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It shows how to analyze your first mortgage real estate bonds and furnishes an example by which to measure the real value of your present or future first mortgage bond investments.

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Facts For Investors

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THE OUTLOOK
120 East 16th Street, New York

preme Court in a suit by the Attorney-General.

"These injunctions do not absolutely prohibit sales of offending stock. But as a condition of continuing they require corporations and promoters to make full disclosure of all facts and discontinue misstatements and misrepresentations of facts. They require brokers to reveal their interest in these transactions and disclose secret profits and to actually buy and keep on hand customers' stocks. In other words, these injunctions in the main force publicity of facts and true conditions on the theory that the investor or speculator is the person most competent to buy without the advice of the State. Also the injunctions move against the individual actors, bringing home to them as individuals the moral and legal responsibility for the corporate delinquency.

"The teeth of this statute is the power in the Attorney-General to compel full and prompt disclosure of corporations' affairs.

"Commencing with January, 1925, the present Attorney-General of the State of New York, Albert Ottinger, obtained an appropriation from the Legislature of \$100,000 and commenced a vigorous enforcement of this law. Questionnaires demanding complete information were broadcast, not only to corporations organized in this State, but to corporations with offices out of the State. In two years over ten thousand witnesses were examined about the most confidential and diverse affairs of numerous corporations, banks, investment trusts, stock exchanges, and brokerage houses. Attorney-General Ottinger has not hesitated to place under his subpoena the employees and officers of the large public utility corporations, the city departments, the New York stock exchanges, the Federal Reserve Bank, the large real estate bond and mortgage companies, and many of the large stock-exchange houses in the city. Proceeding on the theory that corporations are but cloaks under which individuals act, we have invariably ignored the corporation and probed the actors.

"The result of this general inquisition has been apparent. A general housecleaning has ensued in the State of New York and an exodus of undesirables to Florida, Boston, Canada, and New Jersey."

It must not be supposed that New York is content to dump its fraudulent investment schemes on the rest of the country and let the rest of the country take care of itself.

There has recently been organized a National Association of Security Commissioners, which keeps its members

fully informed of what is going on. To illustrate what this organization can do, take a case cited by Mr. Winter. In his own words:

"We have found a promoter or stock manipulator of a particularly evil reputation publishing and circulating a paper from the city of New York, a so-called tipster paper, in which the subscribers are brazenly advised to buy the stock of a copper mine in Idaho. Over 600,000 of these papers are mailed from New York City to subscribers all over the United States. The mine in Idaho is fallow and cost the promoter less than \$10,000. Its stock is listed on the Boston Curb Market, where the prices have been washed from 50 cents to \$5, giving the mine a capitalization of over \$15,000,000. To expose this fraud investigations are required in three States—New York, Idaho, and Massachusetts."

Nothing shuns the light like crookedness, and there is no better proof of this theory than the present defensive position of the fake security people. The power of the State "to examine and discover"—a power only recently conferred and employed—has supplied the needed light. The "average investor" is receiving a tremendous degree of protection for the expenditure of a few cents per capita per annum in taxes. For him to realize this and to support these public-spirited efforts is to save himself and his fellow-citizens many millions of dollars each year.

W. L. S.

An Inquiring Reader

WHAT about annuities? is a question which comes to us quite frequently. As, for instance, in this letter from a teacher:

"I am writing to ask if you will be so kind as to tell me the standing of the Equitable Life Assurance Society of the United States. I should also appreciate your opinion as to whether one of their annuity policies with a premium of \$200 a year, paying about \$60 a month to one at the age of sixty, is a wise investment for a woman of thirty-one earning \$1,600 a year."

In reply we told her:

"The Equitable Life Assurance Society is an insurance company of high standing.

"As to the advisability of your purchasing an annuity, it is difficult for us to express an opinion without knowing more of your circumstances. We feel that an annuity is an excellent purchase when, at the age of fifty or so, one can be bought to yield a larger income than could be obtained by investing an equal amount of capital. But we would hesitate to advise one earning your pres-

ent salary to set aside so large a fraction of it for an annuity. Suppose you have an expensive illness—can you touch that money?

"You may have some cash or investments in reserve which would change the situation. We do not know the facts. We would suggest caution—not at all because of the standing of the company, which is high, but because of the fact that you may not have considered the matter from all angles."

We wish to emphasize one thought—the annuity is a form of investment. It is a good form. The question to be decided by a potential purchaser is whether it is *the best* form for him or her.

Contributors' Gallery



JEROME DAVIS, though of American parentage, was born in Japan. He is a sociologist, teacher, and writer, and now occupies the chair of Practical Philanthropy at Yale University. He was for some time

secretary to Dr. Grenfell of Labrador. In 1916 he went to Russia as a Y. M. C. A. worker. He was sent to work in Turkestan. Because of his success there, he was appointed acting senior secretary for all the war work of the Y. M. C. A. in Russia. He aided the Committee on Public Information of the United States Government by supervising the sending of a million copies of President Wilson's message containing the famous Fourteen Points from Russia into the German lines.

Mr. Davis has seen Russia under three régimes—that of the Czar, that of the Kerensky Government, and that of the Soviet. During the street fighting that took place in Moscow at the time of the overthrow of the Kerensky Government he acted as a sanitary worker, passing freely from one side to the other. He came into personal contact with Kerensky, Lenine, Trotsky, General Brusiloff, and Catherine Breshkovsky—the "Little Grandmother of the Revolution"—and other leaders of the three Governments. The First Siberian Regiment elected him an Honorary Delegate of the Soldier Deputies in the Soviet. Since his return to America he has made a study of the Russian immigrants in their American environments. He has published two books, "The Russian Immigrant" and "The Russians and Ruthenians in America," many reports and magazine articles, and edited "Business and the Church."

What is a Good Investment For You ~ Today?



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NO MAN'S life remains fixed. His business affairs change. His income changes. His aims change. He may change his will.

SUCH changes affect the way you should invest. If you do not consider them, your money will fail to do its best for you.

New personal conditions, if not met, may cause your income to fall off unnecessarily. You may run into needless new risks. You may miss good investments which were unsuited to your former plans and circumstances.

MANY men meet the situation by going over their investments with us from time to time.

THIS is a wise precaution; it is part of our daily work to study and deal with the effects of such personal factors on investments.

WE CAN often suggest changes which protect net interest, and decrease bother—without sacrificing proper investment balance.

WITH a background of one hundred and fourteen years' financial experience, The National City Company has equipped itself to study and meet individual investment problems.

ELEVEN thousand miles of private wires keep us in direct touch with the investment centers of the country. We maintain offices in 50 leading American cities. We supplement this close touch with domestic conditions by worldwide foreign connections.

A NATIONAL CITY COMPANY representative will know how to use the equipment of the Company in helping you.

YOU may get in touch with a representative by addressing The National City Company, 55 Wall St., New York, or by visiting our office in your city.

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