

It is estimated that Beatrice Creamery will show earnings this year equivalent to over \$28 per share of 7% Preferred as compared with about \$32 in 1930.

Diamond Match is expected to show earnings this year equal to about \$3.25 per share of 6% Participating Preferred Stock, on which a dividend of \$1.50 per annum is now being paid. The stock has a par value of \$25. per share.

J.C. Penney Co. operates a chain of general stores and is this year expected to earn about \$49 per share of 6% Preferred stock outstanding. This compares with about \$42 per share in 1930.

The above stocks should be bought in the following amounts to comply with the diversification programme.

|              |                   |                     |
|--------------|-------------------|---------------------|
| 250 shares   | Beatrice Creamery | 7% Preferred.       |
| 1,000 shares | Diamond Match     | 6% Part. Preferred. |
| 250 shares   | J.C. Penney Co.   | 6% Preferred.       |

SECURITIES NOW HELD

|                           | Earnings per share |        |
|---------------------------|--------------------|--------|
|                           | Actual             | Estim. |
|                           | 1930               | 1931   |
| <u>RAILROADS</u>          |                    |        |
| Baltimore & Ohio (\$5)    | \$7.44             | \$3.30 |
| Northern Pacific (\$5)    | 6.95               | 2.00   |
| Northern Securities (\$9) | Not obtainable     |        |
| Pennroad Corporation      | "                  | "      |
| Pennsylvania R.R. (\$3)   | 5.28               | 2.30   |
| Southern Pacific (\$6)    | 7.24               | 5.50   |
| Union Pacific (\$10)      | 15.63              | 13.20  |

SUGGESTED SECURITIES

|                                    | Earnings per share |           |
|------------------------------------|--------------------|-----------|
|                                    | Actual             | Estimated |
|                                    | 1930               | 1931      |
| <u>PUBLIC UTILITIES</u>            |                    |           |
| American Gas & Elec. (\$1x4% stk.) | \$4.29             | \$4.00    |
| American Tel. & Tel. (\$9)         | 10.44              | 9.25      |
| Cons. Gas Baltimore (\$3.60)       | 5.42               | 5.15      |
| Cons. Gas of N. Y. (\$4)           | 5.06               | 5.10      |
| North American Co. (10% stk.)      | 4.05               | 3.70      |
| Public Service N.J. (\$3.40)       | 3.96               | 4.05      |
| United Gas Imp. (\$1.20)           | 1.54               | 1.45      |

PUBLIC UTILITIES

|                                    |      |      |
|------------------------------------|------|------|
| American Gas & Elec. (\$1x4% stk.) | 4.29 | 4.00 |
| Columbia Gas & Elec. (\$2)         | 1.76 | 1.45 |
| Commonwealth & South. (40¢)        | .60  | .47  |
| Cons. Gas Baltimore (\$3.60)       | 5.42 | 5.15 |
| Cons. Gas New York (\$4)           | 5.06 | 5.10 |
| Electric Bond & Share (6% stk.)    | 2.33 | 1.75 |
| North American Co. 10% "           | 4.05 | 3.70 |
| Public Serv. N.J. (\$3.40)         | 3.96 | 4.05 |
| United Corp. (\$0.75)              | .78  | .82  |

INDUSTRIAL

|                                 |       |       |
|---------------------------------|-------|-------|
| American Chicle (\$3)           | 4.43  | 4.50  |
| Drug Inc. (\$4)                 | 6.03  | 6.25  |
| Hershey Choc. (\$5)             | 7.89  | 9.00  |
| Int. Bus. Mach. (\$6 x 5% stk.) | 10.89 | 11.25 |
| Proctor & Gamble (\$2.40)       | 3.37  | 3.40  |

INDUSTRIAL

|                           |                |      |
|---------------------------|----------------|------|
| Anaconda Copper           | 1.09           | .50  |
| Columbia Oil & Gas        | Not obtainable |      |
| Great Nor. Iron Ore (\$2) | "              | "    |
| Kennecott Copper (\$1)    | 1.66           | .60  |
| Union Carbide (\$2.60)    | 3.12           | 2.25 |

The preceding list is intended to show the University the situation as regards possible switches and below we show the number of shares to be held together with cost, income and yield.

| Shares | Security                | Cost              | Income             | Yield        |
|--------|-------------------------|-------------------|--------------------|--------------|
| 700    | American Gas & Electric | \$4,300.          | \$1,729.           | 5.00%        |
| 250    | Am. Tel. & Tel.         | 36,500            | 2,250.             | 6.15         |
| 500    | Cons. Gas Baltimore     | 37,500            | 1,800.             | 4.80         |
| 450    | Cons. Gas of N.Y.       | 35,775.           | 1,800.             | 5.00         |
| 700    | North American          | 37,100.           | 2,782.50           | 7.50         |
| 500    | Pub. Serv. N.J.         | 34,500.           | 1,700.             | 4.95         |
| 1450   | United Gas Imp.         | 36,250.           | 1,740.             | 4.80         |
|        | <b>PUBLIC UTILITIES</b> | <b>\$251,925.</b> | <b>\$13,801.50</b> | <b>5.50%</b> |