

a writer intellectually and temperamentally fitted to deal sympathetically with him. In his own words, somewhat differently applied, Mr. Dell's book traces the "development of a raw cub of genius, an ethereal poet, afraid of real life, into the fearless and robust transcriber of the tragi-comic welter which is contemporary America." It is quite safe to predict, as the writer does, that his future literary life will bring surprises. The man known twenty years ago as the author of "The Jungle," which, as he said, was aimed at the American public's heart and hit in the stomach, is to-day no less prominent as the author of "Oil!" locked in combat à l'outrance with the censors of Boston. It might be worth noting here, in connection with Mr. Dell's quotation of the often-repeated statement that Georg Brandes once said, "I find three present-day novelists worth reading—Frank Norris, Jack London, and Upton Sinclair," that Harry Hansen, who put the question which elicited the answer, has recently pointed out that Brandes had great difficulty in dredging these names from his memory after first stating that he read no American authors at all.

Sport

STREAMCRAFT. An Angling Manual. By George Parker Holden, M.D. D. Appleton & Co., New York. \$3.

Dr. Holden has put together a complete guide for anglers, including practical instructions for the making of artificial flies. Fishermen will find the book invaluable.

Travel

THE MAIN STEM. By William Edge. The Vanguard Press, New York. 50c.

The chronicle of a proletariat pilgrimage and what came of it—really a Tramp's Odyssey. Mr. Edge seems to have enjoyed a bath and the clean sheets amid which he ended his experiment.

TOURING ENGLAND. By Sidney R. Jones. Charles Scribner's Sons, New York. \$2.25.

A preliminary run through these pages gave reason for happy anticipation, for they are generously interlarded with pictures of Merrie England—spots which have dreamed through the years since Queen Bess with names that bring back the charm of Housman. But it is a delusion, for the letterpress falls short of the promise and reads like a Blue Book Guide.

Mr. Jones covers out-of-the-way England in twenty short tours. That he should have adopted such a stilted and disjointed manner is to be regretted. It would have been better to give the space of these mechanical résumés to a more sympathetic outline of a single trip.

But, for all that, it is a commendable thing he has undertaken. What can they know of England who plan their tours from railroad maps? Mr. Jones makes no mention of a train, and yet he covers more of the real thing than any guide we have examined.

Philosophy

THE PSYCHOLOGY OF PERSONALITY. By P. F. Valentine. D. Appleton & Co., New York. \$2.50.

Despite all the psychological prying, the mind of man remains as mysterious as ever. Dr. Valentine, who hails from California, strives bravely to account for the working of the human mentality. He does not, however, discover the key.

Sociology

HARMONY BETWEEN LABOUR AND CAPITAL. By Oscar Newfang. G. P. Putnam's Sons, New York. \$2.

The No Man's Land between capital and labor being what it is causes Mr. Newfang's ideas to refresh us exceedingly, for here is a conscientious attempt to present a working scheme. The core of his theory

is the drawing-account wage—a preliminary periodic payment to be fixed by competition and supplemented, on the closing of the books, by a further sum representing a share of the net after capital has been satisfied at prearranged rates. This scheme is calculated to create a mutual-interest tie between the contracting parties, encouraging capital to widen its margin of safety for dividends and labor to aim at increasing its final share.

Some one will say that this is old stuff—but what of that? Mr. Newfang may only be using a new terminology, but how much of the strife in the world is about nothing more than definitions?

History

THE FOUNDATIONS OF MODERN CIVILIZATION. By H. C. Thomas and W. A. Hamm. The Vanguard Press, New York. 50c.

The authors have put into compact form the basic facts in the growth of civilization with the design of supplying the A B C of history down to the close of the eighteenth century. They have done their work well. The point of view is designed to fit the common man.

Books for Children

THE SOMERSAULTING RABBIT. By Marion Bullard. E. P. Dutton & Co., New York. \$2.

This is a slight tale, "for the picture-book age from five to eight," about what happens when rabbits (who by all the laws and prophets are daytime animals) insist upon cavorting at night. Its message is that rabbits have a great deal to learn, but "an Owl knows." Decorative drawings by the author make amusing full-page illustrations that are the best part of the book. Its jacket has such a charming design that—

We lay it gently on our lap
And dust its little jacket.

Miscellaneous

KNOCKING AROUND. By Frank H. Shaw. Dodd, Mead & Co., New York. \$3.

Mr. Shaw has had his success as an author in England. He writes an entertaining tale of adventure, beginning with an apprenticeship on a sailing ship, with all of its attendant discomforts, whence he went on to the better conditions aboard steam vessels. Story-writing took Mr. Shaw away from the sea, and he lived by his pen until the outbreak of the war. Then he went into active service as a territorial, handling first the forwarding of men and stores to France. Next he went to the Ypres front, took a turn in air service, and wound up hunting German submarines in the Mediterranean. Thrilling indeed is this part of his tale. But above interest in his exploits the reader will be moved by his accounts of official incompetence, the needless waste of life, and sharp side-lights on the horrors of war. It is gratifying to learn that he found Americans more competent than his own countrymen in matters of management.

