CHICAGO TRAMWAY PURCHASE QUESTION

Under Proposed Plan Surface, Elevated and Subway Lines Will be One System

AMORTIGATION FUND

Price of Properties is to be Automatically Fixed and the Machinery Provided in Scheme For Consolation so That City Can Acquire Them Without Dispute.

Don J. Arnold has in the Electric Railway Journal an article on the financial relations between cities and public utilities in which he discusses Chicago's present $14,000,000 fund—it will be $90,000,000 by the time of the expiration of the franchises of the surface lines in 1927. Mr. Arnold says:

"By the end of 20 years I estimate that there will have been so deposited a fund, which if invested in suitable securities netting 5 per cent. income, will, with accrued interest, amount to $90,000,000 at the end of the twenty year period.

"The city can then buy for $114,000,000, which is $204,000,000 less this $90,000,000, a property having a tangible value of $150,000,000. In other words, this fund which the companies are putting into the city treasury is in reality an amortization fund, if it is allowed to accumulate properly, although it is not so called. It is thus seen that the price of the properties is automatically fixed and the machinery provided so that the city can acquire them at any time without dispute.

Inaugurate Municipal Ownership.

"When it is remembered that the present scheme was worked out after the municipality had endeavored to inaugurate municipal ownership, the wisdom of the present arrangement is obvious, as such ownership is automatically provided for whenever it is deemed necessary.

"The question may be raised as to why there will not be a property worth $24,000,000 at the termination of the franchise. In the first place the new arrangement started with $11,000,000 in intangible assets.

"The railways of Chicago first operated horse cars, then cable equipment was substituted, next light electric cars wer used, and finally heavier electric cars became necessary. Thus not only was the sum of $11,000,000 paid for 'junk' and franchises, as previously stated, but provision had to be made for the old cable system, obsolete cars, etc., which had to be eliminated, and for 400 miles of track which had to be rehabilitated.

Used as Amortization Fund.

"Hence the purchase price when all these things are done, is about one-third higher than the tangible value.

"We made a mistake, some of us now believe, when the ordinance was passed in not providing that all, or at least some of the profits should be used as an amortization fund for the purpose of retiring this intangible value. This will probably be rectified in the consolidation plan now being worked out, under which it is proposed that the surface, elevated, and subway lines will be operated as one system.

"The recently adopted Kansas City arrangement is a modified Chicago plan, in which the 'oversights' which I have mentioned have been eliminated. In Kansas City the railway was operating under a receivership. The citizens were rabid in their antagonism to the railway, as they believed that they had been misused. They felt that the system was over-capitalized, so much so that one of the leading papers of the city stated that the property was worth not more than $14,000,000, although, to be fair to it, this was before an actual valuation showed it to be worth much more.

Retiring Intangible Value.

"In fact, the company had vouchers to show that $35,000,000 had actually been spent upon the property. Under the settlement the company is to be allowed to earn 6 per cent. on $30,000,000, and all surplus above this is to be invested in an amortization fund to be used in gradually retiring the intangible value of the property.

"The tangible property, as shown by my valuation, is actually worth more than $21,000,000 to-day, so that the amount to be amortized is about $14,000,000. This is a fundamentally sound proposition, for, if the railway is finally acquired by the city, it will be purchased for what it is actually worth, or if the property is continued under private ownership and management, the rate of fare can be adjusted on a basis of paying a fair return on real value where the intangible value has been amortized."

ELECTRIC COMPANIES BOOK NEW BUSINESS AT GOOD RATE

Officials of General Electric Company Believe That Concern Will Come Through 1914 With Its Dividend Fully Covered and With Balance to the Good.

Boston, October 20.—So far the great European holocaust has had a somewhat less prostrating effect upon the big electrical companies than upon the steel producers. The three big electrical undertakings of this country are to-day taking orders at the rate of better than 60 per cent. of 1913 figures. General Electric, for example, since the war started has been booking new business at the rate of about 62 per cent. of last year's total of $111,819,000. This is, of course, a decided slump from the showing of the earlier months of the year. For example, for the first half of 1914 new orders were at the rate of $94,000,000, or 84 per cent. of the 1913 results. For August and September bookings were at about a $70,000,000 per annum rate, a decrease of $24,000,000 from the annual rate of the first half year.

