BIG PUBLIC UTILITY.

Dominion Power & Transmission Co. Analyzed by Montreal Financial Firm.

Nesbitt, Thompson & Company have issued a circular letter on the Dominion Power & Transmission Company, Limited, which should prove interesting in view of the many reports referring to a possible change of ownership of the company:

Capitalization.

	Authorized.	Issued.
7% Cum. Preferred	$10,000,000	$3,673,100
Limited Preferred	5,100,000	5,100,000
Common	9,900,000	2,622,500
5% Serial Bonds,		
Bonds, 1914-1932	$25,000,000	$3,400,000
Underlying Bonds		3,834,000
Total Bonds outstanding		$7,234,000

Railways.

The Dominion Power & Transmission Company Limited owns the Street Railway System in the City of Hamilton, and also Interurban Lines radiating from the City of Hamilton, a total of 106 miles of road. The company also owns the Light and Power business in the Cities of Hamilton, Brantford, St. Catherines, etc., serving a total population of over 250,000.

Water Power.

At the power plant at Decew Falls, about 35 miles from Hamilton, the company has a present water-power development of 40,000 h.p., and owns three transmission lines, the last one, which was built this year, being of steel towers, and on the Company's own right of way.

In 1909 and 1910 the preferred stock dividend was passed in order to divert the money to extensions and improvements. During the past four years about $1,500,000 has been put into the property from earnings.

In the last half of the year 1910 the company renewed its dividend on the preferred stock. During 1911 and this year to date besides paying its regular dividend of 7 per cent. per annum, the company has paid up 6 per cent. of the back dividends of 1909 and 1910, leaving 6½ per cent. still to be paid, which will in all probability be paid within a year.

The net earnings have been showing a large and steady growth, as will be seen from the following statement:

	1910	1911	Incr.
Net Earnings	$861,323	$1,020,643	19%
Bond Interest	324,411	335,758	
	$536,912	$684,885	27%
Pref. Stk. Div.	257,117	257,117	
Surplus	$279,795	$427,768	53%
	1911	1912	Incr.
Net 8 mos. ending Aug. 31	$594,116	$748,087	25.9%
Bond Int. (8 mos.)	223,738	230,885	
	$370,378	$517,202	39.5%
Pref. Div. (8 mos.)	171,408	171,408	
Surplus	$198,970	$345,794	73.7%

As the preferred stock dividend is only $257,117 per annum, the net earnings on the preferred stock for 1910 were equal to 14½ per cent., and for 1911 were equal to 19 per cent., and for 1912 are at the rate of over 22 per cent., or more than three times the preferred dividend.

The dividend is payable semi-annually, January 10th and July 15th.

COTTON MARKET.

The cotton market has made new high records for the season during the past week with all the active months selling above the 12½ level owing to the continued strong spot situation, bullish trade advices, less favorable crop advices from India, a growing appreciation of the necessity of attracting shipments here from the South, and the drift of sentiment toward smaller estimates of the crop. General confidence on the bull side above the 12 cent level has been somewhat modified, however, by nervousness over the political situation in Europe, and frequent alarmist reports have caused an irregularity that has doubtless had a favorable effect on the technical position of the market, as it has probably prevented any over-extension of the speculative long interest.

ELEVATOR MEN ORGANIZE.

FORT WILLIAM, ONT.—Elevator men of the twin cities at a formal meeting held on Tuesday evening decided to form a grain shippers' association to protect their interests, which they claim have been jeopardized by the strike of the C.P.R. clerk's. When the association takes concrete form it probable complaints will be lodged with the grain commission and the railway board.

Mr. J. R. Smith stated at the meeting that the strike had caused a deficit of 75 per cent. in the net earnings of local elevator houses.

TWIN CITY EARNINGS.

Twin City for the second week of November showed an increase of $15,650, making the total increase for the year $365,465.

