

New Issue

\$6,000,000

American Light & Traction Company

Five Year 6% Gold Notes

COMMON STOCK PURCHASE WARRANTS ATTACHED

The Notes upon issuance will carry detachable Warrants entitling the holder thereof to purchase, within the periods below fixed, Common Stock of the Company in the ratio of two-thirds of one share for each \$100 face value of Notes, at

\$142 per share on or before May 1, 1922; \$147 per share thereafter and including May 1, 1924; and \$152 per share thereafter and including May 1, 1925.

Dated May 1, 1920

Due May 1, 1925.

Interest payable semi-annually, May 1 and November 1, in New York. Coupon Notes in denominations of \$1,000, \$500 and \$100, negotiable as to principal only. Redeemable as a whole or in lots of \$100,000 or more on May 1, 1922, or any subsequent interest date on sixty days' published notice at 101.

BANKERS TRUST COMPANY, NEW YORK, TRUSTEE

Interest payable without deduction for Federal Income Taxes now or hereafter deducted at the source, not in excess of 2%.

TAX REFUND IN PENNSYLVANIA

The following information is summarized from a letter of Mr. Alanson P. Lathrop, President of the Company:

The American Light & Traction Company was organized in 1901, and owns over 99% of the capital stocks of fourteen operating companies engaged principally in the production and sale of gas and electricity for light, heat and power.

The business fields embrace a present estimated population of 2,400,000, and include some of the most important manufacturing and industrial cities in the country notably Detroit and Grand Rapids, Michigan; Milwaukee and Madison, Wisconsin; St. Paul, Minn.; San Antonio, Texas; St. Joseph, Missouri; and Binghamton, New York.

These Notes will constitute the sole funded debt of the American Light & Traction Company, the equity being represented by Preferred and Common Stocks having a market value, based on present quotations, in excess of \$40,000,000.

The detachable Warrants entitle the holder thereof to purchase, during the periods stated above, Common Stock of the Company at prices ranging from \$142 to \$152 per share. The range in quotations for the Common Stock during the past ten years has been from \$125 to \$450 per share.

Cash dividends have been paid on the Common Stock during the past seventeen years, the rate since 1911 having been 10% per annum, and in addition stock dividends of 10% per annum have been paid since 1909.

The net income of the American Light & Traction Company for the twelve months ended March 31, 1920, amounted to \$4,201,139, as compared with annual interest requirements on the Five Year 6% Gold Notes of \$360,000. During this period the consolidated gross earnings of the Company and the operating companies were \$22,686,216, and net earnings \$5,826,016, as compared with interest and other deductions of the operating companies and annual interest on these Notes amounting to \$1,984,877.

The operating companies have been in existence from twenty to sixty years and have shown an uninterrupted growth regardless of general business conditions. The management of the Company is in the hands of the same men who have conducted its operations since its inception.

Price 94.75 and Interest—Yielding Over 7 1/4%

WE RECOMMEND THESE NOTES FOR INVESTMENT

The Notes are offered, if, when and as issued, subject to prior subscription by the stockholders and to opinion of counsel as to the legality of the issue and the propriety and sufficiency of corporate action with respect thereto. It is anticipated that temporary Notes will be ready for delivery on or about June 15, 1920.

HALSEY, STUART & CO., INC.

CHICAGO PHILADELPHIA

THE NATIONAL CITY COMPANY

NEW YORK PHILADELPHIA

BANKERS TRUST COMPANY

NEW YORK

All statements herein are official, or based on information which we regard as reliable, and, while we do not guarantee them, they are the data upon which we have acted in the purchase of this security.

HIGH MONEY RATES CAUSE NO ANXIETY

Future Might Look Gloomy Except That Condition is World-Wide

"If it were not a world-wide symptom, the increasing interest rates demanded by the bankers and the public for loans might occasion some anxiety about the future," remarked an investment banker when discussing the recent issue of certificates of indebtedness issued by the secretary of the treasury on a 3 1/2 per cent rate.

The fact that the two previous issues at 5 and 5 1/2 per cent were far from being the success anticipated forced the treasury to permit the highest rate paid by the United States Government since Civil War times, he said.

But, he continued, the treasury department could not ignore the handwriting upon the wall, which was clearly indicated when, a few weeks ago, the Pennsylvania Railroad Co. put out an issue of \$50,000,000 at 7 per cent. Then this was followed by the \$36,000,000 New York Central street trust equipment certificates, the \$4,500,000 Northern certificates and \$50,000,000 Pacific Fruit Express equipment certificates.

