

# A. G. Becker & Co.

## INVESTMENT BULLETIN

THIRD QUARTER, 1930

### Greater Activity Ahead

SIGNS may now be observed along the business highway pointing to increased activity ahead. While recuperation may not at once set in with great vigor, there is reason to believe that the upturn will come within a few months—probably this fall. Among the more important factors warranting such an expectation may be noted the following:

The curtailment of production has proceeded to a point where inventories are materially affected. In some industries production is reported actually below the consumption rate, and the need for replenishing stocks is, therefore, not far distant. In meeting that need, a moderate increase, at least, may be expected in manufacturing activity.

The decline in commodity prices to a present level that is the lowest in years promises to reawaken buying activity. While it is impossible to assert that the downward trend of prices has completed its course, a point has been reached where it is logical to expect buyers to become more and more interested.

Installment buying should pick up during the second half of the year. While

indicated that delinquencies are greatly above normal. From now on, 1929 contracts will begin to be paid out in increasing numbers; a substantial proportion of the buyers may be looked for in the market again.

Bank deposits have increased steadily since early spring. Apparently the country has been seeking to put itself in a stronger cash position. From that position it should venture forward with more nearly normal confidence.

Interest rates are low, and give indication of continuing so for an extended period. Business is thus encouraged to use its credit for productive ends.

The harvesting, movement and marketing of crops—always an important seasonal stimulus to employment and business—should prove relatively more important this year than usually.

The recession in business has now continued since early in the second half of 1929. Its course has been about as long as that of similar recessions during the present century. That of 1920-1921, of somewhat different character, lasted some eighteen months. Reasoning from historical analogy, therefore, as well as from



## The Bank for International Settlements

THE experts who assembled at Paris in 1929 to work out a final program for payment of German reparations did so with the aim of transferring the whole matter, so far as possible, from a political to a business atmosphere. The collection of this huge sum, once the amount was agreed upon, seemed properly a business matter, and likely to be most satisfactorily handled through customary business channels. Moreover, such a course promised to reduce the friction which would be bound to develop if collections were in the hands of public officials who must consider not only economic factors but also the political effects at home of whatever they did. Thus there was reason to hope that the change would result in better feeling among all the nations concerned.

It appeared desirable to have the work of collecting the reparations taken over by a bank. No existing institution met the requirements. Each necessarily had its own national point of view. Great powers, jealous of national prestige, could not well be asked to yield to another nation the privilege of acting as trustee for all creditor powers. The solution seemed to lie, therefore, in the creation of an entirely new institution—a bank of international character which, in addition to taking over this important work of collecting German reparations might render other services to the family of nations. Thus came into being, as a part of the Young Plan, the project for the Bank for International Settlements. The Bank opened for business in May, 1930. An early deposit was one of 100,000,000 marks made by the German government.

referred to) is approximately \$100,000,000. As the Bank is located at Basle, Switzerland and operates under a charter from the Swiss government, its actual capitalization is stated in Swiss francs. Each of the 200,000 shares has a value of 2500 francs, or approximately \$500. Only 25 per cent of the capital is to be paid in at the outset.

### *Distribution of Stock*

The majority of the stock in the Bank has been allotted to the seven nations which participated in formulation of the Young Plan—Belgium, France, Germany, Great Britain, Italy, Japan, and the United States. Eight per cent of the total capital stock—56 per cent in all—has been allotted to each of them.

The central banks of issue of the first five of these nations underwrote their respective allotments. The Japanese interest was taken by a consortium of banks in that country. The American shares were subscribed by a syndicate of bankers, the United States government having declined to allow the official participation of the Federal Reserve Bank of New York.

The statutes of the Bank provide that the remaining 44 per cent of the capital stock may be allotted to other nations which have a gold or gold exchange standard, not more than 8,000 shares to be allotted to any one nation.

The stock may be permanently held by the original subscribers or may be sold by them to other investors. In some cases the latter course has already been followed; a large portion of the American allotment is being placed with banks and trust companies. The original sub-



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The stock is non-voting. It is entitled to a 6% cumulative dividend yearly on the amount of paid-in capital. After certain specified reserves are set up it has a right to further participation in the earnings in an amount not to exceed 6 per cent.