Books Received

THE HOUSE OF HAPPINESS, AND OTHER STORIES. By Ethel M. Dell. G. P. Putnam's Sons, New York. \$2.

GARDEN OF FLAMES. By E. S. Stevens. The Frederick A. Stokes Company, New York. \$2.

THE LIVING CONSTITUTION. By Howard Lee McBain. The Workers Education Bureau Press, New York.

THE BEST CONTINENTAL SHORT STORIES OF 1925-26. Edited by Richard Eaton. Dodd, Mead & Co., New York. \$2.50.

BALANCING THE FARM OUTPUT. By W. J. Spillman. The Orange Judd Publishing Company, New York. \$1.25.

PEREGRINATION. By E. S. Buchanan. Laurence Gomme, Inc., New York.

THE YOUNG STAGERS. By Percival Christopher Wren. The Frederick A. Stokes Company, New York. \$1.75.

"Twenty Questions" on General Information

Answered in this issue of
The Outlook

1. Where is the leper colony in the Philippines? (P. 523.)
2. What Chinese general has just retired? (P. 526.)
3. What faction did he command? (P. 526.)
4. Whose biography did Boswell write? (P. 533.)
5. In what century did Daniel Defoe write? (P. 543.)
6. What is his best-known book? (P. 543.)
7. What is a preferred stock? (P. 551.)
8. State within 100,000 the number of immigrants who were admitted into the United States this last year. (P. 527.)
9. What motor organization is now rivaling the Ford company? (P. 529.)
10. For how many years has the Wightman Cup Tournament been played? (P. 529.)
11. The teams of what two nations engage in this tournament? (P. 529.)
12. From what city did the Dole fliers start? (P. 535.)
13. When was Elbert H. Gary born? (P. 531.)
14. At what German Court did Voltaire live? (P. 534.)
15. Who was the second President of the United States? (P. 534.)
16. What were the names of the two German airplanes which recently attempted a transatlantic flight? (P. 524.)
17. What is Eamonn de Valera's party called? (P. 532.)
18. Whose pen name is "AE"? (P. 533.)
19. What international conference is held at Williamstown, Massachusetts, each summer? (P. 524.)
20. When was the murder committed for which Sacco and Vanzetti are awaiting execution? (P. 530.)

Contributors' Gallery

As will be seen from a reference to the cover of this week's Outlook, "Who's Who" gives ample proof of Ellsworth Huntington's right to speak authoritatively, showing as it does his wide scientific experience and extended research work. His co-author, Leon F. Whitney, is a graduate of the Amherst Agricultural College and Executive Secretary of the American Eugenics Society. He does not confine his interest in eugenics solely to the bettering of the human race, but he also makes a specialty of dog breeding.

K. KAWAKAMI is a Japanese author and journalist who has lived in this country for several years. He is the Washington representative of Japanese newspapers, and is also the correspondent for papers in Tokyo. He recently returned from the Geneva Conference.

ARTHUR M. BAUM presents in this issue the third and last of his series on our National Forests. As we have reported in previous issues, he is an Easterner by birth who has spent fourteen years in the Forest Service in various Forests of the West, progressing from guard to Forest supervisor.

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Real Estate

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WILLIAM DRAPER BRINKLOE (Owner)
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HOUSEMOTHER for young boys in residential school in New York City, beginning September. Opportunity for cultured woman to render service with salary a secondary consideration. Conditions ideal. Applicant state qualification, including education, in first letter. Previous similar experience not essential. 7,961, Outlook.

WANTED — An assistant in household duties. Education and refinement more necessary than experience. 7,971, Outlook.

WANTED, by widow living alone, working housekeeper. Must be well and able to cook. One other helper kept. Would not object to her having some nursing experience. Am seeking woman of refinement between 35 and 45 years of age, one willing to travel or stay, who desires permanent home and can give loyalty and interest. 7,968, Outlook.

WANTED — Nursery governess to care for four children under nine in Cincinnati. Wish to fill position by August 15, by refined and educated woman. Address Mrs. Frederick V. Geier, Bay Head, N. J.

WORKING housekeeper, Summit, N. J. Permanent position. New England preferred. Must be good cook. Box 374, Cutchogue, L. I.

SITUATIONS WANTED

COLLEGE and university graduate, now in ministry, desires change to business position with responsible firm in Eastern States. 7,977, Outlook.

COLLEGE GRADUATE desires position as tutor in South or Southwest. Recommendations gladly furnished. 7,980, Outlook.

COLLEGE woman, commercial teacher or home position. References. 7,937, Outlook.

COMPANION — attendant, by middle-aged woman, for refined Protestant lady. References. 7,969, Outlook.

EDUCATED woman desires position as companion to elderly person or shut-in. Protestant, forty, wide experience. Best references. Free to go anywhere after September 9. 7,973, Outlook.

GOVERNESS, companion, charge of motherless home, by lady of thirty-five years, with college degree. Will travel. 7,978, Outlook.