The company is operating at a less ratio than it is taking new orders. The same statement is true of Westinghouse Electric and of Western Electric, which because of the special nature of its business has been taking new business at a higher percentage than either of the other two producers.

There has been some talk as to whether General Electric could expect to cover fully the 8 per cent. dividend on its $101,381,000 capital stock.

The answer is that officials have no doubts in their own mind that the company will come through 1914 with its dividend fully covered and with some balance to the good. Of course there has never been a suspicion as to the continuance of the 8 per cent. dividend rate.

There will probably be some further recession in new orders taken by General Electric during the balance of 1914, but it is felt that the year as a whole will show new business received of not less than $75,000,000, while orders billed out (which form the basis upon which net profits are calculated) will be larger.

The steel industry is taking new orders at 40 per cent. to 50 per cent. of capacity. General Electric is within 38 per cent. of the biggest year it ever had. The parallel between the steel and electrical industries has for the present at least, broken down. It will be interesting to see the conditions under which it is restored.

It has been estimated that this year the electrical companies of the United States will use between 40,000,000 and 45,000,000 pounds less of copper than in 1913.

GETS ANOTHER CONTRACT FOR 100,000 PAIRS OF ARMY SHOES

Formerly Got Contract From Greece For About 200,000 Pairs—Armies Will Use From 4 to 5 Million Pairs in Next Six Months.

Boston, Mass., October 20.—We understand that the Endicott-Johnson Company has just taken another order for about 100,000 pairs of army shoes from a foreign government. This firm it will be recalled recently got a contract from Greece for about 200,000 pairs.

Outside of the foreign business taken by the Endicott-Johnson Company and the W. H. McElwain Company, there have been few, if any, orders placed with other manufacturers so far as can be learned.

The Endicott-Johnson Company has been making a line of heavy shoes which are suitable for army purposes, so it will not be necessary to make any changes in lasts or machinery. The company is having about all the domestic business it can attend to. It is understood that September shipments were approximately $400,000 in excess of the same month a year ago, and from January 1 to October 1, shipments were larger than last year by $3,100,000.

A big manufacturer estimates that the countries that are now at war will need 4,000,000 or 5,000,000 pairs of army shoe within the next six months. It would not be surprising if a good deal of this business is coralled in the United States. While it is possible that England will be able to make a large part of her own requirements she cannot take care of France and Russia besides.

Wrigley Co. sells 2,500,000,000 pieces of gum annually, involving $25,000,000, of which $2,000,000 is expended for advertising.

Pittsburgh hears of an inquiry for 400,000 tons of coal for export to Chile. Bids are to be submitted Oct. 24.

WANT BELGIAN SETTLERS

Many of Them Are to be Settled Along the Line of the Grand Trunk Pacific.

Transportation experts agree that the European war will result in a rush of settlers to Canada and a special effort is being made to obtain for Central British Columbia a large number of Belgian farmers driven from their homes by events in the war area.

These people are known to be good farmers and very thrifty people, and will be a great factor in developing the agricultural possibilities of this section of the Dominion, recently thrown open to cultivation by the completion of the Grand Trunk Pacific Railway.

It is planned to settle a large tract in the Stuart River district with Belgians and their families. It is expected that after the war is over a large colony will be placed on the land there, as well as in many other valleys along the line of the Grand Trunk Pacific in Northern and Central British Columbia.

INTERCHANGE OF CURRENCY PROPOSED

For British Soldiers in France and the Many Foreign Refugees in England

DIFFICULTIES CONFRONT PLAN

Desirable That Both Parties to Agreement Should Be Aided in Such a Way as to Give Their Funds Ready Currency.