### Control and Management

Control of the bank is permanently lodged with the seven nations participating in its organization. These will furnish the majority of the board of directors. Each is entitled to name two members of the board. One of these members is *ex-officio* the governor of the central bank of issue or his substitute; the other is his nominee.

Since the United States is not taking part officially in the operation of the Bank, it has been provided that the governors of the central banks of the other participating nations shall invite two Americans to serve on the board; these are to be men not objected to by the Federal Reserve Bank of New York. During the term of the German reparations payments Germany and France, as the nations most vitally concerned, are each permitted to have a third director on the board.

As to representation by the nations which are expected to take up the minority stock interest, provision has been made in the following manner: The governor of the central bank of issue of each nation may nominate four candidates for the board—two to represent finance and two to represent industry. From this group of nominees the original board will select nine directors.

### Functions

It is contemplated that the Bank will have two sets of functions:

*First:* To collect and distribute the German reparations payments:

### As Reparations Agent

The Bank is to hold the German Debt Certificate which is, in effect, a promissory note covering the entire amount Germany is to pay under the Young Plan. The Bank, as agent for the creditor governments, is then to collect the payments as due and distribute them to the creditors.

For its services in this respect it is to receive a fee which is expected to cover expenses and fixed dividend requirements.

In connection with the issue of bonds for the commercialization of German payments the Bank also has important responsibilities. It is its duty to advise the creditor governments, either upon their request or upon its own initiative, when it deems the time appropriate for such issues, and in what markets they may be sold. It is to negotiate for the sale of the bonds to underwriting groups, and to supervise the preparation of the bonds themselves. For these services a flat fee is to be paid as agreed upon for each transaction.

### General Banking Activities

The statutes expressly set forth many of the particular activities in which the Bank may engage. It may—

Buy and sell gold coin or bullion for its own account or the account of central banks.

Hold gold for its own account under earmark in central banks.

Accept custody of gold for the account of central banks.

Make advances to or borrow from central banks against gold or suitable security.

Deal in bills of exchange, checks and other short-term obligations of prime liquidity.

Buy and sell exchange or securities, other than shares, for its own account or for the account of central banks.

Discount bills for central banks or rediscount its own bills with central banks.

Maintain deposit accounts with central



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Act as agent or correspondent of any central bank, and arrange to be so represented by any one of them.

Act as agent or trustee in international settlements.

Make special agreements with central banks to facilitate international transactions between them, holding gold for their account transferable upon order.

Many of these operations derive naturally from the fact that the Bank, as agent for the reparations collections, will have large deposits of funds which must be suitably employed. Others clearly have as their aim the realization of the expressed opinion of the Young Plan experts that the Bank might contribute to better international trade relations. It is anticipated that a great deal may be accomplished in this direction through the services of the Bank in effecting international gold settlements.

### *What the Bank May NOT Do*

As important as the functions which the Bank is permitted to exercise are those which are forbidden to it. It may not—

Issue notes payable at sight to bearer.

"Accept" bills of exchange.

Make advances to governments.

Open current accounts in the name of governments.

Acquire a predominant interest in any business concern.

Hold real property except property for its own use—and except property which may temporarily be in its possession in satisfaction of claims due it.

The intent of these restrictions is clear: The Bank can not, by issuing an international currency or by accepting bills of exchange, inflate or contract the world's available credit. Its facilities can not be abused for the advantage of governments which might seek advances to enable them to balance their budgets; nor can this object be accomplished indirectly through overdrafts on current ac-

In particular, the broad veto powers lodged with each central bank afford ample protection against the Bank carrying on operations of an unwelcome nature in any market. The language of the statutes is very explicit as to this and may well be quoted:

(Chapter III, Article 20.) "The operations of the Bank shall be in conformity with the monetary policy of the central banks of the countries concerned.

"Before any financial operation is carried out by or on behalf of the Bank on a given market or in a given currency, the Bank shall afford to the central bank or central banks directly concerned an opportunity to dissent. In the event of disapproval being expressed within such reasonable time as the board shall specify, the proposed operation shall not take place. A central bank may make its concurrence subject to conditions, and may limit its assent to a specific operation, or enter into a general arrangement permitting the Bank to carry on its operations within such limits as to time, character and amount as may be specified."

