

# THE INVESTOR

CONDUCTED BY GEO. A. DOBSON

## OFFICE OF THE HERALD

OCTOBER 19, 1937.

The Atchison, Topeka and Santa Fe railway company made its annual report for the fiscal year ending June 30, 1937. The number of miles composing the Atchison system is 6,479.40.

Total earnings for operation.....\$30,621,230.10  
Total operating expenses.....27,857,183.81  
Net earnings.....\$2,764,046.29

Net revenue.....\$2,764,046.29  
Taxes, rentals, other charges.....\$497,236.70  
Balance applicable to fixed charges.....\$2,266,809.59

Fixed interest charges.....\$4,095,838.00  
Total surplus for the fiscal year.....\$1,621,445.59  
Surplus for preceding 6 months.....\$50,731.50

Total surplus June 30, 1937.....\$1,938,235.59  
The bonded indebtedness is as follows:

General mortgage, 4 per cent.....\$110,420,500.00  
Adjustment mortgage bonds.....\$1,728,000.00  
Guarantee fund.....\$6,905,000.00  
Chicago and St. Louis Ry. Co.

First mortgage bonds.....\$1,500,000.00  
Equipment Trust bonds, series A.....\$250,000.00  
Miscellaneous unsecured bonds.....\$60,250.00

Total.....\$124,913,750.00  
The capital stock is as follows:

Common.....\$102,000,000.00  
Preferred.....\$131,480,000.00

President Ripley of the Atlantic and Pacific says of that company:

A special issued by your directors under date of February 11, 1936, stated the conclusion of negotiations for the purchase of the entire issue of \$15,000,000 Western division first mortgage 6 per cent Atlantic and Pacific Railway company bonds, for which the company had paid \$400,000 of its general mortgage bonds and 32,000 shares of its preferred stock from the bonds and stock reserved under the reorganization plan for the acquisition of auxiliary lines. The company also paid \$200,000 in cash and assumed the outstanding obligations of the Atlantic and Pacific receiver. The transaction has since been fully carried into effect by the completion of the foreclosure of the mortgage securing said bonds, the purchase of the mortgage estate at public sale and the organization of a corporation to take over and operate the property. The new company, entitled the Santa Fe Pacific Railroad company, was incorporated under act of congress and took full possession on July 1, 1937.

Immediately after the consummation of the agreement of purchase the property was inspected and arrangements were made for commencing the work required to be done in the improvement of the physical condition of the line. This work is now under way and considerable progress has already been made.

The traffic of this line is steadily increasing, and the management of the Santa Fe Pacific railroad as a part of the Atchison system will promote the development of local business as well as insure the economical handling of through business.

The income account of the receiver of the Atlantic and Pacific for the fiscal year ending June 30, 1937, shows the following results:

Gross earnings.....\$3,337,848.06  
Operating expenses.....2,394,552.62  
Net earnings.....\$943,295.44

Taxes paid.....\$152,949.13  
Rentals, including proportion of mortgage division.....\$10,822.19  
Surplus.....\$779,524.12

An arrangement has been made with the Southern Pacific company for the permanent exchange of the line for the New Mexico and Arizona railroad and Sonora railway, owned by the Atchison, for the Mojave division of the Santa Fe Pacific (240.00 miles), owned by the Southern Pacific, and operated since 1884 by the Atlantic and Pacific under lease from the Southern Pacific. Agreements for the purpose of consummating this exchange are in process of preparation, to which the assent of the Mexican government is necessary under the provisions of the Sonora concession. The mileage of the Atchison system will then be as follows:

The Atchison, Topeka and Santa Fe Railway.....4,542.76  
Gulf, Colorado and Santa Fe railway.....1,087.50  
Southern California railway.....438.74  
Santa Fe Pacific railroad.....508.50

Total.....6,577.50  
The following figures, applicable to the Atchison system, including the Santa Fe Pacific railroad and excluding the Sonora railway and New Mexico and Arizona railroad, will constitute the basis for future comparisons:

Miles of road.....6,577.50  
Gross earnings for year ending June 30, 1937.....\$33,633,440.12  
Gross earnings per mile.....\$5.11  
Fixed interest charges.....\$4,095,838.00  
Net earnings.....\$2,764,046.29  
Fixed charges per mile per annum.....\$624.50  
Per cent of gross earnings.....14.92 per cent  
Per cent to gross earnings of interest on all funded debt (including 4 per cent interest on adjustment bonds).....21.09 per cent

The annual report of the San Francisco Stock and Bond exchange shows transactions for the fiscal year ended September 19, 1937, summarized as follows: Total cash business in stocks and bonds, \$13,078,371.65; an increase of \$3,014,077.02 over last year. The transactions for the past fifteen years have amounted to \$108,635,467.38.

It is worthy of remark that the transfer of currency by registered mail recently referred to in this column, has reached, according to eastern accounts, quite large proportions. The economy of this method is greatest in the long distance transactions. A saving of nearly one-half is thus effected, or, say, the difference between 20 cents per \$1000 for postage and registry fee plus 50 cents per \$1000 for insurance, against \$1.50, the bankers' rate by express.

Says the Economist: It is a rather nice question for the bulls whether there is time between now and the inevitable period of wavering confidence that will come about the time of the assembling of congress for another important upward movement. It is rather probable that there will be one because of the excellent condition of general business and the great power of the leaders in the recent bull speculation, who certainly have not parted with all their stocks and many of whom profess not to have sold anything. But the great enthusiasm of the first onset of the bulls is gone.

and the time is past when the outsider will feel that it is necessary only to buy some where to make money.