LADY desires situation as companion, social secretary or hostess. Best references, both social and business. 7,981, Outlook.

LADY of culture and refinement would like position as companion, social secretary, chaperon (resident or otherwise), hotel hostess, corridor desk, linen closet. Information. Highest credentials. 7,979, Outlook.

MOTHER'S helper, middle-aged woman, assist housekeeping or care children in refined Protestant family. References. 7,970, Outlook.

TEACHER piano, violin. Experienced, graduate New England Conservatory. 7,982, Outlook.

WANTED, by refined young woman, pleasing personality, some hospital training, position as companion, care motherless home, nursery governess, or any position of trust. Obtainable Oct. 1. Excellent reference. 7,976, Outlook.

WANTED, position as housemother or social adviser in school by teacher interested in young people. 7,976, Outlook.

WOMAN of refinement and culture, widow, desires position as companion-housekeeper or care widower's home with children, or executive position. Wide experience. 7,985, Outlook.

MISCELLANEOUS

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WANTED, children to board in country home. Good home, moral and religious training. Private teaching if desired. References exchanged. Mrs. G. W. Burroughs, West Acton, Mass.

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Who Prefers Preferreds?

EVERY now and then some one arises to state that he has no use for a preferred stock. "Give me either a straight bond or a good common stock," runs the criticism. "A preferred stock is neither fish, flesh, nor fowl. It does not have the security of the bond and it lacks the money-making possibilities of the common. It has no reason for existing."

Nevertheless, in spite of such objections as these, which are obstinately held by a great many people, preferred stocks continue to be issued, bought and sold, tucked away in safe-deposit vaults in increasingly large numbers. There must be something on the other side of the question.

A preferred stock is, by definition, a stock that has a claim on earnings ahead of the common. Preferred stock represents an equity in the assets of a company which is after bonds and floating debt, but before any other class of stock. Often there is more than one series of preferred stocks, which rank in a stated order of preference. Dividends are paid on preferred stocks before they can be paid on common.

Unless otherwise stated, preferred stocks are cumulative—that is to say, if one year a dividend is not paid, the obligation to pay it carries over into the following year. It sometimes happens that dividends are passed during several lean years and that later, when the company has got once more on its feet, a back payment of all that has been accumulated is made. In those cases where the preferred stock is not cumulative there is no such obligation; but non-cumulative dividends are a prior claim in any one year. If unpaid within the twelve months in which they are payable, they are lost.

One feature about the preferred stocks which is always attractive is that the dividend rate is fixed. Unlike the dividend rate on common stock, which may be reduced (or raised), the dividend on preferred must be paid at the stated percentage, perhaps six or eight, as long as so much is earned.

"Preferred stock," says the Encyclo-

pedia of Banking and Finance, "may also be preferred as to assets and as to control. But in no case are preferences more than those specifically set forth. When preferred as to assets, the full par value of the preferred shares must be paid, in case of dissolution or insolvency, before any payment (liquidating dividend) is made to the common shareholders. Prior claims as to voting sometimes rest with the preferred stock, but usually this class of stock has no voting power, the theory being that the common stockholders, bearing the greater part of the risk, should have the control. In other cases of less frequent occurrence, preferred and common stockholders rank equally in voting power."

There are many other variants in the terms of preferred stocks. Among those that are, perhaps, of most immediate interest to investors is the provision which requires the retirement of the issue at some future time at a premium, say at 115. Obviously, if the corporation is very successful, it is good business to buy out the preferred stockholders at a good profit to them instead of continuing to pay them their dividends. A corporation naturally desires to pay as little for its working capital as it can and as much as it can to the owners of common stock. If, therefore, it can raise capital during its early days by the sale of an issue of preferred stock, retiring it during its prosperity, it has done a very good stroke of business.

It is absolutely true that a preferred stock is in between a bond and a common stock. But a first-rate preferred stock partakes strongly of the nature of a bond, and its price tends to follow a course of money rates just as do the prices of the high-grade investment bonds. If, for example, money is around 5 per cent, a 7 per cent preferred stock of the highest character will sell in the neighborhood of 120. United States Steel 7 per cent cumulative preferred sells at even a higher figure—over 130—so that the yield is only about 4½ per cent, equal to that of a very high grade investment bond.

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called *limited speculative possibilities* in a preferred stock, which gives a fair basis for comparing it with the speculative advantages of a common stock. If the common stock of a corporation is valuable, the preferred stock is also valuable, but in less degree. If the common stock is speculative, the preferred may be a good business risk or even a conservative investment. On the other hand, the position of the preferred stock may be weakened by the volume of the bonded debt to such a degree that it is equally speculative with the common.

In considering preferred stocks there are several factors, the more important of which have been hinted at, to consider. Particularly is this true of a new issue of preferred stock. Many an investor has been "stuck" with shares of a preferred industrial stock which had been put out in order to secure working capital at the inception of a corporation. Particularly in the case of small companies, the preferred has a very narrow market, and, while it may be sound enough and regular enough in its earnings, it is extremely weak as to marketability.

In short, the time-worn tests that apply to all investments apply to preferred