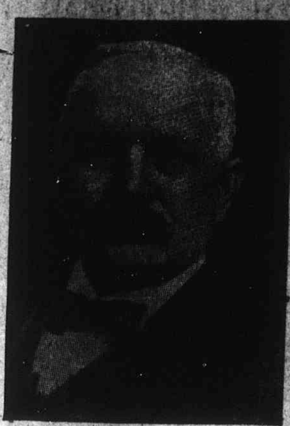
London, Eng., October 20.—English bankers are interested in the decree just issued by the French Minister of France giving regular currency in France to English money during the duration of the war. Inquiries were made in London on the subject with a view to seeing how far the idea would commend itself to London bankers. There are at the moment a large number of English soldiers in France, and conversely many foreign refugees in London. Naturally it is desirable that both alike should be helped in such a way as to secure for their money a ready currency. But there are many difficulties in the way, especially in this country, of bringing about such an interchange. One may leave out the question of silver and bronze coin. It is only necessary to deal with notes and gold.

Redeemable in Gold.

It is a perfectly simple matter to make English notes and gold legal tender in France, since by our currency system all our notes are redeemable in gold. The collection of these, therefore, in France, and their remittance to London would merely tend to increase the stock of gold of our neighbors. But the collection of French notes in England would not bring about a similar result, since their remittance to France would still leave them a paper currtncy. Whereas temporary difficulties might well be overcome by temporary measures, a general interchange such as has been suggested is hardly feasible where currency conditions vary to so appreciable an extent.

Difficulties Have Disappeared.

Doubtless many of the difficulties which arose on the outbreak of hostilities have now disappeared, or will do so shortly. Already there is a demand for French notes in this country, they being a ready more of transmission of money to France in these days of restricted banking facilities. Belgian notes, too, though not in large quantities, are taken by the Bank of England at par, an arrangement due to the public-spirited action of certain individuals. There should thus be no difficulty in arranging matters pending the restoration of normal conditions, without recourse to a general free interchange of currencies, though, as has been pointed out, there is no reason why English notes and gold should not find free acceptance in France.



ANDREW KELLY,
President Western Canada Flour Mills, whose annual report has just been made public.

SUCCESSION DUTIES IN QUEBEC PROVINCE

Question of Procedure is Thoroughly Dealt With in Third Article by Mr. Brassard

COLLECTOR IN CONTROL

No Transfer May Be Obtained Till Certificate is Issued From Collector's Office—No Double Duty Although Governed by Two Fold Law.

The third section of M. Brassard's discussion of succession Duties, dealing mainly with procedure, follows:—

Before the collector can figure the amount of duty to be claimed the collector must have in his possession the documents which will enable him to determine the value of the estate and how it devolves between the heirs.

These documents consist of a copy of the will and codicils or of the deed of donation made in contemplation of the death and an affidavit of value and relationship.

Each heir, legatee, or donee, and every executor, trustee or administrator is bound to file an affidavit of value and relationship. f any of these persons makes a complete affidavit, the others are not bound to make one.

The affidavit must state:

(a) The full name, occupation and residence of declarant, and his degree of relationship to decedent if any.

(b) The full name of decedent, his occupation and domicile at the time of his death (which must be stated).

(c) Description, situation and real value of each and all of the properties and assets transmitted by decedent's death.

(d) Detailed statement of all debts and charges of the estate with the names, residence and calling of each of the creditors.

(e) A list of all the donees, legatees, heirs or beneficiaries, with their domicile and address, and their respective degree of relationship to decedent.

(f) The nature and value of the property passing to any one of them.

This affidavit must be lodged with the collector within three months following date of death. When this delay is found to be too short, an extension of sixty days can be granted by the collector upon application supported by affidavit, and then, if a further delay is necessary, the Provincial Treasurer can grant a further delay not exceeding six months.

The declaration of value and relationship must be in writing and supported by the oath of declarant.

The Province being divided for revenue purposes into 33 districts, with as many collectors, the declaration must be lodged with the collector of the district within which decedent was domiciled. This is very important for people dealing with the heirs and who might wish to learn whether or not the heirs have complied with the law and can validly deal with the property of the estate.