CAN. MACHINERY CHANGE PREFERRED STOCK TO COMMON

Leading Interests in Company Have Accumulated Entire Preferred Stock to Facilitate Financial Reorganization — Capital Stock to be Reduced—Old Common Stock Jumps From 20 to 50, Overnight—A 1910 Merger.

It was announced during the week that the re-arrangement of the capitalization of the Canada Machinery Corporation, Limited, had been effected by the leading interests in that company. These interests have accumulated the entire issue of preferred stock and also the bulk of the common and arranged to convert their preferred into common and reduce the common to the price at which they purchased it. These plans have been completed, subject to legal details and the total capitalization of the corporation reduced thereby to approximately $1,200,000 of common stock.

It is understood that the conversion of preferred into common was made on the basis of 9 shares of common for every 10 shares of preferred. This would mean that the preferred had been exchanged at 90 for new common at par. In view of the fact that the market price of the common stock jumped during the week past from 20 to 50, the fortunate holders of the old common stock have found their holdings very materially increased in value. The capitalization of the company, outside of an issue of $600,000 6 per cent. bonds, formerly consisted of $908,700 7 per cent. preferred stock and $635,400 common stock and in view of the fact that the company last year, after paying bond interest and dividend on the preferred, had net earnings equal to about 5 per cent. on the common stock, the re-capitalization is likely to prove very satisfactory to the holders of the stock.

The Canada Machinery Corporation Limited is a merger of the MacGregor, Gourlay & Company of Galt, Ont., John Ballantine & Co., of Preston, Ont.; Hespeler Machinery Co., of Hespeler, Ont.; the company also took over the wood-working machinery departments of Goldie & McCulloch, Galt, Ont., and the Sussex Manufacturing Co., of Sussex, N.B.

The corporation was formed in July, 1910. The president is Geo. D. Forbes, vice-presidents R. O. MacCulloch, R. McGregor, S. H. White; directors, Thos. H. Watson, Alex. G. Gourley, Garnet P. Grant, R. L. Innes and J. F. MacGregor.

WEEK IN LONDON.

The stock markets were entirely dominated by foreign political news. As the rumors current were of a conflicting character and varied considerably hour by hour the prices moved erratically. An easier tone prevailed at the opening, after which there was a recovery on receipt of more cheerful advices from Paris, but as German operators were persistent sellers of Canadian Pacific Railway shares and others of their favorite securities, the net result was to leave prices lower in most departments at the close.

London, November 26th.—Better continental political news reflected more cheerful Bourse advices and this induced moderately fresh buying on the stock exchange.

Prices were harder with Canadian Pacific, Rio Tintos and continental favorites leading the upward movement. The close was steady, a fraction below the best.

The American department opened steady and advanced on fairly good support to the better political news. A slight reaction was followed by a recovery with the Canadian Pacific shares leading. The closing was steady. The carry-over rate was 6 to 6½ per cent.

WEDNESDAY.—The stock markets opened in buoyant style in response to more hopeful advices from the Continent, but operators soon discovered that there was very little business to be done, and after midday some selling orders came from Paris. Although for a time any stock offered from the Continent was taken quite readily, operators became nervous and as the markets were very sensitive, prices were readily affected. In some instances most of the initial advance was wiped out, although at the close a slight but almost general advance was shown in most of the principal markets.

"In view of today's closing on Wall Street, American securities were neglected, but a fair amount of business was done in Canadian Pacific and Grand Trunk Railway.

THURSDAY.—Discount business was more or less in abeyance, attention being given to the search for money. The American market was quite steady in the absence of Wall Street advices.

Investment brokers reported a fair demand for gilt-edged securities, and the floating supplies of stock appeared to be small.

FRIDAY.—Market quiet but firm. The calling in of Austrian reservists for Dec. 6 has been cancelled this morning, and Vienna was very strong.

LOANS TO FARMERS.

Hon. Mr. White's Statement in House Looks as if Bank Act Amendments Will Authorize Them.

