

UNITED STATES COMPANY'S BONDS TO ISSUE HERE

Transit Company Will Try Canadian Market—Alberta's Treasury Note Issues

A syndicate composed of N. W. Harris & Company, Inc., Lee, Higginson & Company, and Bissell, Kinnicut & Company, New York, have purchased \$30,000,000 Interborough Rapid Transit Company first and refunding mortgage 5 per cents., due January 1st, 1955, and a public offering will be made.

A block of \$5,000,000 of the bonds have been allotted to a foreign syndicate, and the remaining \$25,000,000 will be offered in the United States and Canada. The price at which the bonds will be offered has not yet been determined.

The bonds will be offered in Canada by Messrs. N. W. Harris & Company, Inc., Montreal.

Power Company's One Year Notes.

Messrs. J. C. Dann & Company, Ellicott Square, Buffalo, N.Y., and their New York correspondents, Messrs. Laidlaw & Company, 26 Broadway, New York, are offering one year 6 per cent. collateral notes of the Niagara, Lockport & Ontario Power Company. This company owns all of the capital stock, except qualifying directors' shares, of the Salmon River Power Company. The following securities have been deposited with the trustee as security for these notes:—

\$1,000,000 par value of Salmon River Power Company first mortgage 5 per cent. bonds, due 1952.

600,000 par value of Ontario Power Company stock (dividend rate 5 per cent).

\$1,600,000 total par value of collateral security.

The aggregate value of this collateral at current market is over 33½ per cent. in excess of the par value of the total authorized issue of collateral trust notes.

The Niagara, Lockport and Ontario Power Company operates 762 miles of transmission lines (407 miles owned; 355 miles leased), supplying the trolley lines in Syracuse, Rochester, Batavia, Oswego, and Lackawanna; the interurban lines between Rochester and Geneva, Rochester and Sodus Bay, Rochester and Mount Morris, Rochester and Lockport, between Syracuse and Oswego, and Syracuse and South Bay, and between Buffalo and Westfield (near Erie, Pa.), the total length of trolley roads thus operated, wholly or in part, being 588 miles. The company furnishes the public service corporations supplying light and power in Syracuse, Auburn, Rochester, Batavia, Lockport, Albion, Medina, Middleport, Depew, Lancaster, and Lackawanna, besides smaller communities. Power is also supplied to the Lackawanna Steel Company, the American Locomotive Company (Dunkirk shops) and many other large manufacturing concerns.

In order to supply the increasing demand for power in the Syracuse district, the Salmon River Power Company is being built (officers of the company state that the first installation of 15,000 horse-power will be completed before the end of 1913). The demand for power in the Syracuse district for street railway, lighting and general power purposes is shown by present sales, under contracts, of 17,911 horse-power, an increase of 39 per cent. in the last two years, and 150 per cent. since 1908.

Alberta's Treasury Notes.

The total outstanding indebtedness of province of Alberta at present is \$15,741,981. Particulars of the debt were given by the premier as follows: Bonded indebtedness, \$6,860,200; treasury notes, \$7,533,333; bonds payable to banks or otherwise, \$971,500; and overdrafts, \$376,948.

The premier said there had been two re-issues of treasury notes since the last session of the house as follows:—

\$7,290,000 due on December 30th, 1913, and \$243,333 due April 1st, 1914. The expenses of negotiating the re-issues were \$218,700 and \$4,496, respectively.

The re-issues were arranged through Lloyds' Bank, the amount paid being one-quarter per cent., which included bank commission, brokers' commission, legal expenses and stamps on the treasury. They were negotiated at five per cent.

At a public conference at London, Ont., the Grand Trunk System, represented by Mr. Long, head of the freight department, Ontario, stated that the Grand Trunk would have nothing to do with the London and Port Stanley road if it is electrified.

Canadian butter and farm produce are being shipped to commission men at St. Paul, Minn., and held in bonded warehouses until the passage of the tariff bill, which is expected to lower the duty approximately \$1,000 a carload, states a despatch from that city. Several large shipments of produce also are being held on the Canadian side of the border.

LIFE INSURANCE COMPANIES' PROFITS

What Line Marks Division Between Those Divisible Among Policyholders and Shareholders? Asks Correspondent

Respecting the analysis of life insurance stock as an investment, which appeared in a recent issue of *The Monetary Times*, a correspondent writes:—"This makes it quite clear that from past experience, life insurance stock is a remunerative field of investment, but I know from my experience with investors that one point is not clear to many who have looked at this stock with a view to investment and which, perhaps, your expert would make clear for those who would like to have the information.

Is the Prevailing Idea.

"The prevailing idea among policyholders, I think, is, that any savings effected or profits earned in life insurance business, are distributed among participating policyholders, and it is not clear to them what line marks the division between profits divisible among policyholders and profits divisible among shareholders. The obscurity of this point to many has kept them away, I think, from life insurance stock as an investment, because they are not able to see clearly where their profits are to come from or what basis is taken or what system is followed in determining what profits may be properly divided among shareholders. I have heard some express the belief that the dividends on life insurance stock are limited to what may be termed an ordinary interest rate.

"If your expert would briefly, but concisely, clear up this point, I think he would go a long way toward turning the eyes of would-be investors to life insurance stock. I can understand myself that the stock available would be limited since the amount required is not large. Nevertheless, if the idea of your article is to produce an awakening, I think what I have referred to, if properly cleared, would help quite a few to awaken, as investors like to study the possibilities of an investment field."

What the Act Says.

The writer of the article in question says in reply:—

"The payment of dividends to shareholders of life insurance companies, formed since the passing of the Insurance Act, 1910, is regulated by Section 185 of that Act. Under this section, shareholders are entitled (1) to interest upon their unimpaired paid-up capital stock at the average net rate earned upon the mean invested funds of the company; (2) to not more than one-tenth of the profit realized upon participating business; (3) to the profit arising from non-participating business; and (4) to a share of any profit on securities realized. 'Such shareholders to be, however, charged with a fair proportion of all losses incurred upon investments or other losses of a similar character.'

"The only difference between this and section 110, regulating companies organized before the passing of the Act is that participating policyholders in any company then having existing rights under the Acts relating to such company, to any share of the profits of the non-participating business retain them."

CANADA AND LOW WHEAT PRICES IN NEW YORK

Heavy northwestern offerings of wheat, almost wholly of Canadian origin, with unexpected lightness of foreign demand has caused weakness in prices resulting in a decline of 9½ cents a bushel in December contracts and 8½ in September deliveries in New York. A recent quotation of September at 85½ is the bottom for this season, comparing with the high of 93½ cents. December deliveries now at 87½ are less than a cent higher than September, compared with the high of 96¼. Since the beginning of September these two contracts have declined 4½ and 5½ cents respectively.

"Unless developments in the foreign market should take a more favorable turn," says the Wall Street Journal, "it is doubtful whether the domestic conditions will offer much immediate relief to the pressure of Canadian supplies. Free imports may any day now become a fact. Canada's crop of 211,000,000 bushels of wheat and 420,000,000 bushels of oats have the best month of their movement immediately ahead of them. In spite of improved storage facilities the offerings are to be taken care of through concessions to distributors and their capacity to make a market for the surplus.

The last payment in the Canadian Pacific Railway new stock issue will be due on October 20th. The first payment was made on February 13th, and subsequent payments were made in April, June and August.