."



SIR RODOLPHE FORGET.

The annual report of the Quebec Railway Company—one of Sir Rodolphe's promotions—indicates an improveemnt in electrical conditions in the Ancient Capital.

NOTES ON PUBLIC UTILITIES

The new plant of the Aluminium Company of America at Maryville, Tenn., which began operations last March, is proving to be a large consumer of hydro-electric power of the Tennessee Power Company, a subsidiary of the Tennessee Railway, Light, and Power Company. The Aluminium Company is now taking 25,000 horse power from the No. 2 hydro-electric development of Tennessee Power Company at Parkesville, Tenn., an additional 110,000 horse power also sold by the Tennessee Power Company, but purchased by it from the Chattanooga and Tennessee River Power Company hydro-electric plant at Hales Bar, near Chattanooga. The Aluminium Company is now producing between 25,000 and 30,000 pounds of aluminium a day and this will be largely increased when additional hydro-electric power is available. The entire aluminium plant is electrically operated, with thansmission lines of pure aluminium. The company has built a model town in connection with the reduction works, and a number of handsome tenement houses have been erected. Each house is supplied with pure water from a water plant operated by the company, and each has electric lights and a telephone.

There was a gain of 3,237 horse power in electric power business connected by the Byllesby properties during the week July 6th to 11th. Two thousand horse power of this amount was the installation of the Booth Kelley Lumber Mill at Springfield, Oregon, which will be served by the Eugene Division of the Oregon Power Company. New business contracted for—but not yet connected—included 766 customers with 403 kilowatts light and 346 horse power in motors. The electric output of the properties for the week showed a gain of 10.5 per cent over corresponding week of 1913.

The Public Service Commission of Maryland has adopted a resolution calling into a conference with the commission representatives of all the gas companies operating in Maryland with a view to establishing a standard for lighting and heating, these standards to apply to the whole state, to be uniform and to be enforced. The conference will be held in Baltimore on September 22. At the conference the meter question will be discussed.

The Dyckman Hotel with 323 horse power, the Pacific Elevator Company with 185 horse power and 123 horse power in miscellaneous motor load, a total of 631 horse power, were connected to the lines of the Minneapolis General Electric Company during the week ending July 10th. New business contracted for by the sales department during the week included 127 lighting customers with 127 kilowatts lighting capacity and 52 horse power in motors.

That the Union Electric Light and Power Company has absorbed all other cofpetitors in St. Louis and is now trying to prevent the Cupples Station Light and Power Company and the Phoenix Light, Heat and Power Company from exercising franchises held by them in St Louis is the charge made by attorneys for these companies in briefs filed before the Missouri Public Service Commission.

Contracts for 20 2horsepower in motors and 114 kilowatts lighting load were secured by the commercial department of the Louisville Gas and Electric Company during the week July 6-11. One hundred and twenty horse power of the power business is an additional installation at the plant of the Federal Fertilizing Co.

A cooking contest recently held by one of the newspapers in Kalispell, Montana, resulted in popularizing electric ranges for cooking, an electric range having been furnished by the Northern Idaho and Montana Power Company for the demonstrations.

ILLINOIS COAL OUTPUT

Mined Last Year 61,618,700 Short Tons, Valued at $70,313,600—Labor Conditions.

Chicago, Ill., July 31.—The coal mined in Illinois in 1913 amounted to 61,618,744 short tons, valued at $70,313,605, compared with an output of 59,885,226 tons valued at $70,294,338 in 1912, according to the United States Geological Survey. There was a decline in the value of coal from $1.17 in 1912 to $1.14 in 1913.

Labor conditions in the mines were more satisfactory in 1913 than in 1912, but that there was much to be desired in that respect is shown by the fact that 11,861 men were on strike during the year and that the average time lost by the men on strike was 55 days. The use of mining machines, however, increased the efficiency of the miners, raising the average output per man from 767 tons in 1912 to 775 last year. The quantity of coal mined by machines increased from 26,878,049 tons, or 44.9 per cent of the total in 1912 to 32,630,555 tons, or 53 per cent in 1913. This increase in machine mining was accompanied by a decrease in the use of gunpowder. The latter method injures the coal, causing an excess of slack, for which the Illinois mines have little demand. In 1913 the quantity of coal mined by powder was 20,469,139 tons, or 33 per cent of the total, against 24,136,940 tons, or 40 per cent, in 1912.

MINERALS SEPARATION COMPANY CLAIMS $1,000,000 EXPENDITURES

Will Eventually Bring Suit Against a Number of Mining Companies for Alleged Infringement of Its Patents.

Boston, Mass. July 31.—That the Minerals Separation Company will eventually bring suit against a number of mining companies for alleged infringement of its patents is the declaration made by Dr. Gregory, the American representative of the company. Litigation against the Butte and Superior Copper Co. ended in defeat for Minerals Separation Co. in the California courts. Two suits, however, have just been brought against the Miami Copper Co. in Delaware.

