

WHY no investor has ever lost a dollar of principal or interest on any security bought of S. W. Straus & Co.

IX.

Eternal Vigilance Is the Price of Safety

THE business of S. W. Straus & Co. has been steadily built up for thirty-eight years on the watchword of safety. Under the Straus Plan, our sponsorship and recommendation of an issue of first mortgage bonds entails constant vigilance on our part to protect the interests of our clients, not only when purchasing the bonds, but at all times and under all circumstances.

Every bond we offer is not only secured by property of ample value and earning power, but is backed by—

The record and reputation of this House, which we naturally regard as our most valuable asset;

Our experience, covering more than a third of a century in time and all the larger cities of the country in scope;

A nation-wide organization, with offices in fifteen cities, from New York to San Francisco, serving a clientele of tens of thousands of well-satisfied investors;

Constant, vigilant and expert supervision over the bond issue, year after year, until the last bond of the last maturity is paid and cancelled.

Our current circulars describe well diversified, exceptionally attractive issues of these bonds, to net 6%, with 4% Federal Income Tax paid. Denominations, \$1,000 and \$500. Write for

CIRCULAR No. 317-Q

S.W. STRAUS & CO. INCORPORATED  
ESTABLISHED 1882 STOCK EXCHANGE BUILDING, PHILADELPHIA

Joseph H. Rubin, Resident Manager.  
NEW YORK CHICAGO CLEVELAND BOSTON BUFFALO MINNEAPOLIS SAN FRANCISCO MILWAUKEE INDIANAPOLIS

Thirty-eight years without loss to any investor

STEEL'S DIVIDEND POLICY COMMENDED

Wisdom of Fortifying Corporation's Position With Large Cash Assets Recognized

One hears a frequent note of disappointment in the financial district over the recent Steel dividend. Customers in some of the brokers' offices are asking why there was not an extra dividend and why Steel common, on a 5 per cent dividend basis, should be considered as good as many of the high-class investments to be had at any time on a 7 per cent or even better basis.

As a rule bankers and brokers agree with the policy of Judge Gary, who made it plain in his address to the stockholders at the annual meeting of the United States Steel Corporation that that industrial or other organizations that have had the wisdom to fortify their position with large cash assets are the ones that will come out best in the present period of strained credits and high rates for money.

That the United States Steel Corporation, of all industrial concerns in the United States, is pre-eminently in this position, admits of no question. It does not need to go into the open market to borrow money, as some other well-known corporations have been compelled to do, at a price which a short time ago would have been considered prohibitive.

A banker, when speaking of the strong position in which the United States Steel Corporation finds itself, said that the recent decline in the common stock would seem a contradiction were it not, in his opinion, the result of temporary conditions. The general trend of the stock market, he said, is downward today, and, he said, he believed it would continue so till around May 15; then steel will find its own place again. He said that some of the steel concerns in various parts of the country are now beginning to feel the effect of the recent rail strike, and it is said that the immediate prospect in regard to labor conditions are none the less hopeful. Not that he expects any labor trouble over May 1, but the recovery since the strike has not been as satisfactory as was expected.

While interest in the Reading segregation is not as acute as it was, it still holds its place in the various discussions which come up in the financial district.

A broker said yesterday that many of the opinions offered on the subject are too absurd to be seriously considered for a moment. He said, so far as he can see, there is no way at present to estimate the value of the company's bond holdings, and any figures published on the subject are pure guesswork. He said that the general tendency is to overestimate the value, although he admitted that there might be some surprises if the present price of coal is to be used as a standard. Nor does he see that the segregation of the Standard Oil or the American Tobacco subsidiaries are parallel cases.

He also ridiculed the idea of any order for segregation of the Southern Pacific Railroad from its oil lands, holding that such talk was started for its possible effect on the price of the railroad stock.

Another banker claimed the decline in United States Steel common recently came about largely through the report that the government had applied for a rehearing of the dissolution suit, recently decided in the corporation's favor by the Supreme Court of the United States.

He remarked that stockholders should not worry over any such contingency as it is most improbable that such an application would receive favorable consideration.