### *Conclusion*

Just how important the operations of the Bank will prove to be, beyond its role as agent in the reparations collections, time alone will show. It will at least regularly bring together for the discussion of common interests representatives of the leading financial institutions of the great world powers. From this regular contact may reasonably be expected to develop a harmony of action substantially helpful to business. The spirit in which the Young Plan experts viewed the proposed institution gives, perhaps, the best idea of what to expect from it. Their report says:

"The Bank excludes from its procedure all political influences, and business principles and practices intervene to facilitate the settlement of Germany's obligations without in any way qualifying her independent and sole re-



supplementary functions in a special field of its own. To this end every care should be exercised in the organization and administration of the institution.

"In the natural course of development it is to be expected that the Bank will, in time, become an organization not simply or even predominantly concerned with the handling of

reparations, but also with furnishing to the world of international commerce and finance important facilities hitherto lacking. Especially it is to be hoped that it will become an increasingly close and valuable link in the co-operation of central banking institutions generally—a co-operation essential to the continuing stability of the world credit structure."

### AutoStrop—A Record of Progress

THE change in the world's shaving habits in the last twenty-five years has been attended by steady improvement in the facilities offered safety razor users. The chief objections against most types of safety razors centered from the beginning about the blade—that it lost its edge quickly, and that it could not be stropped like the blade of the old one-piece straight razor. Its manner of meeting these objections was the distinguishing feature of the Valet AutoStrop Safety Razor from the time it was placed on the market nearly a quarter of a century ago. AutoStrop was and is the only safety razor which has a stropping device as an integral part of the razor. This feature has given it, throughout the years, a decided advantage with men who felt that they should have a smooth shave not only when a blade is new, but throughout what may be deemed its reasonable life.

AutoStrop has steadily improved its product, and only a few years ago developed a new type of razor and an improved blade which greatly added to its popularity. The company's position was further strengthened when it brought out last year the PROBAK blade of specially tempered steel, designed to fit other holders of the well-known double edge type—both new and old models. This blade opened an entirely new market to the

by the company's already established channels of distribution.

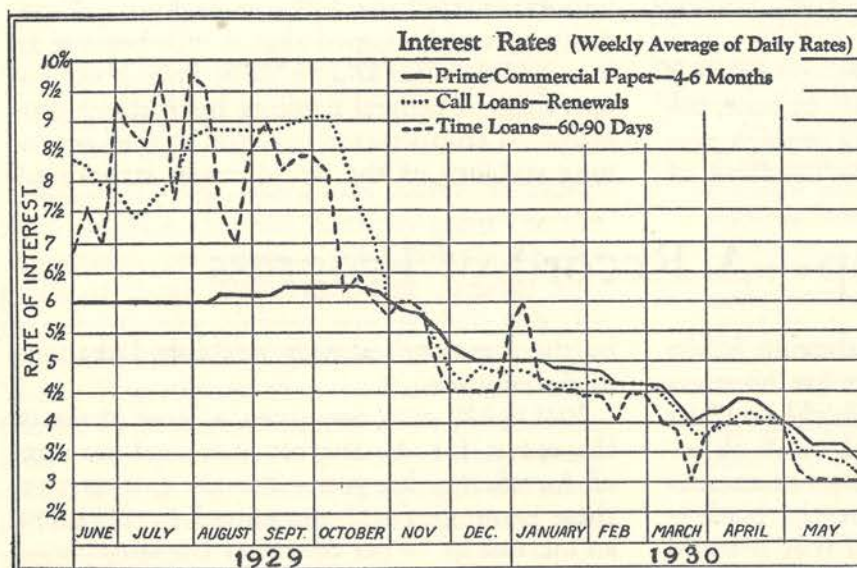
PROBAK sales are given a large share of the credit for the sharply increased earnings of AutoStrop this year. For the first quarter these earnings (net) amounted to \$312,000, an increase of 56 per cent over the same period last year. It has been officially estimated that the second quarter will show a correspondingly satisfactory increase over 1929. These quarterly figures compare with earnings amounting to \$1,065,035 for the whole of last year, and to \$845,083 in 1928.

