

NEW ISSUE

\$5,000,000

CONSOLIDATED GAS ELECTRIC LIGHT AND POWER COMPANY OF BALTIMORE

FIRST REFUNDING MORTGAGE SINKING FUND 7 1/2% GOLD BONDS, SERIES B

Dated December 1, 1920

Due December 1, 1945

Principal and interest payable at the office of Alex. Brown & Sons, Baltimore, and Bank of the Manhattan Company, New York City. Coupon Bonds in denominations of \$1,000, \$500 and \$100, registerable as to principal only, and fully registered Bonds in denominations of \$1000 and multiples; interchangeable. Redeemable, as a whole or in part, at any time on 60 days' notice at 110 prior to December 1, 1930, during the next five years at 107, during the next 5 years at 108, during the next three years at 102 1/2, and during the last 2 years before maturity at 101; plus accrued interest in each case.

Interest payable June 1 and December 1 without deduction for Federal Income Tax up to 2% BANKERS TRUST COMPANY, NEW YORK, TRUSTEE

From a letter of Mr. Herbert A. Wagner, President, we further summarize:

BUSINESS: The Company does the entire gas, electric light and power business in the city of Baltimore, and its operations extend into suburbs and surrounding counties, serving a population of about 775,000.

PURPOSE OF ISSUE: The proceeds of these \$5,000,000 Bonds, together with additional cash to be furnished by the Company, will provide \$5,625,000, for refunding \$468,000 maturing notes and for additions and extensions to plants, transmission lines, and distribution systems, to be completed before the end of 1921.

SECURITY: These bonds (equally with \$3,500,000 6% Series A Bonds, pledged under the Company's 7% Secured Convertible Note issue, and \$8,253,100 outstanding Convertible 5% Notes) are secured by a mortgage upon all property now owned or hereafter acquired. Bonds are reserved to refund all underlying issues.

EARNINGS: Gross Earnings have increased from \$6,789,401 in 1915 to \$14,930,681 in 1920, and net earnings applicable to fixed charges from \$3,212,818 to \$5,295,634. Net earnings were 2.17 times fixed charges in the year ended October 31, 1920 and have been over twice fixed charges in each of the last five years. As the extensions to be financed by the proceeds of this issue are required to meet an increasing demand for gas and electric service, it is expected that a satisfactory ratio of annual net earnings to fixed charges will be maintained.

SINKING FUND: An annual Sinking Fund of 1% of all First Refunding Mortgage Bonds from time to time outstanding, first payment not later than August 1, 1923, is to be used for purchase or call and retirement of First Refunding Mortgage Bonds.

DIVIDENDS: The Company has \$14,608,700 Capital stock outstanding. Continuous cash dividends on the stock have been paid since 1909, at rates averaging 6 1/2% per annum for the last 11 years. The present rate, 8%, has been paid since April 1, 1917.

FRANCHISES are unlimited as to time and contain grants and conditions which are satisfactory. No other company can enter the field without the consent of the Public Service Commission of Maryland. The Commission has clearly recognized the principle that, as capital required for growth and development of public utility companies must be secured from the investing public, investors must be assured that rates will be authorized which will insure safety of investment and continuity of return.

We recommend these Bonds for Investment

PRINCIPAL AND ACCRUED INTEREST, YIELDING ABOUT 7 3/4%.

It is expected that delivery will be made about December 28, of interim receipts exchangeable for definitive Bonds when prepared.

ALEX. BROWN & SONS BROWN BROTHERS & CO.

JACKSON & CURTIS LEE, HIGGINSON & CO.

The statements contained in this advertisement, while not guaranteed, are based upon information and advice which we believe accurate and reliable.

and accrued interest. Please send me five more copies of "Common Sense in Investing Money." I want some of my friends to read this booklet. It probably will save a lot of people from loss in bad securities or second-rate stuff.

What One Experienced Investor Says:

THE above extract from a letter of one of our old customers speaks for itself. This investor, who has had long experience in placing money in all kinds of securities, says that this little "Common sense" booklet has been of great value to him. "It is so simple that anyone can comprehend it, and so true and authoritative that few could disagree with it," he writes. "It will be a tremendous help to every inexperienced investor, and at the same time a banker will profit by reading it."

You and everyone else interested in safe investment—not speculation—should read "Common Sense in Investing Money." It will be sent by return mail, without charge or obligation, on receipt of a letter or post card. Write for it today, and specify

BOOKLET 493-O

S.W. STRAUS & CO. INCORPORATED

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New York Bonds

Table of New York Bonds with columns for Bond Name, Par Value, Price, and Yield. Includes entries like Adams Exp. 4s, Am. Can. 4s, etc.