## Mortgages

There were 11 mortgages filed yesterday, which amounted to \$534. The following list gives the particulars of those for \$100 and over:

Margaret McFarlane to Sarah C. Ladd-Lot 1, in block 157, Santa Monica; Oct. 15, 1937; 7 per cent; \$200.

Lulu M. Cleveland et al. to Belle Weinheimer Chipperton-Lot 44, Orange Heights; 2 years, 1934 per cent; \$150.

J. W. Glibreath et al. to B. H. Wilde-Lot 151, Grand & Dowd's Adams Street tract 2 years 11 per cent; \$120.

Joseph Belchick to P. Steinhart-Lot 44, block 2, City Center tract; installment, 11 per cent; \$100.

John F. Kanst et al. to Mrs. L. L. Lee-Lot 81, extension of Nob Hill tract; 1 year, 8 per cent; \$100.

## Building Permits

R. E. Ibbotson, two-story, ten-roomed houses, Tenth and Bonnie Brae; \$350.

Milo M. Potter, 4-room double cottage, Sixth near Wall; \$120.

## Mining Stock Quotations

Following are yesterday's quotations on the Los Angeles Stock and Mining exchange:

Name of Stock Bid. Asked. Sales.

Cavil..... 1/2 2  
East Amargosa..... 1/2 3/4 1000/40  
Mohawk-Aconit..... 1/2 3/4 1000/40  
Lucky Star..... 1/2 3/4 1000/40  
Marganetta..... 1/2 3/4 1000/40

Old Dominion..... 1/2 3/4 1000/40  
Pacific Coast..... 1/2 3/4 1000/40  
Rand Mt..... 1/2 3/4 1000/40  
Wedge..... 1/2 3/4 1000/40  
Mohawk-Aconit..... 1/2 3/4 1000/40  
Val Verde..... 1/2 3/4 1000/40

Amargosa..... 1/2 3/4 1000/40  
Mazurka..... 1/2 3/4 1000/40

## ON 'CHANGE

What Was Done Yesterday on Wall Street

NEW YORK, Oct. 1.—The undercurrent of today's market was one of strength throughout. The volume of transactions was not large and there were prolonged periods of dullness when trading was practically stagnant, but the operations of important interests which were prominent in the late bull market were manifest.

The tone of yesterday's market had apparently improved, but the moderate operators to undertake a movement for a rise today. The break in the price of Pullman due to the news of the death of the head of the company halted the operations of this element for a time, but the firm sale of the general list in the face of the break in Pullman and of marked weakness in Chicago Gas and the strong support which the Pullman stock enjoyed encouraged the bull operators to renew their campaign in an aggressive way later in the afternoon. The result was that the shorts were driven to cover and prices throughout the list mounted strongly upward to a point materially above last night's close.

The bears had made the most of the systematic effect produced by the opening weakness, but the moderate operators, who had been waiting for a decline in the general list failed to bring any heavy liquidation or to dislodge any great amount of stop loss orders.

The market continued to show improvement, the exchange movement showed a distinctly firmer tendency, though the only announcement of gold from Europe was of the withdrawal for shipment to the United States of \$100,000,000 of gold from the Bank of England. Gold, however, is in transit from Australia to San Francisco. The local money market continued easy and outside weakness continued to be a factor in the commercial paper in this market. A feature of the bond market was the sale of two blocks, 100,000 and 100,000 respectively, of Pacific collateral sixes at unchanged prices. Bonds in general were not on a large scale, but prices generally showed improvement. The total sales were \$1,650,000. United States four registered advanced 1/8 bid and the five declined 1/4.

## Closing Stocks

NEW YORK, Oct. 19.—The following were the closing stock quotations today:

Atchison..... 30 1/2  
Baltimore & O..... 13 1/2  
Canada Pacific..... 21 1/2  
Central Pac..... 11 1/2  
Ches & Ohio..... 21 1/2  
Chicago & N. W..... 10 1/2  
C. & St. L..... 10 1/2  
C. & St. L. & N. W..... 10 1/2  
C. & St. L. & N. W..... 10 1/2  
C. & St. L. & N. W..... 10 1/2

Del. & Hudson..... 17 1/2  
D. & R. G..... 12 1/2  
D. & R. G..... 12 1/2  
D. & R. G..... 12 1/2  
D. & R. G..... 12 1/2  
D. & R. G..... 12 1/2

Eliz. (new)..... 10 1/2  
Fort Wayne..... 10 1/2  
Great N. P..... 13 1/2  
Hocking Valley..... 6 1/2  
Illinois..... 10 1/2  
J. & W. B..... 10 1/2  
Lake Shore..... 17 1/2  
Louis & Nash..... 10 1/2  
Mack Centre..... 10 1/2  
Met. Tracton..... 10 1/2  
Mich. Central..... 10 1/2  
Min. & St. L..... 10 1/2  
Missouri Pac..... 10 1/2  
Mobile & Ohio..... 10 1/2  
M. & K..... 10 1/2  
N. & W..... 10 1/2  
N. J. Central..... 10 1/2  
N. Y. Central..... 10 1/2  
N. Y. & St. L..... 10 1/2  
N. Y. & St. L..... 10 1/2  
N. Y. & St. L..... 10 1/2  
N. Y. & St. L..... 10 1/2

Norfolk Western..... 10 1/2  
N. Am. Co..... 10 1/2  
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Pittsburg..... 10 1/2  
Reading..... 10 1/2  
Rock Island..... 10 1/2  
St. Louis & S. F..... 10 1/2  
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