The Hon. Mr. White made a statement in the House of Commons this week which is interpreted as pretty sure evidence that the Bank Act amendment will contain clauses allowing the banks to loan money to farmers on the security of their agricultural produce and live stock.

The Minister's announcement came as the result of the introduction of a bill by Mr. J. A. M. Aikins in the form of an amendment to the Bank Act, containing just these provisions. He pointed out that the Act now allows banks to loan money to dealers in agricultural produce, on the security of that produce, to manufacturers on their wares, but not to the farmer, the producer. The farmer was now compelled, in order to get money, to sacrifice his crop as soon as harvested. His proposal would mean much to the farmer. When Mr. White stated that the Government had these very changes in mind Mr. Aikins consented to allow his bill to be dropped after it was given its first reading.

Mr. W. P. Mackenzie, of Shearson, Hammill & Co. was in New York on Monday.

C.P.R. RIGHTS.

Mathematical Discussion Aroused by Financial Times Computation of the Interest Rate on New Stock Payments.

A profound mathematical controversy seems to have been aroused by THE FINANCIAL TIMES' publication last week of the forecast of an increased dividend on C.P.R. as shown in the high total of interest paid on the instalments of the new issue. The [illegible] point of our argument, which was that the C.P.R. would be paying more upon the instalments in the way of interest than it would eventually be paying upon the completed payments in the way of dividend upon fully-paid stock, unless the dividend rate is raised in the meantime. It does bear upon the assertion, which was thrown in rather as an illustration than as a practical suggestion for a market operation, that it would be more profitable to sell one's old stock and subscribe for new than to retain one's rights.

Such a transaction is purely hypothetical, and it is most unlikely that anybody would attempt to put it through. Our assertion about it would hold good only if the market failed to make any allowance, in its quotation on "rights," for the exceptionally high rate of interest enjoyed by the subscriber. The actual tendency in a free and liquid market, is to nullify any such differences between two different forms of the same security, by adjusting the price of the rights.

The Toronto World has accused us of failing to make allowance for the fact that the purchaser of a share of the old stock must pay down $70 in spot cash before he can begin the acquisition of the stock which he will not own until next September, and would therefore be losing the interest on that $70. In actual fact the sum he pays this week is much more like $65, and is a discounted "present price" for a commodity which will not be delivered till September and will then be worth, so far as we can calculate from present quotations on the stock, some $5 or $6 more than the present price, so that it easily pays its own interest. The purchaser of one-share rights not merely pays a fair discount price for the future value of the rights, said future value being the difference between $175 and the market price of the new stock when issued, but he also gets a 7 per cent. interest rate on all his payments towards the $175 until the stock begins earning dividends, and he actually begins earning dividends before the last instalment is in. Not such a bad operation!

All this, of course, is concerned with a stock-market operation, and is in no way related to the main point of our argument, which is simply that when the new stock is paid up the C.P.R., unless the dividend rate is increased in the meantime, will be paying $10 per annum in dividends for each $175 which it has received, or at the rate of 5 5-7 per cent., whereas on the instalments during the period between the first instalment and the final issue of the stock, which is over half a year, it will be paying interest at the rate of 7 per cent. for the money which it receives from time to time. There is no necessity to go into a high rate, and two years ago the railway was paying only 6 per cent. upon such instalments. The presumption is that the dividend will shortly be raised to a point where the disparity will cease to exist.

WEEK IN WALL STREET.

MONDAY.—The stock market opened [illegible] hour, but market got dull and continued so until the noon hour. Money opened at 6 p.m. and later in the day loaned at 12 per cent., which is the highest since January 3rd, 1910, when it loaned at 6 per cent. This caused some selling but the pressure was not heavy and prices rallied from the low ¼ to ½.

Canadian Pacific at one time was down 3 points.

Nevada Cons., as expected made an extra dividend, but the stock did not respond.

