

Local Financial Matters

By I. A. FLEMING. The Southern Pacific-Union Pacific merger decision is potent after all. Not especially severe on the corporation directly at interest, but decidedly important in its effect on the industrial properties specifically and generally.

It is taken to mean that the industrial corporations, the big trust companies, have got to disintegrate. Where the corporation has an abundance of assets and the chances are that there will be a re-creation of American Tobacco and Standard Oil successes to the companies that may be disintegrated, the weakness is not as evident as elsewhere throughout the list, but the minor industrial received a severe smash, as evident by the losses.

The most severe loss of the day was in Can. com. 41-8, and in Can preferred shareholders on the 31 per cent back cumulative dividend payments due. The street expected 2 per cent and the action was immediately met by liquidation.

A number of industrial and railroad declared rather better dividends. Lorillard Tobacco coming over with 2-1/2 per cent, and a like amount extra to its common shareholders, and the regular 13-4 to the preferred. Snuff shareholders received a regular dividend of 3 per cent and an extra of 2 per cent on common stock, with the regular 13-2 on preferred shares.

For a time the interests that are behind the stock market made a desperate effort to hold the list. In this they were assisted by the fact that the holders are not small investors, but large interests who have put up a good fight against the market.

They were partially successful, but did not maintain their success, the general liquidation of industrial coming on top of the short selling movement of bears who are just finding themselves in this movement, turning the entire list, with but few and far between exceptions, into lower range of prices.

The only exceptions to the weakness was in Snuff, Lorillard Tobacco, California Oil, Sea Lion, Southern Pacific, and Wabash preferred—everything else was lower. Southern Pacific was favored, but did not hold its full advance, retaining but 2-4 of a point and common.

Market was active throughout the entire session, making frequent attempts to rally, but failing to hold these gains, and the close was but slightly above the low record of the day.

Spencer Trask & Co., New York, have this to say regarding the tariff bill that will be enacted by the next Congress. "Speaking without knowledge of a special character, we firmly believe that whatever bill is passed will be fair to our consumers, while at the same time recognizing the legitimate exigencies of our producers. In other words, we do not believe that the Democratic party, which is now in power for the first time in sixteen years, will enact a bill that would be so radical as to throw business into a sea of dependency, or check for a longer time than adjustment may properly take the energy and resources of our business men. It is evident to us that the intention of the incoming administration is to hasten the passage of a new tariff bill in order that business may be retarded for as short a time as is possible, and if this plan should be successfully put through, it is quite possible that the momentum business has acquired recently may be carried over this period of uncertainty, and that once the necessary adjustment has been completed the activity of the country will be resumed with even greater zeal."

All savings banks reporting, the gain in deposits is \$14,381,321.

In this statement the Seventh Street Savings Bank and the North Capitol Savings Bank made their first reports. The former has \$11,529 deposits, and the North Capitol \$6,257.46. In this latter

WEDNESDAY'S LOSSES

Table listing various stocks and their losses, including Copper, Lead, Locomotive, and others.

WEDNESDAY'S GAINS

Table listing various stocks and their gains, including Cal. Oil, Gulf, and others.

WALL STREET GOSSIP

An active market for sixty days is expected in responsible quarters of the Street. Following temporary irregularity the tendency will be upward, is the prediction made.

Professional operators are trying to break the industrial list on the Union Pacific unsettledness.

"A market that will not break 10 points on an European general war scare, radical change of national administration, high money rates, and an adverse decision by the Union Pacific, is ready to rise," says a big operator.

Pittsburg private advices say business continues to be refused by steel mills, except at good prices and late deliveries next year.

Rumors persist in professional circles that important news is pending in regard to the segregation of Tennessee Coal.

Standard Oil interests are reported to be "cracked millions" on 24 declines. The showing of the Pacific Coast extension is said to be responsible.

Latest reports from the board and Morgan sources of Wall Street point to the liquidation of Steel by a pool, the size of which is in question. From what we can learn, the pool was trailer. Stop orders for long account have been caught in considerable volume in steel.

Confidence of the strongest kind is exhibited by sources that have been bullish on Reading. It is said since the merger decision the investors have added to their lines of Reading in the belief that the long-awaited segregation motion will be cut in the next few months. A decision may come next Monday in the coal case. The stock is expected to be earning more than 20 per cent now.

The directors of the Tennessee Copper met this morning, and the action on the dividend. The dividend meeting will probably be held some time before the Christmas holidays.

The American Tobacco Company has declared the regular quarterly dividend of 1 1/2 per cent on its preferred stock.

President W. C. Brown, of the New York Central lines, announces that the total number of loaded cars handled by the lines in November was 1,570,000, as compared with 1,516,212 in the same month last year, an increase of 3.5 per cent. This is the largest movement of loaded cars for that month in history of the system.

