THE I.O.F.'S INVESTMENT POLICY.

Attention has been previously drawn by THE CHRONICLE to the investment policy of the Independent Order of Foresters and the fact that it apparently maintains exceedingly intimate relations with certain United States financiers having connections in London, England. The new blue book issued by the Dominion Insurance Department contains a good deal of interesting information bearing on this matter. As at December 31st, 1914, the I. O. F. held bonds and debentures of a book value of $10,880,298, that is apart from the investments made on its behalf by the Union Trust Company. Of this total of $10,880,298, no less than $7,489,784, just about 69 per cent., is invested in the following group of securities:—

Michigan United Ry. bonds 1936 5 p.c.	$ 2,941,607
Dominion Traction & Lighting Co., Portland, Me., bonds 1943 5 p.c.	850,000
Dominion Traction & Lighting Co., Toronto, Ont., bonds 1943 5 p.c.	534,984
Georgia Ry. & Power, 1915 6 p.c.	566,750
Georgia Ry. & Power 1954 5 p.c.	1,317,488
Whiting Mfg. Co., North Carolina, bonds, 1933 6 p.c.	634,500
National Ice & Cold Storage, California, bonds, 1942 6 p.c.	644,455
Total	$7,489,784

This group of securities in which the I. O. F. has invested a very considerable proportion of its total assets—practically 30 per cent.—are, it will be noticed, mainly located in the United States. Only one of them, Dominion Traction, operates in Canada, the field of this concern being in Windsor, Ontario, and the district. It is known that the United States financiers already mentioned have been at one time or are at the present time interested in practically all these concerns.

GEORGIA RAILWAY & POWER.

If comparison be made with a similar group of investments compiled a year ago, some interesting changes will be noted. The holdings in the Georgia company have been very largely reduced, and apparently have altered in character. In the blue book for 1913 the Georgia holdings are given as Railway and Power debentures, 1914, 6 per cent., $209,000 and Railway & Power bonds 1940 5 per cent., $3,867,500. The records show that in the early part of 1914, the I. O. F. paid $1,687,135.15 for 6 per cent. bonds of Georgia Railway & Power purchased direct from the Company and about the same time—before June 30, 1914—it sold its $3,867,500 bonds to purchasers described as the Drexel Co., for $3,924,375. Similarly, before June 30, 1914, it also sold to purchasers unnamed $318,750 Georgia Railway & Power securities for $323,437. In this connection, it is interesting to note that a Detroit financier, one of those previously referred to, appears in the 1914 reference books as a director of Georgia Railway & Power, but in the latest publications his name is omitted, though Mr. Stevenson, the I. O. F.'s head, is still a director. It would be interesting to know if these huge bond dealing operations by the I. O. F. had anything to do with a change in control of the company. At all events, according to the I. O. F's. own showing, they made a profit on the deal over book value.

RE-INVESTMENTS.

Funds released by the sale of Georgia bonds seem to have been largely used in taking up other securities having the same affiliations. The holdings of Michigan United Railway bonds at December 31, 1913, were $1,719,550, they were increased last year to $2,941,607. It seems, in fact, that the I. O. F. now holds nearly 50 per cent. of the present issue of these bonds, which are secured on an interurban electric road in Michigan. The bulk of the purchases were made direct from the Company. Dominion Traction also secured last year a considerable additional amount of I. O. F. funds, altogether about $500,000, the increase in the securities of the Portland, Me., company being in part offset by a sale of part of the Toronto company's bonds. The Whiting bonds, covering a lumber property in North Carolina, were purchased to an amount of $925,216 (price paid) in the early part of 1914. Later on in the year, $160,650 bonds (book value), previously held are recorded as having "matured." A curious fact about these bonds is that they apparently "matured" at something under par, inasmuch as their par value is put down at $189,000. Also the Company got rid of $268,200 of the bonds it had bought earlier in the year, "on exchange." What were they exchanged for? The National Ice and Cold Storage is a newcomer to the I. O. F.'s statements; $322,847 (price paid) of the holding was bought from a Chicago firm; $84,000 from "sundry parties"(!) and $237,300 subsequently from the company direct. The I. O. F. must have been anxious to have them.

LOANS ON COLLATERAL.

Relations with the same financiers are also shown in a number of the smaller bond and debenture holdings of the I. O. F., and in the investments made on its behalf by the Union Trust Company, where Georgia Railway & Power again figures, and also in the collateral loans, where securities of Dominion Traction and Georgia Railway & Power are mentioned. The record of loans on collateral during the year also shows the use as collateral of the securities of the companies named, and loans to and repaid by the same financiers and their affiliations

All these securities may be excellent, of their sort, but do the authorities of the I. O. F. really consider that they are forwarding the best interests of the Order by the line of action which they are