The non-dividend payers were rather weak.

At the close the market was barely steady without feature.

Sales 335,000 shares; bonds $1,350,000.

TUESDAY.—The stock market opened firm but quiet. London was a buyer. Money relatively easy 12 per cent. and considerable money loaned at 12. This had little effect on prices. Market continued dull until the last, when some short covering and reports of gold engaged for import gave a little activity and rather better prices.

Atchison's October statement showed a large gain in gross and only about [illegible] of the gain was saved in net. The stock was not affected by it.

In the late trading the market was strong influenced some by the report that Germany had asked Austria to submit its differences with Servia to arbitration.

Union Pacific and Reading were both up 1 point.

The market closed strong with the rally in progress.

Sales 262,000; Bonds 2 millions.

WEDNESDAY.—The stock market was steady and irregular at the opening, there was no inclination to trade and dulness prevailed all day. A few stocks in the special list were fairly active and higher, notably Rubber Common.

Money was rather high, but easier than expected.

There was no evidence of any liquidation.

Fluctuations in the active stocks were very small and the large traders left the floor early.

The news ticker was scanned closely for news, it was noticed that a good many rate suspensions for six months were put out by the Interstate Commerce Commission.

In the late trading the market did not show any change from the intense dulness of the early hours, closing steady.

Sales 152,000; bonds 1½ millions.

Friday's opening on Wall Street was quiet but firm, the leading stocks showing moderate gains. United States Rubber advanced 2¼ points on pool operations. Another strong specialty was General Electric which opened at 180 ex-div., a gain of 2½ points.

PACIFIC COAST COAL.

Mr. F. H. Manley, general manager of the Canada Securities Corporation Limited, makes the announcement that arrangements have been made for the taking over of the Pacific Coast Coal Mines properties by Eastern interests, a new company being formed with the name of the Pacific Coast Collieries Ltd., having a capitalization of $3,500,000 bonds, $1,500,000 6 per cent. preferred stock, and $3,500,000 common stock.

The president of the new company will be Mr. James Carruthers, of Montreal, and on the board with him will be associated Mr. Robert Bickerdike, M.P.; Hon. Price Ellison, Minister of Finance of British Columbia, of Victoria; Mr. A. H. B. Macgowan, M.P.P., of Vancouver; Mr. R. T. Elliott, K.C., of Victoria and Mr. Edmund Bristol, M.P. of Toronto.

CANADA LANDED & NATIONAL INVEST. CO. FINE CONCERN

Analytical Article Shows It to be Progressive Loaning Concern, With Assets of $5,823,059, Capital $1,004,000, and Reserve $815,000—Loan 38 Per Cent. in Ontario, and 62 Per Cent. in Western Canada.

This is the third of a series of articles on trust and loan companies recently produced by A. E. Ames & Co., of Toronto.

The Canada Landed and National Investment Company was established in 1858, and is recognized as being a progressive, well managed, conservative loaning corporation. It has no deposits, its funds being derived from capital and sale of sterling and currency debentures. The business is conducted along economical lines, the expense rate being 1.01 per cent. of the total assets.

The following table illustrates the operations of the Company for 1909 and subsequent years:

Dec.31	ASSETS	Paid up Capital	RESERVE Amount	%
1909	$5,390,487	1,004,000	$670,000	67
1910	5,565,074	1,004,000	740,000	74
1911	5,823,059	1,004,000	815,000	81

Dec.31	EARNINGS Amount	%	Div. %	Margin over Dividend
1909	134,001	13.35	8	5.35
1910	149,611	14.90	8	6.90
1911	155,899	15.53	8	7.53

The authorized capital is $4,000,000; subscribed $2,068,000, upon which 50% is paid up. From year to year substantial additions have been made to reserve, which now amounts to $815,000 or 81% of the paid-up capital. Net earnings have advanced from 13.35% to the high rate of 15.53% in 1911. After providing for the usual dividend there was left over the comfortable margin of 7.53%.

