



# Those **FORGOTTEN FORTUNES**

*By Joseph Stocker*

**T**UCKED AWAY and forgotten in old trunks and dresser drawers all over America are securities which their owners presume — for one reason or another — to be quite worthless. But, according to investment experts, many of these so-called worthless securities have value — possibly even great value.

A lot of them are stocks and bonds bought during the flush and giddy 'twenties. Many companies defaulted, and many people who bought their securities have died. Perhaps they failed to leave wills, or, if they left wills, neglected to list the securities because they assumed them to be valueless. Meanwhile, the companies involved may have undergone reorganization, and the securities may be accumulating dust — and uncollected dividends — because the heirs are unaware of their value.

In other cases, holders of supposedly worthless securities have moved from one place to another over the years, leaving no forward-

ing addresses. The companies in question have gone through various mutations — mergers, consolidations and the like. They or their agents have tried in vain to reach their peripatetic stockholders. If the stockholders only realized it, there's money waiting for them in some bank or trust company.

Possibly you're one of these "missing" stockholders. If so, it's a good idea to get in touch with a broker. Turn over to him those old and yellowing stock certificates you've carted from house to house only because you hated to throw anything away. Or, if you live in a small town having no brokerage firms, you can get help from someone at your local bank who handles investments.

**A**CASE in point is that of a young and troubled housewife who was desperate for money. Her husband was ill and the bills were piling up. Leafing through old files, she came across some shares of preferred

stock in a New Jersey hotel corporation which long since had defaulted.

She supposed they were worthless, but she was grasping at anything. She visited a broker. He checked up and found that the hotel had been acquired by new owners, who were at that moment reorganizing the firm and cleaning up its old debts. Turned out the stock was worth \$565 — plus accrued dividends.

In New York there's even a firm which makes a specialty of tracking down lost stockholders. It's called the Tracer Company of America, and it gets paid for its work by the companies themselves. They're willing to pay because they want to bring to a halt the continuing expense of keeping books on the lost stockholders, sending out annual reports and so forth.

Oil and mining stocks frequently figure in these caches of forgotten securities. For many an American succumbed to the lure of the wildcat oil strike and the million-dollar mother lode, and then was too embarrassed about it to tell his family or to list it in his will. In many cases, the stock is just as valueless as Papa supposed it to be. But in other cases something may have happened to make it worth some money.

Recently, for instance, a middle-aged man, who had been blinded in an industrial accident and was barely able to make ends meet, turned up at a broker's office with some old

Oklahoma oil stock. His father had bought it many years before, and he didn't even know of its existence until his wife started searching through a desk. When a drawer was pulled out, the certificate was found wedged against the inside of the desk.

The broker, checking up, learned that the oil company had got into trouble during the depression. A new company had been formed and there had been an exchange of stock in the new firm for stock in the old. The blind man's father had exchanged his stock, then slipped the certificate into an envelope and put it into the desk drawer. Meanwhile, the new oil company had done spectacularly well. And the stock has turned out to be worth more than \$3,000 to a very much surprised and delighted blind man.

THERE also may be some unexpected windfalls in foreign bonds. Back in the 1920's, when the U.S. was embarking on its first adventures in internationalism, a lot of these bonds were acquired by American investors. Ethnic loyalties motivated many of the investments: Germans bought German bonds; Czechs in America wanted to help their plucky little motherland get on its feet. And so it went.

Then the governments which issued the bonds were overthrown. Successor regimes defaulted on the debts, or repudiated them outright. The two World Wars had a dev-

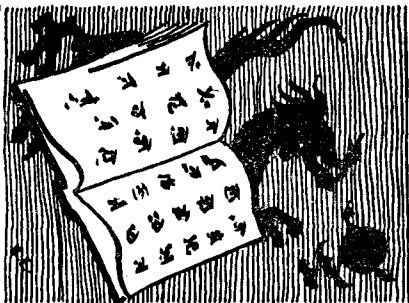
astating effect on many securities. And the U.S. Internal Revenue Bureau helped create the impression that they were no good, for the tax collector ruled that certain foreign bonds were worthless as of World War II and could be written off in income tax returns. Yet a lot of them — whatever the fate of the governments which issued them — still have value. Some have developed extraordinary value just lately. But many of the people holding these securities are oblivious to the fact.

**T**HUS the case, not long ago, of a widow who found some prewar Japanese bonds — Oriental Developments, they were called — among her husband's effects. She was about to toss them away when her son intervened. "Before you do that," he said, "let's call a broker and see if they're worth anything."

The widow called a broker. He happened to know that the postwar Japanese government was renegotiating a settlement of its prewar debts. He urged the lady to hold her bonds another year, until the settlement had been negotiated. She followed his advice. As a result, she's now collecting \$30 in current interest every six months plus another \$30 installment on back interest twice a year — for a total of \$120 a year. When her bonds mature in 10 years, she'll have collected a total of \$2,200 on her husband's original \$950 investment.

One of the strangest instances of "worthless" securities being not quite so worthless after all is that of the old Imperial Russian government bonds. The Soviets long ago repudiated the debt, but there is still brisk trading in Russian bonds — mostly among speculators. The bonds fluctuate wildly in value according to whatever mischief the Communists are up to at the moment. When the Reds signed the non-aggression pact with Germany, the Imperial Russians sank to a low of 50 cents for each \$100 bond. In 1945, when it looked as if Russia wanted to get along with the world, the value went up to \$22. Then, as the Cold War deepened, it plummeted again. Later, with the death of Stalin, the Czarist bonds rose once more to \$5.

Some brokers charge as high as 50 per cent commission for converting old and forgotten securities into cash — especially if the transaction involves lost certificates, establishment of ownership, etc. But quite a few brokers handle matters like this without charge, as a gesture of goodwill. They know that the people involved are usually not investment-minded, and the brokers can make new friends and customers by turning "worthless" stocks and bonds into good, green money. It takes only a normal amount of know-how on their part. But it seems like magic to securities-holders who never thought they'd see the day when cash would roll in from Papa's folly.



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BY WARREN KUHN

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# RED CHINA

## behind the footlights

**T**HE THEATER in China is almost as old as the weathered loess hills or the most ancient of ancient temples. Wandering troupes of players are as familiar to the average Chinese as his bowl of rice.

Today, however, under the calculating direction of the Communists, Chinese drama has been utterly transformed. It now must perform its true function in the Red scheme: the advance of the Party and its mission of world Communism.

An actor who cannot speak the Party line trippingly on the tongue can apply for the labor battalions. Playwrights must join in teams and collaborate in groups. Playwrighting is now the "collective writing system."

Yet the most frightening fact of all is that the plays are a tremendous popular success! Currently, the most successful drama on the Red Chinese boards is one with a very dull title indeed: "The Question of Thought."

It revolves around the supposed conversion of a number of intellectuals who, through detailed reform of their thinking — Red Chinese "brain-washing" — become fiery and thoroughly loyal supporters of Comrade Mao Tse-tung and their true friends, the benevolent Soviet Union.

Laid in a background of classrooms in the North China People's Revolutionary University, the play gives to its audience everything found in the latest Hollywood ex-