

Investors in Foreign Bonds Urged to Exercise Caution

Winkler Warns Against Lending for Non-Productive Uses, Citing Experience of Europeans with Previous Finnish Flotations—Points to Default in Swedish Exchange.

In view of the probability that Finland will follow its recent \$10,000,000 refunding bond operation here with other flotations, American investors are urged by Max Winkler, president of the American Council of Foreign Bondholders, Inc., in a statement issued today, to demand full details regarding future offers.

The fact that Finland has scrupulously met its war debt obligations to the United States, Mr. Winkler asserts, should not put private investors in such a frame of mind that they accept future financing with the easy attitude assumed in the pre-depression days.

Methods Recalled.

"Prior to the war, Finland's financial needs were taken care of largely in Paris, London and Stockholm," Mr. Winkler explains. "Loans were, as a rule, payable at the option of the holder in Finnish currency, French francs, sterling or kroner. Following the decline in the value of the first three in the early post-war period, bondholders demanded kroner, as they had a valid right to demand.

"Finland not only refused to pay in Swedish exchange, but enacted special legislation which legalized the payment in depreciated French francs and Finnish marks only. Europe protested against the default, with the result that attempts by Finland to obtain a loan abroad were unsuccessful.

Uncle Sam's bankers, however, were far more liberal. They cared little or nothing about the borrower's past. They asked no questions. They loaned to whoever was willing to borrow. Their anxiety to lend the public's money was in direct proportion to the public's lack of information concerning the applicant.

Attitude Commended.

"While Finland's attitude in regard to her debt to the United States government is highly commendable, it is within reason to assume that the readiness with which Finland paid the war debt instalment due the American government might have been prompted by her expectation to get accommodations which will more than compensate the country for the relatively small sum which she was prepared to give up.

"The recent transaction is reminiscent of deals in the early post-war years, prior to the orgy of lending to foreign borrowers.

"Without wishing to be termed an alarmist, the day will probably come when the American investing public will be obliged to express a debt of gratitude to those countries which, by refusing to pay their war debt installments to the United States government, were prevented from borrowing large sums in this market.

"Exclusive of her debt to the United States Treasury, Finland owes American investors a total of about \$57,000,000 of an original amount of \$67,000,000."

The following table is presented by Mr. Winkler:—

	Amount Issued	Amount Outstanding
Finland 6s, 1945—	\$10,000,000	\$7,320,000
Finland 7s, 1950—	10,000,000	9,080,000
Finland 6½s, 1956—	15,000,000	13,544,000
Finland 5½s, 1958—	15,000,000	13,726,000
Municipal 6½s, 1954A	3,900,000	3,378,000
Municipal 6½s, '54 B	3,100,000	2,684,500
Residential Mtge 5s, '61	10,000,000	7,112,000
Total—	\$67,000,000	\$56,944,500

"Although holders of Finnish bonds will doubtless be overwhelmed with enthusiastic statements," Mr.

Winkler continues, "the suggestion is submitted that the American public might to advantage exercise greater care in connection with the second attempt to market on a large scale the obligations of foreign nations.

"This suggestion should not be interpreted as a condemnation of lending abroad in itself, but only of unwise lending—that is, lending for distinctly non-productive purposes, which was largely, if not wholly, responsible for the foreign bond bubble which many Americans still remember most vividly."

NO APPEAL BY ROADS ON EASTMAN ORDER

Two Southern Rails Forego Plea to Supreme Court.

No appeal to the United States Supreme Court from the order of the Federal Co-ordinator of Transportation, Joseph B. Eastman, will be taken by the Louisville and Nashville and the Nashville, Chattanooga and St. Louis railroads concerning their continuing use of Chicago and Eastern Illinois tracks on passenger service between Chicago and the South, it was learned today.

The effective date of the order has been extended until February 1. It requires the Southern roads to continue routing their passenger trains over the C. and E. I. instead of over the New York Central.

