

The Best Recommendation of S. W. Straus & Co.

Sixty-two per cent of our new customers come to us as a result of recommendations by our old clients. They find such satisfaction in the securities we sell and the service we render that they urge their relatives and friends to invest through us in order to gain safety, a good income, and complete freedom from care.

Safety and 6%

Our current list of first mortgage serial 6% bonds, safeguarded under the *Straus Plan*, includes various issues secured by properties in the largest cities, from New York to Los Angeles. They afford the prudent investor the widest diversification, complete safety, prompt payment of both principal and interest in cash on the days due, 6% interest, and choice of maturities, from 3 to 16 years. Write for valuable literature describing the *Straus Plan* and ask for

Circular No. H-906

S.W. STRAUS & CO.

Established 1882

Incorporated

NEW YORK

CHICAGO

150 Broadway

Straus Building

DETROIT
Penobscot Bldg.

MINNEAPOLIS
Loeb Arcade Bldg.

SAN FRANCISCO
Crocker Bldg.

PHILADELPHIA
Stock Exchange Bldg.

Thirty-seven Years Without Loss to Any Investor



INDUSTRIAL PREFERRED STOCKS

Offer these advantages:

1. Security of Principal.
2. Large Yield.
3. Exemption from Normal Federal Income Tax.
4. Strong Protective Provisions.
5. Convenience of Collecting Income.
6. Ready Market.

*Write for "Circular R" describing
several excellent Preferred Stocks*

DOMINICK & DOMINICK

Members New York Stock Exchange

115 BROADWAY : : : NEW YORK

ESTABLISHED 1870

Frick-Reid Supply Co.

Oil and gas well supplies

8% Cumulative Preferred Stock

Par Value \$100.00. Dividends payable quarterly. Free of Pennsylvania State Tax

This Company has no funded debt, no mortgage or other bond issue and none may be created without the consent of 80% of the preferred stock.

The present net quick assets of the Company, including proceeds of this issue, amount to \$330 per share on the preferred stock. The net earnings of the Company for the past six years averaged over \$400,000 per annum, after the payment of all Federal Taxes.

The whole or any part of the issue is redeemable at \$107 with cumulative dividends. A Sinking Fund is provided to retire \$75,000 par value per annum beginning January 1st, 1921.

Price \$102½ yielding 7.80%

We recommend this Preferred Stock for investment and will furnish detailed circular upon request

Moore, Leonard & Lynch
Frick Bldg. 111 Broadway
Pittsburgh New York

Holmes, Bulkley & Wardrop
Union Bank Bldg. 61 Broadway
Pittsburgh New York

Packard Motor Car 7 per cent. Clinton-Wright Wire 7 per cent., Steel & Tube Company of America 7 per cent.

If you are entirely unfamiliar with the characteristics of the various types and classes of investments, we think it would be a good idea for you to study the subject a little before undertaking to place your capital.

To your question about the effect of the income tax on an investment of \$4,000 we are unable to give you a detailed reply. The Federal Income Tax law, as the title implies, has nothing to do with principal. Nor does it affect incomes of less than \$2,000 in the cases of married persons, or incomes of \$1,000 in the cases of single persons. If you were to invest the \$4,000 at 8 per cent or even 10 per cent, and if the yield of this investment constituted your sole income, you would not be subject to the tax. Without knowing the total amount of your income, including your salary or the income from your business or profession, we cannot tell to what extent you are subject to the Federal Income Tax.

ACCRUED INTEREST

In a recent issue of a New York newspaper the following appeared:

"Sales of Liberty Bonds on the Exchange carry interest to the date of sale. The seller receives that interest in addition to the sale price of the bond."

Third 4½'s were quoted that day at 95.24. Is the interest added to that price when payment is made; and is brokerage also added? I want to purchase a registered bond and would like to know if I can arrange for registration in advance of making payment.

All bonds (except income bonds and defaulted issues) are quoted on the New York Stock Exchange "and interest," which means that accrued interest from the date of the payment of the last instalment of interest to the date of sale is to be added to the quoted price. Brokerage is also to be added.

No, it will not be possible for you (except possibly by special arrangement with your bank) to have your bond registered in your name in advance of payment. Immediately upon registration the bond would become non-negotiable without your attested indorsement, and the seller would be left without recourse in the event of your failing for any reason to make payment. The same is true of stocks which brokers usually insist must be paid for before they are put in transfer to be registered in the names of the purchasers.

FOREIGN AND DOMESTIC BONDS

Will you please give me your opinion of the following bonds, which I own: British 5½'s, due 1921; Boston & Albany 3½'s, due 1924; Old Colony 4's, due 1924; Virginian Railway 5's, due 1950; American Telephone & Telegraph 4's, due 1929; Baltimore & Ohio convertible 4½'s, due 1933; Liberty Loan 4½'s, various issues. I am thinking of selling the three British bonds I own and investing the proceeds in the new Swedish 6's. Please advise me on this point.

Your list of investments is, in our opinion, a pretty good one. We do not know of anything to indicate that any of these bonds is likely to prove other than safe, both principal and interest.

Your suggestion about shifting funds from the British 5½'s due 1921, to the new Swedish 6's due in 1939 strikes us rather favorably, although we think that for diversification you might hold at least one of the British bonds through to maturity.