The Pierre Lorillard Tobacco Company has declared an extra dividend of 2 1/2 per cent on common and the regular quarterly dividends of 2 1/2 per cent on common and 1 1/2 per cent on preferred.

The American Smelters Securities Company declared usual quarterly dividend of 1 1/2 per cent on its preferred stock, and of 1 1/4 per cent on its preferred B stock.

The Interborough Rapid Transit Company declared usual quarterly dividend of 2 1/2 per cent, payable January 2 to holders of record December 31.

Caspar says little fellows have not any stock, and big men have in large quantities, and are waiting for a chance to sell. The high cost of money is making it hard for them to carry, and many are throwing some over. Market does not rally right, and lower prices should prevail.

Representative Levy's measure for the deposit of \$50,000,000 in the national banks by Secretary MacVeagh will be considered on Friday by the House Banking Committee. A call for the meeting was issued to-day.

At a meeting of the directors of the American Snuff Company to-day, a regular quarterly dividend of 3 per cent and an extra dividend of 3 per cent were declared on common stock. The usual quarterly dividend of 1-1/2 per cent was declared on preferred.

Louisville & Nashville October operating revenue increase, \$268,128. Net operating revenue, December, \$211,445.

way of dividend resumption by the preferred stock of the Interborough Metropolitan Company will be considered at this time, nor is it likely that the Rapid Transit Construction Company will declare another dividend at present.

Central Railroad of New Jersey has declared the usual quarterly dividend of 2 per cent and a special dividend of 3 per cent. The special dividend is payable December 15, and the usual dividend is payable February 1 to holders of record January 21.

The Illinois Central Railroad Company has declared the regular semi-annual dividend of 2 per cent on its leased line stock.

A plan to relieve the money market by authorizing the Secretary of the Treasury to deposit \$200,000,000 in national banks was suggested in a bill introduced yesterday by Representative Levy of New York. The Treasury, he said, has been absorbing the people's money by taxation to the extent of \$250,000,000 during the present fiscal year.

Bag preferred passes its dividend.

A committee has been formed to protect the interests of holders of Southern Pacific stock consisting of James N. Wallace, chairman; Henry Evans, J. H. Rockwell, Fredrick Strauss, and Albert H. Wright. This action is taken as a result of the Supreme Court decision requiring Union Pacific to divest itself of Southern Pacific holdings.

The Guaranty Trust Company has increased \$500,000 gold in London for import to New York.

Missouri Pacific—Four weeks November increase, \$134,000; from July, increase, \$1,362,000.

The papers are almost ridiculous in discussing the plans of the Union Pacific and Southern Pacific to think that they should be prepared to announce twenty-four hours after probably one of the most important decisions that has ever been rendered by any court such plans as would work out the decision.

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NEW YORK STOCK MARKET

Table listing various stocks and their prices, including Anaconda, Am. Ag. Chem., and others.

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Hocking Valley Railroad for October, total revenue increase, \$76,000. Net operating revenue increase, \$30,056.

The Guaranty Trust Company has declared the regular quarterly dividend of 6 per cent, and an extra dividend of 2 per cent.

Everybody is disgusted with the action of the Canadian directors. Most traders were looking for at least 2 per cent extra.

Market shows a nervous tone, in spite of strength in certain stocks. Impression exists that decision will lead to liquidation in stocks held illegally by various companies. Although buying is good, it is looked upon with suspicion. News affecting the market is so conflicting that I think it advisable to go slow until things clear up a bit.

Strength in California Petroleum is based on expectation of the placing of the stock on a 2 per cent basis at a meeting of the directors to be held on Friday.

Directors of the Interborough Rapid Transit Company met Wednesday morning for the purpose of declaring dividends on the stock of the company and the Subway Realty Company. It is expected that the usual rates of 2 1/2 per cent for the former and 1-1/2 per cent quarterly for the latter will be declared. It is not expected that anything in the

FINANCIAL FINANCIAL FINANCIAL

KELSEY, BREWER & COMPANY as Syndicate Managers Offer Subject to Allotment a New Issue of

American Public Utilities Company

\$2,200,000 Six Per Cent Cumulative Preferred Stock and \$770,000 Common Stock

in "Blocks" of \$1000 par value Preferred Stock and \$350 par value Common Stock For \$1,000 or fractional parts thereof on same basis

The stock now offered for sale is issued for the acquisition of certain securities of the new properties in Indianapolis, Indiana, and LaCrosse, Wisconsin, and to provide additional capital.