Control.

In order to assure the execution of the law, and the bodience of all concerned, the legislature has decreed that no transfer of any property shall be valid, and no title shall vest undess the duty has been paid or unless a certificate has been obtained from the collector showing that none is payable.

Before consenting to any transfer, or before paying any legacy, the executor, heir, legatee or donee must also obtain the collector's certificate.

The penalty for neglect or refusal to comply with this obligation is equivalent to twice the amount of duty.

When the declaration is not made within the legal delays, or when it contains false statements concerning the value or otherwise, the party responsible is liable to pay double duty.

If the collector has reasons to believe that it is expedient or advisable to look into and examine the books and papers of the estate, the law provides that he may apply to the court for an order to produce the books of the estate.

Local Corporations and Foreign Shareholders.

Any firm or corporation having its chief place of business or its head office in the Province in which a person not domiciled in the Province held any stock, debenture or interest, should notify the Provincial Treasurer of the death as soon as it has been made known to them, and such notice must state the full name and residence of decedent and the exact nature of the interest held by such decedent.

The administrator is then officially notified that before he can validly transfer any of the interest held by decedent in said corporation or firm, he must report to the collector of Provincial Revenue and obtain the required certificates of payment or of no duty.

The Registrars of the various counties are bound to send eevry month to the Provincial Treasurer a report of all wills, declarations of transmission of real estate, marriage cvontracts and donations which they have registered.

Duty on Moveable Assets Outside of the Province.

The second Act (Chap. 10 of 4 Geo. V.) taxes the transmission by the death of Quebec decedents of their moveable property outside. Duty is charged on the value of such outside moveable assets after deducting therefrom their proportion only of the total debts.

This law is substantially the same as (Chap. 9, 4 Geo. V.).

The rate of duty and exemptions are the same exactly under both laws.

The delay for payment is the same, viz.: thirty days from the mailing of the account.

Interest at 5 per cent. per annum beginning after the fourth following date of death is payable on all amounts of duty.

Previous Legislation.

Before the 19th February, 1914, there was but one law applicable to all property in the Province, and moveable property outside. But as a consequence of the decision rendered by the Privy Council against the Province in the now famous case of Cotton vs. Province of Quebec, the Legislators have thought it preferable to enact a law taxing all the property situate in Quebec when transmitted by death and another law taxing the transmission by the death of Quebec residents of their moveable property which is not situate in the Province.

This Cotton case was a demand brought by the heirs of the Cotton estate for a refund of duty paid to the Provinces on the value of moveables outside of the Province.

The law existing at the time read "All assets trans-

(Continued on Page 8.)

ANOTHER RURAL TELEPHONE COMPANY FOR NOVA SCOTIA

Eighty-First Application Has Been Ratified by the Board of Public Utilities Formed Under 1913 Act.

(Special Correspondence.)

Halifax, October 20.—The Nova Scotia Board of Public Utility Commissioners has just ratified the eighty-first application for a rural telephone company in this province. These mutual rural companies, formed under an act passed in 1913 by the local Legislature, do not conflict with the Maritime Telegraph and Telephone Company. The residents of a rural district, away from the lines of the main company, have the right to form a company, paying in a sum from $10 to $100 per subscriber, the amount depending on the number of subscribers and the distance the lines are built to connect with the trunk lines of the Maritime company.

The poles are erected and the wires strung by the people themselves and the provincial government gives a bonus of $20 a mile, when the line is built, according to specification. The connection with the Maritime company is effected by an arrangement under which the rural company pays either a flat rate for the privilege of the district exchange, or pays a fee of five cents for connection for each message. The larger company cannot refuse this, but to obtain the flat rate the rural company must have at least five telephone boxes. The rural companies are not allowed to pay any dividend or bonus. The rural companies are exempt from all taxation.

There is a government inspector of rural telephones, whose duty it is to assist and advise in the formation of companies. The Maritime Telegraph and Telephone Company have been ordered to file an inventory of all their property on or before January 31st, 1915, as the beginning of a complete valuation by the Board of Public Utility Commissioners.

