

ern has a record of having distributed in rights and extra distributions for the past eleven years, a maximum value of \$164 per share, including \$85 per share for Ore Certificates. Dividing this by the number of intervening years, we find that the extra distributions on Great Northern have averaged about 15 per cent. per annum. Dividends during that period have been 79 per cent., so that the net income has totaled about 25 per cent. per annum.

Take another type of road in contrast—the poor old Erie. See how management for the benefit of insiders is an incubus which the property, even with its various reorganizations, has never been able to shake off. Contrast the income from an investment in one of the Erie issues for the same eleven year period and decide for yourself in which kind of railroad property you prefer to place your investment funds.

On this basis, placing Great Northern at the head of a list of desirable stocks, and Erie at the bottom of the list, it will of course, be found that all the others are somewhere in the intervening scale. I never could understand why so many people associate themselves with disreputable properties when there are so many good, brilliant ones with which to become identified. It is the same among human beings: A person who mixes with disreputable characters becomes one himself. He suffers mentally, morally and, as a rule, financially. But the man who associates only with those who are thoroughly upright, strengthens his character and, as a rule, expands his bank account.

Both individuals and properties frequently outgrow disreputable characters. This is something we hope Erie will accomplish; in fact, Erie is showing symptoms. On the other hand, recent developments in Illinois Central show how even a high-class property may fall into disrepute through the action of those identified with its management.

The whole scheme in selecting long range investment or speculative mediums is to get into the line of growth, and not tie up funds where they are likely to simmer along for years without showing satisfactory results. You have so

much money which can be devoted to this purpose, and you have so many years on earth. Make the most of those years. Make your capital increase in the quickest possible ratio, so that you will have more dollars working for you within a given period.

Taking a brief glance down the active list of stocks, the following properties impress one as having, in recent years, *been classed among those which were operated for the benefit of all stockholders in common*:

Am. Telephone & Telegraph, Atchison, Canadian Pacific, Chicago & Northwestern, Delaware & Hudson, Great Northern, Pennsylvania, St. Paul.

This is not a complete list and many railroad men and insiders will doubtless look askance at some of the roads mentioned above, but I am judging from the general reputation borne in Wall Street by the above properties, and not from any inside knowledge.

On the other hand, the following corporations have been known or at least suspected of having been managed more with an eye to the stock market commitments of the insiders:

Amalgamated Copper, American Tobacco, American Smelters, Colorado Fuel, Distillers, Missouri Pacific, Republic Steel, Reading, United States Steel.

Amalgamated Copper since its incorporation and up to the time of H. H. Roger's death, was the medium for inside speculation on a tremendous scale. Through the control of the copper metal situation by means of the United Metals Selling Company enormous stock market profits were reaped.

American Tobacco common after years of violent stock market history was exchanged for American Tobacco bonds and preferred stock; that is, the holdings of the outside stockholders were exchanged—insiders held their common stock, which is now worth \$420 per share in the outside security market.

Without going into details as to a number of the other propositions mentioned above, stock market history contains sufficient evidence that in the long run it pays to put your money into companies where you are most likely to be given a square deal.