Continuing, he said that the rise in interest rates has been so gradual that no one can fully appreciate how serious it is till they compare the rate borne by the two issues of treasury certificates of indebtedness, shortly after we entered the war, which carried interest at the rate of 3 per cent, and the several issues which followed bearing 3 1/2 and 3 3/4 per cent.

The surprising thing, he said, in the face of the present prevailing high rates on both long and short money is the exceedingly low rates demanded for call money in Wall street for the past few days, considering also the credit situation generally.

Below are the opinions of some financiers and financial institutions on current affairs more or less affecting the financial situation.

Franklin National Bank, Philadelphia—Bank clearings at the principal cities for April were nearly \$40,000,000 compared with \$37,000,000 in March, \$41,000,000 in March and nearly \$31,000,000,000 for April of last year. Clearings exclusive of New York city were \$18,000,000,000 compared with \$19,000,000,000 in March and \$15,000,000,000 in April of last year, the increase more than a year ago being 34 per cent.

Exports of merchandise for March were valued at \$176,000,000 compared with \$646,000,000 for February and \$603,000,000 for March of last year. Imports were \$484,000,000 compared with \$48,800,000 for February and \$288,000,000 for March of last year, leaving a balance of trade in our favor for the month of \$308,000,000 compared with \$176,000,000 in March of last year, and \$330,000,000 in March of last year. In dollar value exports for the month were the highest ever recorded with the exception of June of last year, while imports for the month set a new high record for any month. While these comparisons are made in money values and prices are unusually high on most commodities, it is evident that our foreign trade for March exceeded in volume the total of any previous month with possibly a few recent exceptions.

Ninth National Bank, Philadelphia—A rather widespread impression is prevalent in business circles that the great apparent prosperity of the country is of a considerable extent of an artificial nature. This belief will receive verification should anything occur to bring prices of stocks down suddenly. Under prevailing conditions it is wise to prepare for such a contingency by a prudent policy in regard to expenditures, without rushing to extremes, taking on real estate or other investments to the individual and the community, extreme parsimony is no less so, for this would go far toward drying up production and trade, should the public mind just a little less on things not urgently needed. It is save just a little more—at the same time laughing at the fears of those expecting direful events.

A. B. Leach & Co.—From the viewpoint of our own country and its place in the world, it is particularly true of the great possibilities, the insistent obligation can grasp in his mind the world, deprived of our former sense of portunities, without thrill. To all who can see beyond the immediate present the impulse comes to be up and doing. Transformed by the happenings of the war into the leading creditor nation and in spirit of isolation, taking on a reserved spirit in a world in which distance no longer counts as a formidable obstacle in the conduct of business, our present position should, and, as we fully realize it, will bring to us a new sense of mingled power and responsibility.

Hughes & Dier—Stocks developed real strength during the past week and on good buying, much of it of an investment character, recovered the losses sustained in the previous week. A majority of issues, however, are still selling at what we consider attractive prices. This is particularly true of the rails, which were bought last week in rates. Assured of sufficient funds, the anticipation of favorable developments ere long as regards increased freight railroads will be in a position to purchase needed equipment, and, consequently, we look for improvement in the market position of these issues.

Mechanics and Metals National Bank, N. Y.—There is no danger of a general "overproduction." But a condition of unbalanced production already exists, and this condition threatens to become more serious unless it is recognized in time and the proper remedy—voluntary thrift—applied. There is danger of overproduction of some commodities in relation to others, though the better way of statement is that there is underproduction of these others. The trouble on the railway is not a glut of goods, but a shortage of labor and of railway equipment. Extravagant expenditure brings increased facilities for producing luxury goods to meet the existing demand or increase of the demand, and if manufacturers in these luxury lines overestimated this future demand, they will produce more goods at present prices than the market can absorb, except at a loss. If that should occur, men in these lines would be thrown out of work, and the result would be falling off in general production and much in individual distress until these workers were absorbed in the more essential lines. Unbalanced production will correct itself in the long run, but if this correction is brought about by voluntary thrift it will come without painful readjustment.

Chandler Bros. & Co.—The market has nearly reached that state where it is no longer profitable to sell stocks. When public holding has been reduced to a large extent, being liquidated, meaning that such stocks have been absorbed, either by the powerful interests or the investor class, there remains nothing much to go after. We seem to be not very far from that situation.

New York Bonds

From Operating Units & P. M. (N. Y. Time)

Table of New York Bonds with columns for Bond Name, Price, and Yield.

Philadelphia Markets

WHEAT—Receipts, 54,400 bush. Offerings light and market largely nominal on a basis of \$3.20 for No. 2 red.

Table of Philadelphia Markets including Wheat, Corn, and other commodities.