AMERICAN TELEPHONE

Stockholders in Massachusetts Own 54 Per Cent. of Outstanding Share Capital.

Boston, October 20.—Stockholders of the American Telephone Company on June 30 last numbered 57,639 as compared with 53,737 on corresponding date in 1913, an increase of 3,902. Of this total of shareholders, 34,207, or 59 per cent., were residents of Massachusetts, owning 1,861,313 shares, or 54 per cent. of the outstanding share capital.

The following is self explanatory:

	June 30, 1914.	June 30, 1913.
Shares outstanding..	3,446,723	3,445,159
No. stockholders	57,639	53,737
No. stockholders reserves in Mass.	34,207	32,342
% of Mass. stockholders to total	59	60
Stock hold in Mass.... ..	1,861,313	1,833,022
% of stock held in Mass..	54	53

OUTLOOK IS IMPROVING

Efforts to Reorganize United States Light Meeting With Better Success.

Boston—Despiat its receivership, business with United States Light & Heating is running in good volume. Orders on hand approximate $1,000,000. Deliveries are now in excess of $250,000 per month, and margin of profit is satisfactory.

While the borrowing of $400,000 at 6 p.c. for the original entry into manufacturing automobile self-starters undoubtedly precipitated the financial straits to which the company has come, it has made possible the filling of current orders for 3,000 devices from an English automobile firm that formerly bought in Germany.

The stockholders' committee of United States Light & Heating has so far secured deposits of practically a majority of the preferred shares and over $2,500,000 common stock. The outlook for reorganization along lines advocated by the committee is improving. Repudiating efforts of noteholders to bring about a foreclosure sale, the United States Court at Buffalo has indicated that it will at this time countenance no such sale, but will, on the contrary, give the stockholders a fair opportunity to work out the company's salvation under the more favorable conditions now obtaining.

SASKATCHEWAN'S PROGRESS

In Ten Years Expansion of the Province Has Been Remarkable.

Saskatoon, Sask.—The following stat-istics indicate Saskatchewan's wonderful progress during the past ten years:—

	1913.	1913.	Increase
Railway mileage	1,053	5,356	4,303
Population	140,500	675,000	534,500
Cities	2	7	5
Towns	11	71	60
Villages	5	281	276
Municipalities	2	295	293
Schools	602	3,226	2,624
Banks	36	405	369
Post Offices	143	1,485	1,342
Telegraphs & Telephones (pole mls.)	1,509	16,585	15,076
Area Surveyed (sq. miles)	64,152	121,680	57,528
Area Crop (acres) .	1,117,000	9,692,560	8,575,560
Crop (bus.)	25,235,000	243,500,000	218,265,000
Grain Elevators ...	240	1,424	1,184
Elev. Capacity (bus.)	7,205,000	44,294,900	37,089,000

MANY CHANGES FOR TRADE IN URUGUAY

Longer Credit and Smaller Profits if Sales are to be Made in That Country

LOSS OF GERMAN TRADE

Finance Must Go Hand and Hand With Commerce in Order to Secure Volume of Business Which Will be Source of High and Deserved Satisfaction.

New York, October 20.—Jose Richling, Consul General at Large for Uruguay, is a strong believer in a larger concentration of commerce and finance within the borders of the American continent. In a carefullly prepared statement on this subject, he said yesterday to The New York Journal of Commerce:

"A considerable portion of the European-South American trade should be diverted to the channels of North-South American commercial interchange. The sincerity of the business men of the United States, who have announced themselves in former opportunities and in the present one as out for South American trade, is now put to a severe test. In my opinion they will succeed by the adoption of the only possible means of success, or will fail by the failure of adopting these means. These are the extension of credit to which Europe has rightly and deservedly accustomed the South American countries (which credit has already become a second nature to their trade system), and the limitation of profits of the North American manufacturers and financiers to the possible lowest expression in their initial transactiosn.

Extend Margin of Profits.