The Eastman order was appealed to the Federal District Court in Chicago, but the court held that the Southern lines and the New York Central should have appealed to the Interstate Commerce Commission before taking it to the courts.

NICKEL PLATE LOADINGS UP.

Special to the World-Telegram.

CLEVELAND, Dec. 27.—Loadings handled by the New York, Chicago and St. Louis Railroad rose 11.1 per cent during the week ended December 22, totaling 12,199 cars, against 11,031 a year ago, it was announced today. In the previous week this year loadings were up 11.7 per cent from last year at 12,434 cars.

OWN LINE LOADINGS UP.

Own line loadings on the Southern Pacific Railway last week were 19,654 cars, up 11.8 per cent over the like 1933 period, compared with a gain of 10.3 per cent recorded in the previous week, it was reported today.

STEEL SHIPMENTS HOLD.

Special to the World-Telegram.

CHICAGO, Dec. 27.—Shipments to be made by the Illinois Steel Co. this week will run about the same daily rate as a week ago, although the total will be smaller, due to the holiday, it was reported today.

has leased for New Empire Building and Loan Assn. the garage at 14-24 Beacon St., Newark, to the Essex Garage Co., represented by Joseph Steiner, attorney; for Mennen Estates, Inc., store in 871 Broad St. to Funk & Stuphin Shoe Stores.

Also, Atlantic Construction Co., garage, northeast corner of 12th Ave. and S. Eighth St., Newark, to Morris Weinstein; for Grand Building and Loan Assn. store in 7 S. Summit Ave., Summit, to the Eastern Natural Gas Co. for office premises.

Recent rentals reported by members of the Board of Realtors of the Oranges and Maplewood are:—In 382 Turrell Ave., South Orange, leased for United States Savings Bank to James B. Duncan, of 83 Oakland Terrace, Newark, through John D. Munther, South Orange realtor; the house at 29 Collinwood Rd., Maplewood, for United States Trust Co., of New York City, to Alvin Coen, of Chicago, through Martin & Weis, Inc., Maplewood realtors.

Also, house at 281 Montrose Ave., South Orange for Mrs. Henry D. Talbot to B. C. Gardner, of Maplewood, through the J. Charles O'Brien Co., South Orange realtors; 286 N. Walnut St., East Orange, for John A. Spargo to Ella D. Guernsey, through Gertrude Cook Meyer, East Orange realtor, and an apartment in 68 Eaton Pl., East Orange, to Harold Perkins, through Henry M. Leshner, East Orange.

Oscar Bock and to Mary Morris in 1345 Amsterdam Ave.; Peggy Carson and to William Anderheggen, in 604 W. 178th St. The Wood, Dolson Co., Inc., leased suites to Joshua Lipson in 498 West End Ave.; Mrs. Loretta O'Connell in 495 West End Ave.; Mrs. Helen Bicknell in 495 West End Ave.; Alphonse A. Kublay in 316 W. 75th St.; Arthur Gears in 330 W. 72nd St.; Mrs. Rosa Stern in 310 W. 72nd St.; Ray P. Autrim in 2025 Broadway Roy Hall in 334 W. 85th St.; Peter Cuty in 14 W. 64th St.

Also to Annel Greer in 4 W. 93rd St.; Samuel Rainess in 2025 Broadway; William G. F. Price in 330 W. 72nd St.; Orvin Katz in 66 W. 77th St.; John J. Ross in 498 West End Ave.; Mrs. Elizabeth Car in 79 W. 92nd St.; Al C. Capp in 4 W. 93rd St.; Sidney J. Wolf in 340 Riverside Drive; Jeffrey Harwood in 16 W. 74th St.; Mrs. Emily Von Ostermann in 207 W. 98th St.; Lawrence L. Dritz in 345 W. 88th St.

ASTOR MORTGAGE FILED

City Housing Authority to Pay Interest in Semi-Annual Instalments.