Dr Gregory points out that the United States has nine districts so far as federal courts are concerned, in eight of which the company may still sue on one patent involved in the Butte and Superior litigation. On another patent which figures in the Miami litigation suit may also be brought in California

Minerals Separationo Ltd. has already spent about $1,000,000 in experimenting and exploiting its process. its capital stock of £50,000 has never been widely distributed.

It was intimated that Utah Copper, Ray Consolidated, Chino and Nevada Consolidated would ultitimately figure as defendants in suits to be brought by the Minerals Separation Ltd. Furthermore, users of the so-called Callow process, controlled in Salt Lake, will also be sued. This process, declared Dr. Gregory, is practically the same as that of his own company.

"Senator Clark," said Dr. Gregory, "operates under our patents at his Elm Orlu property in Butte, and has been securing a 95 per cent extraction." The Minerals Separation has also been conducting some experiments at Butte for the Anaconda Copper Mining Co.

GOLDFIELD CONSOLIDATED

General Manager Says That Prospect Shows Encouraging Amount of Ore—Aurora Mill to be in Full Operation in 30 Days.

Reno, Nevada, July 31.—Albert Burch, general manager of the Goldfield Consolidated, is quoted here as saying that his company may also take over the Elko Prince property at Gold Circle in addition to the Aurora. This property was opened up by Leslie L. Savage of Salt Lake and associates, who for several years have been developing gold ore in which there is some silver. At one time it was reported that this property had been disposed of to a New York syndicate. This afterwards fell through, although considerable money was paid on the option. Relative to the proposed change:

"Examination of the property is in progress and within about ten days," says Mr. Burch, "it will be announced whether or not it is to be taken over and become an asset of the Consolidated. Although the Elko Prince has not been a producer to any extent it is very extensively developed, and shows an encouraging amount of ore."

Mr. Burch reports that the Aurora Consolidated mill, recently taken over by the Goldfield Consolidated, is dropping fifteen stamps and a test is being made of the cyanide equipment. If it proves satisfactory, the whole mill will be in operation in thirty days, but if changes have to be made in the tailings plant, it probably will be four months before the entire establishment is in full swing.

MANY NEW ENTERPRISES

In State of Massachusetts Last Year Concerns Capitalized at $174,000,000 Were Incorporated.

Boston, July 31.—New enterprises with an aggregate capital of $174,351,800 were incorporated during the year 1913, according to the abstract of the certificates of corporations issued by Secretary of State Frank J. Donahue. In addition to this there were increases in capital by other concerns amounting to $95,862,545. The entire number of certificates of incorporation issued was 1,860.

The number of annual certificates of condition filed by public service corporations was 210, of which 23 were duplicates or omissions of a previous year, the number filed by trading corporations was 7,286, 117 of which were duplicates or omissions.

The amount of fees paid into the treasury of the Commonwealth in 1913 from the corporation division of the secretary's office was $196,025.

INCREASE IN WEALTH

State of Connecticut's Taxes Have Made a Gain of $300,000,000 in Four Years.

Hartford, Conn., July 31.—Some idea of the taxable possessions of the citizens of Connecticut and the wealth in the State is given in the pamphlet issued to-day by State Tax Commissioner W. H. Corbin relating to the assessment and collection of taxes.

The grand list for 1913 was $1,172,051,740, an increase of $206,421,933 in four years.

The progress Connecticut has made industrially and otherwise is shown by comparison. In four years stores, mills, factories and distilleries have increased 2,014., with an increase in the valuation of $52,844,952. For 1913 there were returned for taxation purposes 19,408 stores, mills, etc., valued at $226,108,295. The mercantile establishments in this list numbered 14,306, or a value of $122,933,646. This value is greater than the value of manufacturing plants, indicating that the trader is still in the lead of the fabricator.

Casualty Co. of America has purchased 15-story office building at northeast corner of William and Cedar streets in New York city at price of $1,000,000.

J. F. Welborn, president of Colorado Fuel & Iron Co., says: "All the coal the market will take is being provided and 10,000 men are working peaceably. About 1,500 strikers are still being supported by the unions."

The annual convention of the Illinois Bankers' Association will be held in Chicago September 1. President Wilson has been invited to attend.

In a special election at Dobbs Ferry, N.Y., three propositions involving an expenditure of $58,000 for village improvements were defeated despite an ardent campaign by women.

HAS OVER $6,000,000 PAYMENT IN SIGHT

Rock Island System Must Provide this Amount from December 31st to Middle of February

FEARS OF RECEIVERSHIP

Obligations Include $2,500,000 Advanced by Bankers July 1, to Take Care of Interest Payments and Equipment Trust Instalments—Situation Safe if Collateral Holders Will Act.