"The ambitions of the North American traders with regard to profits in their first commercial operations must not be placed too high, but once they have acquired through liberality and square deal a good foothold in South America, they will gradually extend their margin of profits and eventually build up, with time and patience, a regular output for their products, which will be in the future the source of high and deserved satisfaction to them.

"Experience has told us that commerce and finance move on parallel lines. If British factories have succeeded in placing in Uruguay rail and railway materials to the value of scores of millions of dolllars it is only due to the fact that there have always been British capitalists at hand to finance those railways. Let American bankers also do their share in order to promote closer trade relations in our Continent.

"Uruguay buys abroad almost every manufactured goods which the United States produce; machinery, agricultural implements, hardware, glassware, haberdashery, woollen and cotton goods, dry goods, paper, etc., as well as such raw products or partly manufactured goods as lumber, coal, iron, steel, cement, oils, sugar, hams, etc.

Practically at Standstill.

"Germany supplies yearly Uruguay with $2,000,000 worth of sugar, $500,000 worth of cloth and clothing, $400,000 worth of fencing wire, $200,000 worth of hosiery, $250,000 worth of coal, $175,000 worth of printing paper, $150,000 worth of tobacco, $120,000 worth of haberdashery, $100,000 worth of cement, $80,000 worth of drugs, $75,000 worth of galvanized roofing, $65,000 worth of bottles, $60,000 worth of pianos, $50,000 worth of sheep dip, etc. Now that the foreign trade of Germany is practicallly at a standstill why should not the United States avail themselves of this most extraordinary opportunity and ship the bulk of these goods and values to Uruguay? The trail to be followed has been distinctly shown to the American exporters by their European competitors. Let them adopt their methods, and possibly improve them; let them submit ungrudgingly to the necessary sacrifices involved in the capturing of new markets, and they will most certainly get the expected results.

"The three main export products of Uruguay are meat, raw wool and cattle hides.

"The importation of Uruguayan meat during the first six months of the current year has been satisfactory. The volume imported has reached a value of $3,000,000 and there is every reason to believe that as soon as transportation facilities have been improved and the world trade in this product normalized the United States will buy from Uruguay a minimum of $10,000,000 worth of meats.

Acquire Good Foothold.

"Uruguay has 26,000,000 sheep, which yield from 140,000,000 to 160,000,000 pounds of wool yearly. Practically the whole production of Uruguay is exported, as there are no mills in the country which could manufacture the wool.

"The present complication in Continental Europe will permit an important amount of the wool crop of Uruguay to be exported to the United States at convenient prices for American mills.

"The extraordinary opportunity to acquire a good foothold in Uruguay, which is offered to-day to American importers of wool should not be neglected. The best results will be obtained by sending responsible representatives to Montevideo. The time lost and the expenses incurred will be easily offset by the great benefits derived from the trip.

"Uruguay sells abroad about $25,000,000 worth of raw wool every year. More than $20,000,000 are bought by France,? Belgium, Germany and Great Britain. The United States bought only $2,000,000 worth of Uruguayan wool during the fiscal year 1913-1914. At the same time Uruguay is a heavy buyer of woollen manufactured goods. If the American mills would acquire this year say $10,000,000 of Uruguayan raw wool and turn it into the finished product they have a good chance to sell again to Uruguay one-third or perhaps one-half of the transformed product.

"The same applies to cattle hides. Uruguay exports yearly around $15,000,000 worth of hides and buys back an important amount of the manufactured product, converted into leather, boots, trunks, bags, etc."

HUNTING IN THE WEST

Mr. L. A. Robinson, General Passenger Agent, New York Central Lines, has just completed a successful hunting trip in the Yellowhead Pass region of British Columbia. He bagged two grizzly bears, three caribou and a moose and he declares that he is going back next fall. Mr. Robinson is enthusiastic over the Grand Trunk Pacific Railway and the territory which it has opened up. He was a passenger on the second through train, between Edmonton and Prince Rupert, over the newly completed western section of the line. He says the G. T. P. will lead to largely increased trade between the northwestern part of the United States and Canada.