When Vincent Astor conveyed to the New York City Housing Authority, Wilfred S. Lewis, secretary, the property at 106-128 E. Third St., 29 feet of frontage, and the southwest corner of Avenue A and Third St. 185.5x175, for a stated consideration of \$189,281.31, the Housing Authority acknowledged itself to be in debt to Mr. Astor for that amount, to be paid in semi-annual instalments of \$1,419.61, the remainder of the indebtedness to be paid December 20, 2000.

The interest rate will be 1¼ per cent for the first year and 3½ per cent thereafter.

ASSIGNS W. 86TH ST. LOAN.

The Manufacturers Trust Co. has assigned to the Standwell Holding Corp. a mortgage for \$100,000 on the north side of 86th St., 364½ feet west of Central Park West.

IG NEWS

ayra, Puerto Cabello, Curacao, Aruba and Maracaibo, from Pier 11, Bklyn., Furman St. Mails close 8 A. M.; sails noon.

CUBANO (Wilhelmsen), for Bahia, from Pier 30th St., Bklyn. Mails close 8:30 A. M.; sails noon.

GEORGE WASHINGTON (Old Dominion), for Norfolk, from Pier 25, N. R., Franklin St. Sails noon.

SEMINOLE (Clyde), for Charleston and Jacksonville, from Pier 34, N. R., Canal St., sails noon.

Depart Tomorrow.

AMERICAN TRADER (American Merchant), for Plymouth and London, from Pier 58, N. R., W. 17th St. Mails close 11:30 A. M.; sails 4 P. M.

MARQUES DE COMILLAS (Spanish), for Cadiz, Palma and Barcelona, from Pier 8, E. R., Old Slip. Mails close 10:30 A. M.; sails 2 P. M.

MANHATTAN (United States), for Bermuda cruise, from Pier 60, N. R., W. 20th St. Mails close 4 P. M.; sails 7 P. M.

QUEEN OF BERMUDA (Furness Bermuda), for Bermuda, from Pier 95, N. R., W. 55th St. Mails close 3 P. M.; sails 6 P. M.

ASTREA (Royal Netherlands), for Port au Prince, La Guayra, Puerto Cabello, Curacao, Aruba and Maracaibo, from Pier 12, Bklyn., near foot of Montague St. Mails close 1:30 P. M.; sails 5 P. M.

SCANPENN (American Caribbean), for West Indies ports, via St. Thomas, from Pier 28, E. R., Catharine St. Mails close 8 A. M.; sails 2 P. M.

BASIL (Booth American), for Para and Ceara, via Norfolk, Va., from Pier 21, Pouch Terminal, Staten Island. Mails close 8 A. M.; sails 11 A. M.

CITY OF CHATTANOOGA (Savannah), for Savannah, from Pier 46, N. R., Charles St. Sails 5 P. M.

MADISON (Old Dominion), for Norfolk, from Pier 25, N. R., Franklin St. Sails noon.

Depart Saturday.

SCANSTATES (American Scantic), for Copenhagen, Gdynia and Helsinki, from Pier D, Jersey City. Mails close 9 A. M.; sails noon.

WEST CAWTHON (American South African), for Cape Town, Algoa Bay, East London, Lourenco Marques and Beira, from Pier 7, Bush Docks, Bklyn., 41st St. Mails close 12:30 P. M.; sails 4 P. M.

ILE DE FRANCE (French), for Plymouth and Havre, from Pier 57, N. R., W. 15th St. Mails close 6:30 A. M.; sails 11 A. M.

TYRIFJORD (Norwegian American), for Bergen, from Pier 30th St., Bklyn. Mails close 8:30 A. M.; sails 11 A. M.

VIRGINIA (Panama Pacific), for San Francisco, via Havana and Panama Canal, from Pier 61, N. R., W. 21st St. Mails close 7:30 A. M.; sails 11 A. M.

SANTA BARBARA (Grace), from Cristobal, Callao and Valparaiso, from Pier 33, Bklyn., Hamilton Ave. Mails close 7:30 A. M.; sails noon.

PONCE (Porto Rico), for San Juan, from Pier 15, E. R., Maiden Lane. Mails close 8:30 A. M.; sails noon.