Chicago Reserve Bank Raises Rate

Chicago June 1.—The Federal Reserve Bank has advanced its discount rate on commercial paper and industrial, agricultural and livestock paper, as well as trade acceptances from 6 to 7 per cent. Rate on bankers' acceptances has been raised from 5 1/2 to 6 per cent.

Richmond, Va., June 1.—The Federal Reserve Bank of Richmond has advanced its discount rate on Liberty Bonds and Victory Notes from 5 1/2 to 6 per cent. Rate on bankers' acceptances from 5 1/2 to 6 per cent. Commercial paper rates remain at 6 per cent.

Atlanta, Ga., June 1.—The Federal Reserve Bank of Atlanta has followed the example of Kansas City, Dallas, and St. Louis by adopting a schedule of progressive discount rates based on accommodations as of April 1.

Prices Firm on Paris Bourse Paris, June 1.—Prices were firm on the Bourse today. Three per cent rentes were quoted at 97 1/2; exchange on London 60 5/8; 5 per cent loan, 87 1/2. The dollar was quoted at 127 1/2.

BOND OR STOCK SALESMEN

Established and progressive investment house in western New York territory has opening for clean-cut salesmen who can sell highest grade investment securities. Good opportunity for a producer to build a valuable clientele under an attractive arrangement. In letter state experience and class of securities sold. Do not reply unless you know how to produce. All inquiries treated in confidence.

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A circular giving full description will be furnished on request.

Chandler Bros. & Co. 1338 Chestnut St. Phila., Pa.

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Make Our Boardrooms Your Market Headquarters



You are welcome to call and ask to see our many helps for traders and investors. You will find obliging, well informed representatives in our board rooms, and in our telephone and correspondence divisions. Our information files, admittedly the most complete and extensive, regarding New York Curb Market Securities, are at your disposal. There is No Obligation In Asking for copies of our latest booklets, private wire advices, printed company reports or the "Investor & Trader," our weekly newspaper. Quotations are posted every minute of the market day.

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Specialists in New York Curb Market Securities. Widener Bldg., Philadelphia. Phones Bell, Locust 4730 Keystone, Race 2290. OFFICES IN 9 PRINCIPAL CITIES. Direct Prints Wire

We beg to announce that Mr. Benjamin D. Mosser has this day become associated with us as manager of our Bond Department. EDWARD B. SMITH & CO. June 1, 1920.

Rockwood & Company, one of the three largest manufacturers of chocolate, chocolate-coating, cocoa and candy in the United States, have been established in Brooklyn, New York, for 35 years.

Rockwood & Company 8% Cumulative Preferred Stock

Net quick assets are equivalent to \$120. for each outstanding share of preferred stock. Current assets are about five times current liabilities. From the earnings applicable to common stock 25% shall be reserved to maintain surplus assets of \$1,000,000 in excess of all liabilities, and no mortgage shall be created upon the properties or assets of the Company. Annual net earnings for the past three years averaged \$11,877.56 and for 1919 were \$1,508,655.15, or approximately six times preferred dividend requirements. Price \$100 per share, yielding 8%.

Hollister, White & Co. INCORPORATED. North American Building PHILADELPHIA NEW YORK BOSTON SPAINFIELD PROVIDENCE PITTSFIELD PORTLAND

Dividend-Paying Securities

At a time when commercial and financial conditions are abnormal in many aspects the discriminating investor is confronted with a most favorable opportunity for the consideration of substantial dividend-paying securities. Among such securities of current note which have attractive possibilities for the future are four that are discussed in this week's number of our Market Review—

Westinghouse Electric & Mfg. Co. United States Rubber Co. Railway Steel Spring Co. American Locomotive Co. A copy of the Market Review will be sent to any one interested on request for L-327.

HUGHES & DIER

Members Philadelphia Stock Exchange Pittsburgh Stock Exchange Chicago Board of Trade 1435 Walnut Street Philadelphia Telephone: Service 445, Home 1865 New York Office, 50 Broad Street

CASSATT & CO.

ESTABLISHED 1872 PHILADELPHIA PITTSBURGH SCRANTON BALTIMORE

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ALBERT R. THAYER and FRANK E. BAKER

announce the formation of a partnership under the firm name of THAYER, BAKER & CO. for the transaction of a general Investment Banking Business

June 1, 1920 Spruce 5646 Commercial Trust Building Philadelphia

Business Men

today are finding that their time and brains must be invested in executive work to be most profitable. It is not necessary to master the many details involved in every "deal." Dependable, financial counsel is considered a necessity—as well as a convenience by many of our progressive friends. REAL ESTATE TRUST CO. OF PHILADELPHIA Broad and Chestnut Sts.