Of the company's total assets of $5,823,059 the amount in loans on mortgages is $5,342,475, of which 38% is on Ontario and the balance, 62%, on western properties. The placing of such an important proportion of the funds in the West no doubt accounts for the good rate of earning. That the character of the loans made is good is attested by the facts that during the past year it was not necessary to take foreclosure proceedings in respect to a single loan; and that no real estate is owned by the company except its head office building, which is carried in its statement at the low figure of $35,000. The average rate of interest paid on the $3,935,298 of moneys borrowed on debentures is 4.058% and as the rate of interest realized on its mortgage loans is 6.75% and on its other investments 5.16%, or an average on all the company's funds of 6.62%, there is a margin of 2.56% between the rate received on moneys loaned and the rate paid on moneys borrowed.

The paid-up capital is $1,004,000 ($2,008,000 subscribed—50% only paid up), and the par value of the shares is $100. A dividend of not less than 6% has been continuously paid—the present rate of dividend is 8% (2% quarterly). The stock is selling at 166½, at which price it yields 4.8%. In view of earnings being almost twice the present dividend rate, it is expected that the Directors will make an early announcement of an increase in the rate.

LA ROSE MINES.

Earnings in October Were $97,000. Surplus Increased by $74,217 in One Month.

The October statement of the La Rose Mines, appended below, shows the net profits close on to the $100,000 mark. The surplus, made up of cash on hand, outstanding shipments and ore on hand, now stands at $1,658,881 as compared with $1,584,666 at the end of September after the dividend payable on October 20th had been deducted; the amount payable in dividends each quarter is $187,000.

Production for October, 1912.

	Tons	Oz. sh. ore	Net Val. at Mine $	Gross Value $
Shipments	245,646	278,542	162,308	175,482
Ore on hand Oct. 31st	11,391	23,943	14,477	15,084
	257,037	302,485	176,785	190,566
Ore on hand Sept. 30	33,075	62,282	36,161	38,615
	223,962	240,203	140,624	151,951
Sundry Income				9,448
				161,399
Marketing Expenses			$11,327	
Concentration			8,595	
Oper. Exp. at Mine			44,385	
				$64,307
Profit for October, 1912				$97,092

Profit & Loss Account at October 31st.

Cash in Bank		$1,328,293
Ore on Hand		330,588
Net Surplus October 31st		$1,658,881
Surplus October 31st	$1,658,881	
Surplus Sept. 30	1,584,666	
Increase	$ 74,215	

MORE C.N.R. CAR SHOPS.

Mackenzie and Mann Are Thought to Be Planning an Establishment for Saskatoon.

OTTAWA, ONT.—In connection with the visit of Sir William Mackenzie and Sir Donald Mann this week it is reported that the C.N.R. plans another large car shop for the middle West, and has about decided on Saskatoon for the location. It would be a $2,000,000 affair. The Saskatoon location would give the easiest access to all the C.N.R. Western lines. Sir William gave a flat denial to the report that the C.N.R. would seek further federal guarantees in connection with the British Columbia section. "Our present British Columbia grant and subsidy will be amply sufficient," he said.

LATE A. H. STINSON.

The death occurred at Headingly, Man., on Saturday of A. H. Stinson, manager of the Farmer's Mutual Insurance Company, who accidentally fell over a bridge into the Assiniboine River. He was 45 years of age.

NEW YORK STOCKS.

NEW YORK STOCKS

The following table shows the week's highest, lowest and closing prices, of the more active securities sold on the New York Stock Exchange this week. High and low prices are also given for the full year 1911 and the year 1912 to date:—

1911 High	1911 Low	1912 High	1912 Low		Week ending Open.	High.	Low.	Nov. 28th Close.
[illegible]	[illegible]	[illegible]	[illegible]	Amalgamated Copper	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]