

Market, Financial and Industrial News of the Day

Capital Sought In Development Of Water Power

Use of Hydro-Electric Energy In New England to Be Stimulated by Survey Authorized by Congress.

By HOLLAND.

One of the light and power companies of New England is now in the money market seeking a loan of \$4,000,000, to be represented by cumulative 8 per cent preferred stock. This corporation is capitalized in common and preferred stock for nearly \$12,500,000. Yet a few years ago the property now represented by this capitalization was latent, undeveloped. It was the energy which was in one of the rivers of Connecticut and which had flowed uncaptured from prehistoric times to the sea. Capital and courage, however, combined to utilize this power and it is now in material and visible form by means of hydro-electric plants and by nearly a 100 miles of high tension transmission lines by means of which power and light are furnished to western Connecticut.

In the far south hydro-electric energy has been made available for operating many factories and trolley lines although the cost of the power is not as low as that in the north. The investigation by the United States authorities which was authorized with an appropriation by Congress in 1917 to stimulate the development of new and well concentrated power throughout the district stretching from Boston as far south as Washington, D. C., and from New York state has accumulated facts which are so convincing as to justify an undertaking whereby advantages may be taken of the water resources of the country. It is believed that the results of this investigation will be a report to be made to President Harding that the production of the electrical power and light in New England in operation two years ago it would have made possible the building of 2,000,000 kilowatt hours of capacity in New England and the probability of the production of electrical energy in the greater part of the country. It is probable that the demonstration recently made at Pittsfield, Mass., of the production of the electrical power and light in New England in operation two years ago it would have made possible the building of 2,000,000 kilowatt hours of capacity in New England and the probability of the production of electrical energy in the greater part of the country.

There will be, of course, recollection of the recommendation which was made by John C. Calhoun when he was secretary of war in the administration of President Monroe. Today a 100 years ago Calhoun recommended the construction of a water power plant in the Connecticut river from Boston as far south as South Carolina, the project is revived and to suggest that the project is revived in New Jersey has been completed. It is along the line of the Connecticut river where now the government of the United States is preparing to establish a superpower plant by means of which water and spoke electric energy will be produced. It was 19 years later that Farraday discovered the mystic law which 30 years later made possible the construction of the dynamo and the present day construction of stupendous power producing dynamo mechanism. Therefore Calhoun was compelled to rely upon an interior coast line artificial water power, not only for protection but for coastwise commerce. We had little or no manufacturing at that time and England was just beginning to develop the cotton manufacturing industry. The wonderful expansion of industry and manufacture in New England, in eastern New York and in the West and in Maryland did not begin until about the time of our Civil war.

The Superpower Survey. The investigation by the United States authorities which was authorized with an appropriation by Congress in 1917 to stimulate the development of new and well concentrated power throughout the district stretching from Boston as far south as Washington, D. C., and from New York state has accumulated facts which are so convincing as to justify an undertaking whereby advantages may be taken of the water resources of the country.

Chicago Produce. Chicago, Nov. 14.—Butter—Higher: creamery extra, 44c; first, 42c; second, 40c; standard, 38c. Eggs—Inchings: fresh, 1.50; case, 1.45; ordinary, first, 1.40; second, 1.35; refrigerator extra, 1.30; refrigerator first, 1.25; poultry—Alive, 60c; fowls, 14c; turkeys, 16c; roasters, 16c.

Omaha Produce

Furnished by State of Nebraska, department of agriculture, bureau of markets and inspection.

Table of livestock prices including HAY, LIVESTOCK, and DRESSED POULTRY. Includes items like Prairie No. 1, No. 2, No. 3, and various types of cattle, sheep, and poultry.

Chicago Grain

By CHARLES D. MICHAELS.

Chicago, Nov. 14.—Wheat—A strong start and a weak finish, heavy profit-taking developing after advance of 1c on local buying early. The close was within a fraction of the low point with net losses of 3/8c @ 3/4c, the latter on May. Corn showed more activity and advanced early only to ease off with wheat and finished 1/4c lower with May leading, while oats were 3/4c and rye 1/4c @ 1/2c lower.

Omaha Grain

November 14, 1921.

Grain arrivals today continued light, with receipts totaling of cars. Wheat prices were unchanged to 1c off. Corn was unchanged to 3/4c up. Oats were about unchanged. Rye was easy and barley about unchanged. The market was quiet without particular feature.

Chicago Live Stock

Receipts and disposition of live stock at the Union Stock Yard, Chicago, Nov. 14, 1921.

Table of live stock receipts and dispositions including Cattle, Hogs, and Sheep. Lists various types of livestock and their respective quantities and prices.

New York Quotations

Range of prices of the leading stocks furnished by Logan & Bryan, Petos Trust building.

Table of stock market quotations including High, Low, Close, and Open prices for various stocks like A.T. & S.F., Am. Sugar, and others.

Chicago Closing Prices

By Updike Grain Co. 2427, Nov. 14.

Table of grain closing prices for Wheat, Corn, and Oats, including various grades and contract types.

Foreign Exchange Rates

Following are today's exchange rates as compared with the par valuation.

Table of foreign exchange rates for various countries including Belgium, Canada, France, Germany, and others.

Chicago Live Stock

Chicago, Nov. 14.—U. S. Bureau of Markets.—Cattle—Receipts: 2,500 head; market: steady to strong; prices: 1.50-1.60; beef steers: 1.50-1.60; hogs: 1.50-1.60; sheep: 1.50-1.60.

