

GOSSIP OF THE STREET

The action of the New York Stock Exchange authorities in causing the removal of the names of a number of houses, not members of the Stock Exchange, was not unexpected, nor did it cause much of a stir. To the contrary, the action had, for a long time, been expected, as it was generally known that the operations of these houses were open to considerable criticism, and had been giving no encouragement to the houses' individual membership on the exchange.

The Stock Exchange authorities were very liberal and broad in their action, in that ample opportunity had already been given to permit a number to get "their house in order," either directly or through local associations. They were considering no withdrawal. They were considering the transgressors, setting from a public standpoint, those should have been given for protection alone, as the officials of the Stock Exchange are really the only safety valve between the public and the honest dealings of broker.

Violators Should Be Exposed

If the violations by a dozen or brokers are serious enough to impose the penalty of withdrawal of wire or ticket service, the punals should be aggravated with the identity of such a concern as a safeguard against innocent loss. This is emphasized in the following statement given out by the president of the Stock Exchange:

"In September the Board of Governors of the New York Stock Exchange learned of certain irregularities in the transaction of business on the part of non-member wire connections of stock exchange houses. The Board of Governors called these irregularities to the attention of the members of the exchange doing a wire business and notified that they would hold responsible for the conduct of the houses connected with their offices and that any further failure on the part of such houses to observe the standards of business conduct required by the exchange would cause the immediate removal of the members of the house so offending. The result of reports of circumstances employed by the exchange has caused the removal of the wires of a number of houses. Each of these houses has reported transactions to its customers at prices different from the actual prices at which such transactions took place, to their own profit and to the injury of their customers."

"The Board of Governors will continue to examine the conduct of the business methods of non-member houses having wires or ticklers, and in every case where it is discovered that a house is guilty of irregularities in the conduct of its business, wires and ticklers, will summarily be removed."

A Year Ago and Now

Drawing comparisons with the widely changed state of affairs, particularly at the time of the election twelve months ago, one of the large wire houses of New York sent out the following yesterday, which comes near hitting the nail on the head:

"One year ago today the specialists, in agony, were having a field day. Credit was being curtailed to force liquidation of the entire wire line of business. Holders of securities were throwing them overboard regardless of consequence, but with one idea in mind, to get rid of them and establish a loss against their returns of a few weeks subsequent."

"Today there is a vastly different story. Credit is being established, inflation has been largely overcome, money is easy, bonds have risen steadily over a period of seven months, and many leading securities are selling at the highest prices of the year. Such a thing wholly unbelievable a year ago, is now witnessed as that of Atchison commanding a 6 per cent stock, selling at \$90 a share. Industrial stocks are record losses, not a few which would like to sell themselves backward about doing so for the reason they would have to tell the tax man quite a different story from that of 1920."

Present-Day Investments

Harrison, Smith & Co. have issued a very interesting circular letter reviewing the investment situation, particularly applying to the enhanced market valuation of nearly all classes of bonds. It says:

"A typical list of present-day investments recently sent in showed \$51,000 divided as follows: \$17,000 in Liberty Bonds, \$17,000 in public utility bonds, \$800 in foreign Government bonds, \$600 in railroad bonds and \$2000 in railroad bonds."

"These were the investments of a man who had retired from business and placed all his funds in bonds, dealing with three representative investment houses. Probably the reason that more railroad bonds are not passing into investors' strong boxes today is because the investment bankers do not have them to sell, as the railroads, generally speaking, are not issuing new bonds at

present."

"A copy of this bulletin, just off the press, answers these questions and shows what's happening to the market in vital importance. With this information you can see what's ahead and govern yourself accordingly."

REPORT ON REQUEST

Soviet Agent at New York Seeks to Recruit Trained Workers

New York, Dec. 21.—A recruiting office for "industrial immigrants" to Soviet Russia was opened yesterday by A. Z. Herzen, general director of the Soviet Government's Commercial Bureau here, who announced his appointment as American representative of the Supreme Council of National Economy of Soviet Russia. "The Supreme Council," his announcement said, "invites trained men in all branches of industry to come and assist in the building up of the economic life of Russia. For the development of Russia agriculture it also invites farmers."

WOULD LURE IMMIGRANTS

Copies of this bulletin and booklet, "Russia—Most From Your Money," are available on distribution, gratis. Tear out the Money—\$10—and hand it to your secretary when you dictate the morning's mail.

MERELY ASK FOR BULLETIN

Roger W. Babson's Statistical Organization Wellesley Hills, 82, Mass. (Suburb of Boston) The Largest Organization of Its Character

MEMO For Your Secretary

Write Roger W. Babson, Founder of The Babson Statistical Organization, Wellesley Hills, 82, Mass., as follows: Please send Bulletin No. 84MW and booklet, "Getting the Most From Your Money," gratis.

CLIP OFF HERE

SIERRIAN REPUBLICS AT WAR

Report Moscow Government Alding Chita Against Vladivostok

London, Dec. 21.—(By A. P.)—A report that the Government of the Far Eastern republic of Chita has declared war on the Republic of Vladivostok is copied in a Central News dispatch from Helsingfors today.

The message adds that the Soviet Government of Moscow is said to be sending troops and war material to Chita.

SHOPPERS JAM FIFTH AVE.

Flowing Mass of Humanity Said to Break All Records

New York, Dec. 21.—(By A. P.)—Fifth avenue is in the throes of the greatest Christmas shopping rampage it has ever known.

"Railroad bonds, we believe, are cheap at present prices, both the high grade and second grade rails, and many of the latter are probably entitled to a higher rating under the provisions of the proposed legislation. A cheap bond is not necessarily the bond which yields the largest interest return or basis to maturity, but the bond which will show the largest return, interest plus appreciation. For instance, the highest grade rails have advanced 3.43 points in a month, so that without considering the rate of interest they bear the appreciation on such an investment made a month ago would have been at the rate of 41.16 per cent annually."

That the country is well advanced in the process of recovery from depression is indicated strikingly by building construction figures recently made public by an undoubted authority, which shows that in November 1921 there was an increase of 10 per cent in building activity in the last month. This is not necessarily the bond which yields the largest interest return or basis to maturity, but the bond which will show the largest return, interest plus appreciation. For instance, the highest grade rails have advanced 3.43 points in a month, so that without considering the rate of interest they bear the appreciation on such an investment made a month ago would have been at the rate of 41.16 per cent annually."

Reading Fare Hearing January 3

Harrisburg, Dec. 21.—The Public Service Commission has ordered the application of the Reading Transit and Light Company for a rehearing of the complaints of the city of Reading and company against its fares to be argued on January 3 and postponed the effective date of the new rates until February 1.

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