In 1927 we underwrote an offering of Convertible Class A stock for AutoStrop Safety Razor Company, Inc. This stock has a \$3 preferred dividend, and is convertible, at the holder's option, into Class B stock, share for share. Last year's earnings were equivalent to \$12.17 a share on this stock and, after Class A dividends, to \$3.61 a share on the 225,000 shares of Class B, outstanding. First quarter earnings this year amounted to more than the full year's dividend on the Class A stock, so that all earnings for the final three-quarters of the year will be applicable to the Class B. This gives some suggestion of the interesting possibilities which the conversion feature of the Class A possesses.

The A stock is listed on the New York



## A Group of Bond Recommendations



in bonds, it is of interest to note the further declines that have occurred in interest rates, subsequent to the period covered by the chart. During June the New York Federal Reserve rediscount rate was reduced to  $2\frac{1}{2}$  per cent, the lowest in history, while call money went as low as  $1\frac{1}{2}$  per cent, the lowest since 1917. Whatever minor changes may occur in the near future, it is quite generally agreed that for a considerable period money will continue to be available at low rates—

THE continuance of very low interest rates for short term credits emphasizes again, by contrast, the liberal return that may be had from bonds of medium and long term maturities. It is widely felt that any major acceleration of business activity will be introduced by a period of cheap money for long term as well as short term use, thus encouraging corporate borrowing for the purpose of carrying out major business policies. The two charts shown herewith plainly indicate how interest rates have declined since a year ago, and how, in response to that development, the price of sound bonds has advanced. The rise in bond prices since early this year has been of very positive character.

In connection with the possible future trend

a condition that ordinarily makes for higher bond prices.

On this and the following pages we describe briefly a number of attractive bonds which are representative of our current offerings. They are diversified as to character of security and as to maturity, and offer a very satisfactory income, well protected. We recommend them as sound investments.

Prices and yields are stated as of the date of this publication. All offerings are made subject to prior sale and to change in price. Additional details will gladly be given upon request about any of the issues or about any other security described in the Investment Bulletin.

### Kansas Gas and Electric Company

First Mortgage Gold Bonds,  $4\frac{1}{2}\%$  Series

Due 1980

wholesale for distribution to thirty other communities. The company's output has increased steadily in recent years. Net income has con-



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### Gulf, Mobile and Northern Railroad Company

*First Mortgage 5% Gold Bonds, Series "C"*  
*Due 1950*

*Price 99½, yielding 5.03%*

The Gulf, Mobile and Northern runs from Mobile, Ala., north to Jackson, Miss., and Jackson, Tenn. The properties securing this issue consist of 586 miles of road, together with railroad yards, shops, terminal properties, etc. The total funded debt of the company, including this series, is \$10,000,000, or at the very low rate of \$17,065 per mile of road subject to the mortgage. Earnings for the last five years have averaged more than five times the average interest requirements.

### Central German Power Company of Magdeburg

*Four Year 6% Gold Note*  
*Due 1934*

*Price 98¼, yielding 6.50%*

Central German Power Company was organized and is owned by Dessauer Gas Company, George von Giesche's Heirs Mining Company (two of Germany's outstanding business concerns), and the City of Magdeburg. The three have contracted to take, for a period of forty years, two-thirds of the initial capacity of the company's plant now under construction at Magdeburg. These contracts alone, in the opinion of competent German engineers, should give the company sufficient income to meet all expenses and charges, and pay dividends from the beginning of normal operations.

This note is unconditionally guaranteed as to principal and interest by German General Electric Com-

than the \$4,000,000 principal of this note. Earnings of Dessauer Gas for the last three years have averaged more than \$2,000,000, and those of Giesche approximately \$875,000. The company has agreed that, prior to the maturity of this note, it will not place any lien upon its property or income.

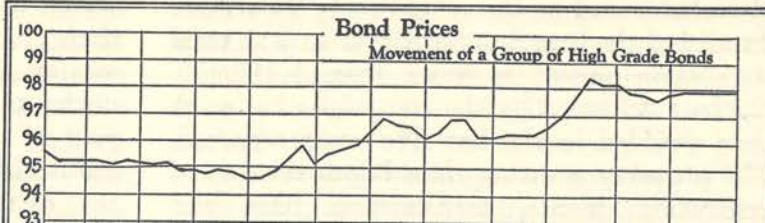
Interests in the note are represented by Participation Certificates.