ORGANIZATION THE AMERICAN PUBLIC UTILITIES COMPANY, through stock ownership, will control the following properties:

- Merchants Public Utilities Co., Indianapolis, Ind.
Peoples Light & Heat Co., Indianapolis, Ind.
Elkhart Gas & Fuel Co., Elkhart, Ind.
Valparaiso Lighting Co., Valparaiso, Ind.
Utah Gas & Coke Co., Salt Lake City, Utah.
Boise Gas Light & Coke Co., Boise, Idaho.
Wagona Gas Light & Coke Co., Wagona, Minn.
Minnesota-Wisconsin Power Corporation.
LaCrosse Gas & Electric Co., LaCrosse, Wis.
Albion Gas Light Co., Albion, Mich.
Holland City Gas Co., Holland, Mich.
Jackson Light & Traction Co., Jackson, Miss.

The United States Census for 1910 shows a total population in the cities served by American Public Utilities Company of 471,451 against 322,929 for the year 1900. This is an increase of 41%.

CAPITALIZATION Bonds, Thirty-year 5% Collateral Trust \$23,000,000 Preferred Stock, 6% Cumulative 2,214,000 Common Stock 2,995,000

EARNINGS A conservative estimate, based upon previous earnings and upon a thorough knowledge of the conditions served and the operating conditions under which the service is rendered, indicates the following earnings for the ensuing year:

Table showing earnings components: Gross earnings of all properties, Operating Expenses, Interest on Underlying Securities, Earnings accruing to American Public Utilities Co., Earnings Derived from Working Capital.

Gross Earnings American Public Utilities Co. \$71,902.50 Deduct Interest on \$23,000 Collateral Trust Bonds 48,000.00

Deduct 5% Dividend on Preferred Stock 329,952.50 Earnings on Common Stock less \$75,000 thereof held by Trustee for future Corporate purposes 295,112.50

Per cent. Earnings on Common Stock 18.1% The earnings accruing to the American Public Utilities Company are two and one-quarter times the amount required to pay 6 per cent upon the preferred stock of the company.

PREFERRED STOCK The preferred stock is cumulative, will pay six per cent dividend from date of issue, and will be preferred as to earnings and assets. Dividends will be payable quarterly. This stock may be redeemed on any dividend date at 105 plus accrued dividends.

COMMON STOCK The common stock will pay 2 per cent per annum, in quarterly installments, from date of issue. It is believed the Company will be able to increase the dividend on the common stock one per cent each year thereafter until at least 6 per cent per annum is paid. In addition to the cash dividends upon the stock now issued, stockholders will participate in any profits from the acquisition of new properties and such profits may, in the judgment of the Board of Directors, be in the form of stock dividends.

MARKET The securities of the AMERICAN PUBLIC UTILITIES COMPANY enjoy a very wide market, being listed on the stock exchanges of Columbus, Cleveland, Louisville and Detroit. They also have a ready trading market in New York, Boston, Chicago, Grand Rapids, Providence, St. Paul.

Application will be made to list the securities on other exchanges.

MANAGEMENT The Company is under the active management of Messrs. Kelsey, Brewer & Co., Engineers and Operators of Public Utility Properties, Grand Rapids, Michigan.

All legal matters under the direction of Pam & Hurd, Attorneys, Chicago, Ill.

TERMS OF PAYMENT Subscribers on desiring may pay 50 per cent of subscription at the time of allotment and the remaining 50 per cent January 10, 1913.

Where payment is deferred to January 10, 1913, the preferred stock will be issued to the nearest even share as payments are made and the common stock will be delivered when subscription is fully paid, 50 per cent. Interest will be charged on deferred payments and dividends will accrue on preferred and common stock from date of allotment.

THIS OFFERING WILL OPEN ON DECEMBER 5, 1912, AND CLOSE AT NOON DECEMBER 15, 1912. The Syndicate Managers reserve the right to allot subscriptions.

Subscriptions may be sent through your banker or broker or direct to our office. Orders may be telegraphed at our expense.

Kelsey, Brewer & Company Michigan Trust Building GRAND RAPIDS MICHIGAN

Table listing various stocks and their prices, including Third Avenue R. R., Toledo Box & Light, and others.

THE BANK OF PERSONAL SERVICE FUNCTIONS OF OUR BUSINESS

1st. To receive and safely keep the idle funds of our depositors. 2d. To loan these moneys to merchants for the development of their business and to responsible individuals.

Let us serve you as a depositor or borrower. Resources, eight millions.

THE COMMERCIAL NATIONAL BANK 14th and G Streets

CURB MARKET

Table listing various commodities and their prices, including Cotton, Sugar, and others.

BOSTON COPPERS

Table listing various copper stocks and their prices, including Adams & Arizona, Calumet & Hecla, and others.

NEW YORK MONEY

Table listing various money market rates, including New York, Dec. 4, Money on call, and others.

NEW YORK COTTON

Table listing various cotton market prices, including New York, Dec. 4, Cotton, and others.

Other Financial News on Opposite Page.