A banker, when discussing this subject, said that apparently the Supreme Court had some good reason to decide in the Reading case that mere size constituted a violation of the law, but held the reverse view in the steel corporation case.

The following statement by Charles H. Sabin, president of the Guaranty Trust Co., New York, on monetary conditions was talked about in the financial district yesterday. No dissenters to his views were found:

"Given circumstances as they exist today, money rates do not seem too high. Money rates today are relatively low where there is an actual physical abundance of what is called money (in Berlin and Vienna, for example) and in certain neutral countries where pure trading plays an important role, and where the ravages of war were not felt directly, as in Holland and Switzerland. It is highest in the two leading industrial nations of the world, Great Britain and the United States.

"Every class of borrower in this country from the poorest to the United States Government is paying a high price for money, either for short or long periods, which is due, of course, to shortage of capital and credit on the one hand and to income tax on the other.

"Legitimate domestic demand for essential goods of all sorts as well as for foreign demand is very great. A high interest rate helps to keep goods moving to meet demand and to prevent hoarding and prices still higher than they now are.

"Present rates are high enough to bring about credit reduction if demand becomes less intensive. If a more intensive demand were conceivable it probably could for a while practically force credit extension in spite even of higher rates than those prevailing today. Consumption cannot indefinitely continue at present rate unless production increases, and either increased production or curtailed consumption would of itself eventually bring deflation.

Either marginal consumption must slacken and marginal production cease or production processes must become more efficient. Taxes which help to keep interest rates high represent consumption. And when taxes are reduced and production and distribution are of greater efficiency we will have deflation.

Many conservative brokerage houses are advising clients to buy selected stocks on the ground that they may not be so low in price for some time again.

They seem to attribute the depression in the general list largely to a fear of labor disturbances over May 1, which most of the houses discount, apparently with the opinion that New Yorkers are unduly exercised over the possibilities of the situation. Several of these houses look for a change in the market after the opening on Monday next.

Contrary to the general talk in bond houses, the local representative of an out-of-town concern stated he had just closed the best month his house had had for a long time. He included all operations, both wholesale and retail, and added that his sales since last week's low week, were separate sales than in any week since his firm opened quarters here some years ago.

McNARY WILSON HAD TWO SUGAR LAWS

McNary Answers Palmer's Plea That President Was Handicapped

PHILA. SITUATION IS CITED

Washington, April 30.—In explaining why the United States failed to buy the recent Cuban sugar crop, Attorney General Palmer, addressing the House sugar investigating committee, declared Congress neglected to pass laws empowering President Wilson to take such action.

In answer to this statement Senator McNary, of Oregon, explained last night that the measure bearing his name and which became a law in December had been designed to meet just that situation.

He also pointed out that the Lever act contained a provision that it should remain in force during ninety days following the conclusion of peace and cease to have effect thereafter. Therefore, according to Mr. McNary, there are on the statute books at present two laws under which the Cuban crop could have been bought with safety.

Suggested Purchase August 14, 1919. There was no mention of the failure of Congress to act when on August 14, 1919, the Sugar Equalization Board first suggested to the President that the Cuban crop be purchased.

There was no mention of the virtual demand upon the President when the Equalization Board again appealed to the White House on September 20, 1919, telling the President at that time there was urgent need for some immediate decision if the American people were to obtain Cuban sugar at six and one-half to seven cents a pound.

The Lever act was on the statute books during all of that time. The McNary bill enacted on December 20 and approved on January 1 simply was a specific extension of the sugar control provisions of the Lever act to prevail in the event that the peace treaty was ratified and wartime legislation suspended.

Eastern sugar refiners virtually have agreed to revive their wartime co-operation with the government in order to cope with the situation alleged to have arisen out of the policy of the administration regarding sugar.

Refiners Offered Co-operation

Among the agreements the refiners offered to enter into with the approval of the government was one of co-operation to prevent resales on the part of those within the trade that would tend to allow the sugar to take any but a direct course to the legitimate manufacturer and ultimate consumer.

They also reappointed the committee functioning during the war with the food administration to confer from time to time with department representatives with a view to determining reasonable margins of profit to be allowed the refiners, wholesalers and retailers, respectively.