### Associated Gas & Electric Company

*Convertible 5% Debentures*  
*Due 1950*

*Price 85½, yielding 6.30%*

The utility system controlled by this company serves a population of more than 5,000,000, and has more than 1,250,000 actual customers. Its territories include half the state of New York, a third of the state of Pennsylvania, a fourth of the state of New Jersey, and parts of New England, the middle west, the maritime provinces of Canada, Florida, South Carolina and the Philippine Islands. Earnings for the twelve months ended November 30, 1929 were, after depreciation, more than twice the annual interest and preferred dividend charges of the company and its subsidiaries. Over 92 per cent of gross revenues were from electric and gas operations, the balance being derived from water, transportation service, etc. The conversion feature, providing for exchange of these Debentures for common stock at the rate of 18 shares for each \$1,000 debenture may well prove of value.





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### Interstate Iron & Steel Company *5½% First Mortgage Sinking Fund Gold Bonds* Due 1946

Price 102, yielding 5.31%

These bonds are secured by first mortgage on properties valued at more than twice the principal amount of the bonds issued against them. Interstate, which was one of the two leading American producers of alloy steels, is now a unit of the newly formed Republic Steel Corporation, third largest steel producer in the country. The obligation represented by these bonds has been assumed by Republic, thus giving them additional strength from an investment viewpoint. Net tangible assets of Republic aggregate nearly \$300,000,000, or more than \$5,000 for each \$1,000 of its combined funded debt. The combined net earnings of constituent companies, available for interest and federal income taxes, for the three years ended December 31, 1929, averaged 5.78 times present interest requirements.

### Mannheim and Palatinate Electric Companies

*Fifteen-Year 7% Sinking Fund Mortgage Gold Bonds*  
Due 1941

Price 98, yielding 7.26%

These two companies, which are jointly and severally liable upon the bonds, furnish electric power and light in and about the city of Mannheim and in the neighboring Palatinate district of the Free State of Bavaria. The total population served is more than 1,250,000. Current delivered by the companies has more than doubled in the last five years reported. The property securing these bonds consists of

interest, etc., for the last three fiscal years reported have averaged more than \$1,100,000. The maximum interest requirement on these bonds and the outstanding lien of equal rank is \$247,500.

### Central Power and Light Company

*First Mortgage 5% Gold Bonds*  
Due 1956

Price 95, yielding 5.35%

Central Power and Light furnishes one or more utility services (electric light and power, ice, water, and street railway service) to 160 communities along the Gulf Coast and in the Rio Grande valley of Texas. Among the cities served are Houston, San Antonio, Laredo, Del Rio, Brownsville and Corpus Christi. Electric light and power customers alone number more than 50,000. The territory has been growing very rapidly in recent years. For the two years ended April 30, 1930, the company's net earnings applicable to interest have averaged annually more than twice the interest requirements of its funded debt, including this issue.

### Unterelbe Power & Light Company

*25-Year 6% Sinking Fund Mortgage Gold Bonds*  
Due 1953

Price 83, yielding 7.55%

This company supplies electricity, gas and water to Altona, Germany, a city of more than 225,000 population immediately adjoining the port of Hamburg. The city's docks and shipping facilities are an integral part of the port works of Hamburg, and its industrial development is closely allied with that of its neighbor. The company's deliveries



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at more than \$11,270,000. Earnings for the last two years reported have been more than six times interest requirements of the issue.

### Foreman-State Trust and Savings Bank, as Trustee

*5¼% First Mortgage Participation Certificates  
Due 1938*

*Price 96, yielding 5.90%*

These Participation Certificates combine the features of a carefully selected first mortgage investment, with the diversification and marketability which such an investment ordinarily lacks. A group of mortgages on improved Chicago real estate was selected by Foreman-State Trust and Savings Bank, and purchased with funds supplied for that purpose by A. G. Becker & Co. This group of mortgages comprises a trust estate against which the Participation Certificates have been issued. No mortgage exceeds 60 per cent of the trustee's valuation of the property.