GOSSIP OF THE STREET

Recent developments in the financial and business world have been so discouraging and disappointing that there seems to be a tendency to look for the gloomy rather than the brighter spots in the situation. This is strongly attested almost daily in all the prominent board rooms. It is found a number, attracted by the abnormally low market quotations, came prepared to pick up some of the bargains, but before they carry out their intentions they run up against some unpleasant bit of news influencing them to delay the contemplated purchases until later. This happens nine times out of ten, and because the prices in some instances do go a few points lower, they shake hands with themselves for their inborn shrewdness. It takes a stout heart and a whole lot of encouragement to jump in and buy securities in a falling market, but any one with the least talent for figuring should be able to appreciate that such bargains as are now on the counter do not come often in a lifetime. There is a lot of distal news to be found almost each succeeding day, with news of the dividends and prospects of other companies probably doing likewise. Yet there is also to be found plenty of real good stuff—the kind that means something in the end, and the kind that is paving the way for better things later on. The most interesting item of news to come to hand over the week-end, and which was given virtually little notice, was the ratio percentage of the Federal Reserve systems, 45.6, the highest of the year. This compares with the previous high of 45.3 last January. It is strong evidence of the inevitable ease in money rates. Some of the shrewdest observers, however, are beginning to find a ray of light through the thick clouds which

Another Community of Interest

A. Barton Hepburn, of New York, chairman of the advisory board of the Chase National Bank, discussing the outlook for 1921, says: "So far, the improvement consists mainly in the psychological change in the public's attitude toward business. Six months ago each individual enterprise seemed bound to make money no matter what might happen to others. They were going ahead, branching out, buying away labor from other enterprises by offering higher wages and doing anything that promised a profit in their own line of business. Changed conditions have made them realize that there is a community of interest among business men which must be respected and prosperity of all safeguarded in order to insure the prosperity of each."

Sanity Test for Alleged Slayer

Northumberland, Pa., Dec. 21.—Judge Cummings, in the Northumberland county court, yesterday appointed a commission to determine the sanity of Luther Catherman, held in jail here for the murder of William W. Winegarde. More than a month ago Winegarde was found dead near the Catherman home with a bullet hole through his eye and his skull broken. Two weeks ago Catherman was arrested, charged by his wife with the crime. Since then he has refused to lie in bed.

GRAIN PROVISIONS—COTTON

Our Daily Letter Sent on Request Hughes & Dier

1435 Walnut Street Philadelphia

Rumors or Facts

There are listed by a leading Commercial Agency over two million business establishments in the United States. So far this year the same Agency has recorded 7682 failures—1 failure to each 260 businesses, which is less than four-tenths of one per cent. mortality. There are undoubtedly more failures to come, for the rapid but inevitable decline of prices is sweeping aside the highly speculative or the badly managed business, and probably the process is not yet completed.

The situation is, however, being aggravated by the widely circulated gossip which mentions this or that reputable merchant or manufacturer as being in difficulties—no facts, no figures, just thoughtless or malicious rumor. We hear that business is "flat on its back," yet the fact that bank clearings here in Philadelphia are approximately as large as last year, week for week, is positive proof that business is still very much on its feet.

Is it not time to take real inventory of the situation; to realize that this present painful process of deflation is rapidly but surely laying the foundations for better and more wholesome business—that the needs of one hundred and ten million people in the richest country on earth have still to be met, and that we have the capital, energy and ability to meet those needs.

At this season of the year could we make a better resolution than to keep so busy mending our own fences that we have no time for gossip about our neighbors—to resolve to run our own business with less waste and more prudence, to pay our just debts so that our neighbor may in turn pay his, and always to remember that the wheels of industry of these great United States run sometimes faster, sometimes slower, but never stop.

The Colonial Trust Company

Member of Federal Reserve System Market and Thirteenth Streets

A good sinking fund provision helps the market value of a bond

A sinking fund provision in the mortgage securing a bond issue provides that a portion of the Company's earnings shall be set aside for the retirement at stated times of a part of the issue. There are distinct values to the investor in a sinking fund. Market values are maintained. Bonds with good sinking fund provisions are...

Table of bond offerings: Pittsburgh, Cincinnati, Chicago & St. Louis Con. Bg. 1923 85 5.40; Norfolk & Western Ry. Joint 4s, 1941 75 6.05; Great Falls Power Co. 1st S. F. 5s, 1940 84 6.10.

EDWARD B. SMITH & Co

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