It was considered possible that negotiation of the license system by the Department of Justice with the refiners might be an effective way of controlling distribution. The refiners admitted they had taken no steps to date to check orders and prevent duplication, but declared they would arrange a clearing house system of checking orders before shipments, thus preventing excessive purchases from the same sources enabling some buyers to obtain more than their requirement of sugar.

Democrat Asks for Investigation

Scott Ferris, of Oklahoma, a Democrat, introduced in the House yesterday a resolution calling upon the Federal Trade Commission to investigate all phases of the sugar situation and report to the House not later than June 15.

Henry Mooner, United States district attorney at New Orleans, and representatives of the Louisiana sugar growers will appear before the House investigating committee today.

It was through Mr. Mooner that the attorney general negotiated his concurrence in the price of Louisiana sugar.

When it was pointed out by a member of the committee at the hearing yesterday that the Lever act was still in force by reason of the continuation of the technical state of war with Germany, Mr. Palmer retorted that it was highly probable in August of last year that the President "could not conceive of the utter failure of the treaty in the Senate."

"If that bill had been passed by Congress," he said in reference to the legislation urged by the President, "been signed by the President and become a law, the Cuban crop would have been purchased."

"In Philadelphia," he said, in illustrating the operation of his policy, "there was a great furor about the price of wearing apparel, and the fair-price commission of that community made an investigation of the wholesale price, the dealers' price and the margin of profit. As a result of the investigation the 'went to the stores and said that in their judgment certain prices should be charged and that their prices were unjust and unreasonable."

Mr. Palmer's inference was that in consequence the price of clothes in Philadelphia had been kept down, if not reduced, by reason of that activity, citing that case, he said:

"Did the attorney general fix the price? What did he do to exercise his discretion as to what price should be the basis for prosecution and warned the dealers that if it were exceeded prosecutions would follow."

That method he characterized as the only "honest, fair, practical, American way" for meeting the present situation.

Reviewing the department's treatment of the sugar situation, Mr. Palmer told how the price of beet sugar had been fixed.

"We discovered that the beet sugar people were holding their stocks chiefly because they had no way of knowing at what price they could sell their crop without violating the law," he said.

Action by the Department of Justice was imperative, he explained, because the beet sugar producers were "between the devil and the deep blue sea" in not knowing at what price they could legally sell their sugar and at the same time subject themselves to prosecution for hoarding by reason of their failure to put it on the market.



This Advertisement is About The Corn Exchange

We have long called attention to the importance of Philadelphia, of the Port, of Hog Island, of Inland Waterways, and to the greatness of a number of Philadelphia's industries: hosiery, tobacco, the railroads, grain, oil, coal, etc.

A letter came April 27: Corn Exchange National Bank, Dear Sirs: The following information will no doubt interest and please you.

Our Advertising Agency advised us today that they had sent out 200 questionnaires to as many prominent business houses, asking them what bank they would choose if they had to open a new account or change from an old one.

137 replied "Corn Exchange Bank." The Advertising Agency is using this information to induce other Banks to do more advertising; in fact, they presented this information to one of the banks with whom we do business.

For many years we have been known as an advertising Bank. But it is not advertising alone that has brought us success.

Every advertiser in merchandising lines knows that quality must back advertised goods to bring success year after year.

There is quality in banking as in merchandising. Nowadays the wide-awake business man needs a bank that is more than simply a place to deposit and pay out money.

- He wants
- 1—A bank that can be depended upon in tight or easy money markets—
  - 2—Prompt collection of outside items, checks, drafts, notes—
  - 3—Modern safe deposit vault—
  - 4—Alive credit information—
  - 5—Worth-while checking of investments—
  - 6—Foreign service including commercial as well as banking—
  - 7—A business man's library for the study of foreign trade and business systems and management—
  - 8—Advice as to what improved methods of conducting business are being used elsewhere—
  - 9—The advice of expert engineers as to the proper development of manufacturing methods—

In short, the up-to-date business man wants a business-building Bank.

Our position in the city's business life is no over-night achievement. We have been many years building the organization that makes the Corn Exchange the choice of so many successful business men.