New York, July 31.—Since announcement a week ago of the decision of the underwriting syndicate to discard the proposed Rock Island readjustment, persistent weakness of the bonds of the Railway Co., the operating end of the Rock Island chain, has seemed to indicate a hazardous situation.

Whatever the future may hold in store for the Railway Co., fears of receivership are not well-founded so far as the next five months is concerned. As William A. Read, chairman of the stockholders' protective committee, stated at the time he announced the failure of the plan, the needs of the company were provided for until January 1, next.

In this connection, the closing sentences of the statement issued the same day by the bondholders' protective committee is interesting.

Extinction of the Stock.

The statement said: "Failure by the collateral trust bondholders to unite may easily result in the ultimate receivership of the Railway Co. and the possible total extinction of the stock under a sale in proceedings instituted by the holders of obligations of the Railway Co. Had it not been for the tentative plan arrived at in June this situat[illegible] have arisen on July 1; that it did not arise was [illegible] to the fact that through the efforts of the committees banking interests advanced money to the Railway Co. in view of the adoption of the tentative plan."

The sum of money advanced by banking interests referred to above amounts to $2,500,000 and is due for payment on December 31. That means that from December 31, 1914, to the middle of February, 1915, the Chicago, Rock Island & Pacific Railway must meet obligations exceeding $6,000,000, including instalments on equipment notes, and semi-annual payments of interest on the company's funded debt.

Obligations in Detail.

These obligations may be set forth in detail as follows:—

Interest on funded debt:	Date Due.	Amount
First mortgage 6s	Jan. 1, '15	$375,000
General mortgage 4s	Jan. 1	1,231,620
Debenture 5s	Jan. 15	500,000
Two-year notes	Feb. 16	225,000
Cons 1st 6s (Rock Isl & Peo Ry)	Jan. 1	13,500
Gen. mtg 5s (Choc O & G R R)	Jan. 1	137,500.
First mtg 5s (Choc & Mem R R)	Jan. 1	88,100
First mtg 6s (Little Rock B Co)	Jan. 1	4,050
4 p.c. notes Little Rock & H Spgs W (R I Ark & La R R Co)	Jan. 1	9,072
St. Paul & Kans C Short L 4½s	Feb. 1	222,000
Equipment notes, 4½ p.c.	Feb. 1	30,000
Equipment notes, 5 p.c., Series E	Jan. 1	1,625
Equipment notes, 4½ p.c. Series F	Feb. 1	6,190
Equipment notes, 4½ p.c. Series G	Jan. 1	99,450
Equipment notes, 5 p.c. Series H	Jan. 1	99,225
Rock Island Imp., Series A	Jan. 1	5,062
Equipment trust instalments:		
Equipment notes, 4½ pc.	Feb. 1	325,000
Equipment notes, Series E	Jan. 1	5,000
Equipment notes, Series F	Feb. 1	12,000
Equipment notes, Series G	Jan. 1	170,000
Rock Island Imp., Series A	Jan. 1	225,000
Bankers' loan	Dec. 31, '14	2,500,000
Total		6,284,394

Lend Collective Support.

Whether the Rock Island will be able to meet these obligations depends on the holders of the collateral bonds. If they bestir themselves in the interim and lend their collective support to the existing or some other protective committee a satisfactory plan of reorganization should be determined upon long before the end of the year. In that event, funds to meet these payments will be forthcoming from the moneys provided by that plan.

Or even if no plan has actually been declared operative, by that date, if the situation is such that there is good prospect of that goal being attained in the near future, there would be no difficulty in securing ample funds to tide the company over its period of stringency. With the collateral securing some present loans freed by that time the negotiating of new loans should not be a difficult accomplishment.

The whole situation, in the final analysis, appears to simmer down to the question of the ability of the collateral bondholders to get together. For the future of their investment, assuredly in union there is strength.

VACUUM OIL IN AUSTRIA

Large Holdings in the Empire Cause Company Officials to Watch Developments Closely.

Rochester, N.Y., July 31.—Vacuum Oil Company officials are anxiously watching developments in Austria-Hungary, where the company has large holdings of oil lands and refineries at Almar Fuzito and Dziedzitz, with branches at Budapest and Vienna.

The Vacuum Company does a large business throughout Europe, and has subsidiaries in England, Germany, France, Italy, Prussia, Austria-Hungary and the Balkan states and other countries.

GOLD IN RAND MINES

Dominion royal commission estimates that 230,000,000 tons of ore have been taken from the Rand mines, that there are 587,000,000 probable payable tons left in the producing mines, and 600,000,000 tons in new mines. No estimate of the gold contents of unworked tonnage is made; estimated that for five years production will be at about present rate, but annual output will decrease so that by 1930 it will be about half present production.