### Yellow Manufacturing Acceptance Corp.

*Secured Collateral 10-Year 6½% Gold Notes  
Due 1934*

*Price 101¾, yielding 5.98%*

This company is owned by Yellow Truck and Coach Manufacturing Company, all of whose capital stock, in turn, is owned by General Motors Corporation. Yellow Manufacturing Acceptance finances sales for this division of General Motors as General Motors Acceptance Corporation does for the various passenger car divisions. Protection against credit losses is assured through the agreement of Yellow Truck and Coach to purchase any machine which Yellow Acceptance may be required to repossess at a price equal to the amount of payments still due plus all costs

available for interest and federal taxes for the last six years have averaged more than twice the annual interest requirements of the issue.

### Middle West Utilities Company

*Serial Convertible Gold Notes  
Due 1931-1935*

*Priced to yield 4.50% to 5.50% according  
to maturity*

This well known utilities holding company, directed by the Insull interests, owns or controls companies rendering utility service in 30 states. Customers of subsidiary companies number more than 1,600,000. Earnings of the company in 1928 were more than \$16,000,000 and in 1929 more than \$22,000,000 against maximum interest of \$2,450,000 on the \$50,000,000 of these Notes outstanding which constitute the sole funded debt. The Notes are convertible into common stock of the company up to December 31, 1932 at the rate of 20 shares for each \$1,000 note; thereafter at the rate of 17.5 shares.

### German Building and Land Bank

*20-Year 6½% Mortgage Secured  
Collateral Gold Bond  
Due 1948*

*Price 87, to yield 7.38%*

This is a quasi-public institution, supervised by the German government, and engaged in financing housing projects, chiefly for persons of moderate means in public service. The collateral for the Gold Bond consists of Mortgage Certificates, which are in turn secured by the actual properties on which loans are made, the loans averaging around 30 per cent of appraised value. For over twenty-five years every mortgage bank operating under the German mortgage bank law has met its obligations



## A Century-Old Packing Business

AN English wool comber bought a canal boat load of oranges in 1827, sold them at a profit, and reinvested the proceeds in more fruit. Upon that transaction the business of John Morrell & Co., Inc., was founded. The English wool comber was George Morrell, great grandfather of the present head of the company. The funds which launched him on an independent business career were the proceeds of a small legacy inherited by his wife. The entire legacy was only \$300; the amount used in the orange venture was less. But from that modest beginning more than a hundred years ago grew a business whose net worth is now more than \$20,000,000—all built up from earnings on that original capital.

A good many years after the founding of the business, young Thomas D. Foster, a grandson of George Morrell, was working in a branch that had been established at Kilkenny, Ireland. Morrell's was by that time doing a general provision and meat packing business. On a box containing a shipment of bacon from America the boy noticed the name Ottumwa, Iowa. The strange Indian syllables fired his imagination. They still lingered in his mind when, in 1868, he crossed the ocean to become identified with the company's growing activities in America. It seemed almost the fulfillment of a romantic boyhood dream when, a few years later, Morrell actually established its American packing plant not only in that same Iowa

town of Ottumwa but in the very building from which the box of bacon had been shipped to Ireland years before.

Today Ottumwa is headquarters for the Morrell business on both sides of the Atlantic. Large modern packing plants there and at Sioux Falls, South Dakota, cover together approximately 150 acres. Distribution of the company's products is effected through branch houses in many parts of this country and abroad, the company's own fleet of several hundred refrigerator cars serving a large share of its domestic customers. The business has for years enjoyed a strong competitive position by reason of the location of its plants close to live stock supplies so that the ill effects of long shipments are eliminated. The advantages of location and capable management are shown in the consistent earning record of the company: It has earned a net profit in every one of the last fifteen years, including the post-war depression period.

The Morrell stock was closely held until a few years ago when we made public offering of a third interest which had been acquired from individual holders. This stock is the company's only outstanding security, there being no funded debt and no preferred stock. The stock is on a \$4.40 annual dividend basis, the rate having been increased this year from \$3.60. It is listed on the New York Stock Exchange. We recommend it for investment at current prices.