**CORN EXCHANGE NATIONAL BANK**  
Philadelphia Chestnut at Second Sts.

**INVESTMENT**  
A wonderful opportunity is offered to the small or large investor; no services. You cannot justify your future if you fail to investigate this opportunity. Write now for details. SOBEL, MULTIPLYING, BROOK-KEEPING MACHINE CO., 980-982 N. 4th St.

**A BARGAIN IN BONDS**  
A First, Closed and Underlying Steam Railroad Bond issued in 1902.  
To Return 8.70%  
Max sold as high as 95, now 30.  
Details on Application  
**EDWARD V. KANE & CO.**  
Morris Building

**WANTED**  
Treasurer for an established Trust Company in New Philadelphia. Correspondence strictly confidential.  
**A 815, Ledger Office**

**GEO. A. HUHN & SONS**  
STOCKS AND BONDS  
Members of the Philadelphia, New York and Chicago Stock Exchanges  
New York Cotton Exchange  
Commission Orders Executed in All the Principal Markets  
BELLERIVE COURT BLDG., 1418 Walnut St.  
NEW YORK OFFICE  
111 Broadway, New York

NEW OFFERING  
22,000 Shares  
**Philadelphia Insulated Wire Company**  
(A Pennsylvania Corporation)  
Will succeed the  
**Alfred F. Moore Estate**  
Capital Stock, Without Par Value  
Tax Exempt in Pennsylvania  
Dividends Free From Normal Federal Income Tax  
Commercial Trust Co., Phila. Penna. Co. for Insurances on Lives and Granting Annuities, Philadelphia, Registrar.  
Application will be made to list this stock on the Philadelphia Stock Exchange  
Total Capital Stock—No Par Value (Authorized and Issued) 25,000 Shares  
No Bonds, Mortgages or Preferred Stock  
**BUSINESS**—The business consists of the insulation of wires and cables of all kinds. It has been established for about 100 years.  
**PROPERTY**—The plants occupy a tract of land of approximately 16,250 square feet in area on the northwest corner of Third and Race Streets, Philadelphia, Pa. One five-story and basement, brick and mill construction building with two smaller buildings annexed. Built in 1900.  
**EARNINGS**—Annual net earnings before depreciation for last four years have averaged \$13.05 per share. The actual amount of cash taken out of the business in the past five years is equivalent to annual dividends of about \$11 per share on the stock of this company.  
**DIVIDENDS**—The management proposes to pay regular dividends at the rate of \$6 per share per annum (which at offering price will yield 12%) with extra distributions from time to time as earnings warrant.  
**MANAGEMENT**—Personnel of management will remain unchanged.  
Titles to properties and all legalities in connection with this issue will be subject to the approval of Messrs. Roberts, Montgomery and McKeehan.  
The above stock is offered for subscription, subject to allotment when, as and if issued, at \$50.00 per share  
**GEO. W. KENDRICK 3rd & CO.**  
Bankers  
1431 WALNUT ST. PHILADELPHIA.  
Members New York and Philadelphia Stock Exchanges Telephone: Bell—Spruce 6439  
Kew-Forest—New 1159  
The statements contained in this offering are not guaranteed, but have been obtained from sources we believe to be accurate.

**EQUIPMENT BONDS**  
Cuban R. R. Equip. 5s  
Due May, 1923, 1924  
General American Tank Car Equip. 6s  
Due March, 1922; April, 1923  
Prices to Yield 7.50%  
**Townsend Whelen & Co.**  
106 Chestnut Street

**NORRIS, GRUBB & COUGHLAN**  
Frank L. Norris, Certified Public Accountant  
F. Ernest Grubb, Chartered Accountant  
Edw. A. Coughlan, Certified Public Accountant  
WEST END TRUST BUILDING  
**Chicago Union Station**  
1st 6 1/2 S., 1963  
**CHARLES FEARON & CO.**  
333 Chestnut Street

**Henry D. Boenning & Co.**  
STOCK EXCHANGE BUILDING  
Direct Private Telephone in New York  
Members Philadelphia Stock Exchange  
**Stockwell, Wilson & Linvill**  
Certified Public Accountants  
Land Title Bldg., Philadelphia