Chicago City Live Stock

Kansas City, Nov. 14.—U. S. Bureau of Markets.—Cattle—Receipts: 2,500 head; market: steady to strong; prices: 1.50-1.60; beef steers: 1.50-1.60; hogs: 1.50-1.60; sheep: 1.50-1.60.

St. Joseph Live Stock

St. Joseph, Mo., Nov. 14.—Receipts: 2,500 head; market: steady to strong; prices: 1.50-1.60; beef steers: 1.50-1.60; hogs: 1.50-1.60; sheep: 1.50-1.60.

Evaporated Fruit

New York, Nov. 14.—Evaporated Apples—Receipts: 2,500 cases; market: steady to strong; prices: 1.50-1.60; peaches: 1.50-1.60; pears: 1.50-1.60.

Chicago Cattle

Chicago, Nov. 14.—Cattle—Receipts: 2,500 head; market: steady to strong; prices: 1.50-1.60; beef steers: 1.50-1.60; hogs: 1.50-1.60; sheep: 1.50-1.60.

Chicago Hogs

Chicago, Nov. 14.—Hogs—Receipts: 2,500 head; market: steady to strong; prices: 1.50-1.60; heavy: 1.50-1.60; light: 1.50-1.60.

Chicago Sheep

Chicago, Nov. 14.—Sheep—Receipts: 2,500 head; market: steady to strong; prices: 1.50-1.60; heavy: 1.50-1.60; light: 1.50-1.60.

New York Telephone Company Refunding Mortgage Twenty-Year 6% Gold Bonds, Series A. Dated October 1, 1921. Due October 1, 1941.

Interest payable April 1 and October 1 in New York City. Coupon Bonds in denominations of \$1,000, \$500 and \$100, registerable as to principal. Redeemable, at the option of the Company, in whole but not in part, on October 1, 1931, or on any interest date thereafter, upon 60 days' notice, at 105% and accrued interest.

BANKERS TRUST COMPANY, NEW YORK, TRUSTEE.

Following is a summary of the letter of H. F. Thurber, Esq., President of the Company, stating the particulars in regard to the issue:

The New York Telephone Company operates the only comprehensive telephone system throughout the State of New York (including New York City) and in the northern part of New Jersey. The present value of the New York Telephone Company's physical property, which is the value used for rate making purposes, is largely in excess of the cost of that property as carried on the books. On September 30, 1921, the book cost of the Company's assets, valuing securities of subsidiary companies at conservative figures, amounted to over \$408,000,000, whereas the total bonded debt, including the present issue, aggregates less than \$142,000,000. During the last ten years, \$83,795,000 from revenues has been reinvested in physical property or in Bell system securities.

For the last twelve years the net earnings of the New York Telephone Company have averaged over four and one-half times its interest charges. Inasmuch as the proceeds of this issue of Bonds are to be used for future additions to property, net earnings should be materially increased.

The Company has paid uninterrupted dividends at the rate of not less than 6% per annum since 1896, and for the past eleven years has paid dividends at the annual rate of 8%. The Company's outstanding capital stock of \$166,000,000, which is proposed to increase at an early date to approximately \$216,000,000, is owned by the American Telephone & Telegraph Company.

The Bonds are to be issued under a Refunding Mortgage dated October 1, 1921, covering all the real estate, telephone plant and appurtenances of the Company in the State of New York, and also securities of a book value of about \$100,000,000, including the controlling interest in stocks of the Bell Telephone companies operating in Pennsylvania, Maryland, Virginia and the District of Columbia. On this property the Bonds are subject to indebtedness aggregating \$67,416,515, of which \$66,843,215 constitutes the Company's First and General Mortgage 4 1/2% Bond issue, due in 1939, which is being steadily reduced by sinking fund payments. The Refunding Mortgage is to secure the bonds with the bonds issuable thereunder (including the Series A Bonds), the outstanding \$23,920,100 Thirty-Year Sinking Fund 6% Debenture Bonds due in 1949. Additional bonds may be issued under restrictions set forth in the Mortgage.

The Refunding Mortgage provides for sinking fund payments to a Trustee at the rate of \$250,000 quarterly, beginning January 1, 1923, such payments to be used in purchasing Series A Bonds, if obtainable at not exceeding 102% and accrued interest. Any portion of any quarterly installment which cannot be so applied is to be credited on the next ensuing installment in reduction of the amount then payable.

The issue of the Series A Bonds has been authorized by the New York State Public Service Commission.

THE ABOVE BONDS ARE OFFERED, SUBJECT TO ISSUE AS PLANNED, FOR SUBSCRIPTION AT 97% AND INTEREST, TO YIELD OVER 6.25 PER CENT.

Subscription books will be opened at the office of J. P. Morgan & Co., at 10 o'clock A. M., Tuesday, November 15, 1921. The right is reserved to reject any and all applications, and also, in any case, to award a smaller amount than applied for. The amount due on allotments will be payable at the office of J. P. Morgan & Co., in New York funds, the date of payment to be specified in the notices of allotment, against delivery of Temporary Bonds, exchangeable for Definitive Bonds when received from the Company.

J. P. MORGAN & CO. KUHN, LOEB & CO. KIDDER, PEABODY & CO. NATIONAL CITY COMPANY, NEW YORK GUARANTY COMPANY OF NEW YORK HARRIS, FORBES & CO.

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