## Fifty Years of Unbroken Profits

A CME Steel Company manufactures hoop

barrels and machinery crates—chewing gum  
cortens and gasoline hose—butter tubs, apple



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shipment Acme goods play a part, and indicate the diversity of interests among its customers.

The business was founded fifty years ago at Quincy, Illinois. For the last thirty years headquarters have been in Chicago. Two large plants are in operation—one on Archer avenue, in Chicago, and the other in Riverdale, just outside the southern limits of the city. The business has reported a net profit in every one of the fifty years of its operations, and the net worth of more than \$10,000,000 shown by its financial statement of December 31, 1929, represents, practically in its entirety, earnings added to the \$10,000 capital with which the business was established.

We became identified with Acme in 1928 through the public offering of a block of common stock which had been purchased from individual shareholders and which, therefore, represented no new financing on the company's part. This stock, which is listed on the Chicago Stock Exchange, is on a \$4 annual dividend basis. In 1929 a 50 per cent stock dividend was paid, and in February, 1930 a 25 per cent stock dividend—the latter without change in the cash dividend rate. At current prices the stock yields about 6½ per cent. There is no preferred stock, and the funded debt is less than \$1,300,000.

In view of the company's long and consistent record, its excellent financial position and good prospects, we regard its stock as a thoroughly sound investment.

## Metropolitan Industries Company

**M**ETROPOLITAN Industries Company operates on different lines than the ordinary investing company. It was organized to acquire substantial or controlling interests in corporations in the United States which appeared susceptible of material development and enhancement in value. Funds not employed in this manner are subject to investment in American securities generally.

Shortly after the organization of the company in May, 1928, it acquired a majority interest in a long established business. This investment was retained for more than a year and then sold at a substantial profit. At the time the sale was announced it was stated that the company had acquired a substantial interest in Harbor Plywood Corporation. This interest is carried in the company's balance sheet of April 30, 1930, at \$1,364,117.

Security holdings of Metropolitan Industries at April 30 were \$1,050,125 (at cost or market, whichever was lower). It was stated that more than \$918,000 of this amount was represented by common stock in the follow-

ing six companies: Union Carbide and Carbon, Electric Bond and Share, Sears Roebuck, Radio Corporation of America, Johns Manville, and Columbia Gas & Electric.

Net earnings for the company's first fiscal period of slightly less than one year were \$374,425, and for the year ended April 30, 1930, \$554,712. For the latter period this amounts, after prior charges, to \$5.13 a share on the 80,000 shares of common stock.

Allotment Certificates, each representing one share of 6% Cumulative Preferred stock (\$100 par) and one share of Common, are listed on the Chicago Stock Exchange. Only 50 per cent of the par value of the preferred has been called for payment, and quotations on the exchange are on that basis. The Certificates have recently been selling around 45.

We helped organize Metropolitan Industries Company and are closely identified with its management. We regard the Allotment Certificates, at current quotations, as an attractive investment.



# KASHGAR . . . OR NEW YORK

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one of a series now  
appearing regularly  
in Time, Review  
of Reviews and  
World's Work.*



A thousand camels treading a narrow mountain pass, laden with precious cargoes from the mysterious hidden cities of Inner-Asia—Kabul, Samarkand, Kashgar.

Whether they arrive safely at their destination and whether the goods will bring a profitable return depend upon the skill of the caravan leaders—upon *management*.

In the process of making and selling goods in the United States, there are no sudden levies by lawless mountain tribes. Yet, there are hazards and limitations no less real. Business success in New York or Columbus depends in even larger measure upon the skill of the management.

This factor of management—the ability to gauge desires and needs—to recognize changes in conditions and to take advantage of new developments—is more difficult to measure than physical assets. It is the active force, the hidden power of the business machine. It decides the rate of speed and fixes the direction. It determines the earning record.

In judging investment values, the appraisal of character and management has always been our first concern. Long before the detailed statements of today were available, A. G. Becker & Co. bought many millions of corporate obligations every month and distributed them in all parts of the United States. Out of this long and intimate contact with business and management has developed a comprehensive investment service. We invite you to become better acquainted with it. We shall be glad to send you a booklet "Sound Corporate Financing." You incur no obligation in sending for it. *Ask for CT102.*