CALAMARES (United Fruit), for Kingston, Cristobal, Cartagena, Puerto Colombia and Santa Marta, from Pier 9, N. R., Rector St. Mails close 9 A. M.; sails noon.

MUNARGO (Munson), for Nassau, Miami and Havana, from Pier 64, N. R., W. 24th St. Mails close noon; sails 3 P. M.

OREGONIAN (American Hawaiian), for Cristobal and San Francisco, from Pier 6, Bush Terminal, Bklyn., 42nd St. Mails close 12:30 P. M.; sails 4 P. M.

DOMINICA (Furness Red Cross), for St. Pierre and St. Johns, from Pier 74, N. R., W. 34th St. Mails close 8 A. M.; sails 11 A. M.

KEM (Bull), for Puerto Plata, from Pier 22, Bklyn., Atlantic Ave. Mails close 8:30 A. M.; sails noon.

EASTERN PRINCE (Furness Prince), for Rio de Janeiro, Santos, Montevideo and Buenos Aires, from Pier 74, N. R., W. 34th St. Mails close 9 A. M.; sails noon.

PLATANO (United Fruit), for Puerto Barrios and Puerto Cortez, from Pier 3, N. R., Morris St. Mails close 9 A. M.; sails noon.

YORO (Standard Fruit), for La Ceiba, from Pier 19, E. R., Peck Slip. Mails close 9 A. M.; sails noon.

EUROPA (North German Lloyd), for Nassau, from Pier 86, N. R., W. 46th St. No mails; sails 3 P. M.

SHAWNEE (Clyde), for Jacksonville and Miami, from Pier 34, N. R., Canal St. Sails noon.

ROBERT E. LEE (Old Dominion), for Norfolk, from Pier 25, N. R., Franklin St. Sails noon.

Hints to Home Owners.

Have you a problem concerning the upkeep or repair of your home? William Ginsberg, member American Society Civil Engineers and well known professional builder, will answer your questions daily on the Real Estate page in his column, "Hints to Home Owners." Send your questions to Mr. Ginsberg in care of the World-Telegram. Legal and financial advice cannot be given.

By WILLIAM GINSBERG.

Q.—Some weeks ago an article appeared concerning the cleansing of parquet floors. Will you please give me that information?—M. W.

A.—Wash the floors with a solution of lye to the bare wood and then bleach with oxalic acid. When dry wash with vinegar, and after that apply two coats of shellac. This method will remove the dirt and discoloration, and the floors will appear new.

YOU'LL



WINE STRAIGHT

If you're looking for an economical, straight whiskey, try V.O. old-fashioned whiskey at an low price.

PENN-MARYLAND CORPORATION, Executive Offices:

December 27, 1934.

Ray Morris, Esq.,
Brown Bros. Harriman & Co.,
59 Wall Street,
New York, NEW YORK.

Dear Mr. Morris,

As I mentioned over the telephone, there is an unfortunate article on the financial page of today's World-Telegram concerning Finland and the flotation of Finnish bonds, inspired by Mr. Max Winkler, President of the American Council of Foreign Bondholders Inc. Mr. Winkler is undoubtedly ignorant of the history of the Republic of Finland and the prestige and confidence it enjoys in the World's money markets due to its splendid payment record.

When Mr. Winkler mentions pre-war obligations of Finland, which became due in the early post-war period, I assume he refers to obligations contracted when Finland was part of the Russian Empire. Whether his statements are in accordance with the facts I do not know, but I do know if Finland after fighting Russia for its independence even partially recognized the obligations of "Russian Finland" its standards are high.

If the new Republic of Finland in its impoverished condition after fighting its war for independence against Red Russia selected to pay its bonds in French Francs or Finnish Marks, instead of other currency, it would seem even the United States government could hardly criticize such action, in view of its recent stand on its bonds payable in gold.

The record of the obligations incurred by Finland, or Finnish interests since the founding of the Republic of Finland speaks for itself. When Mr. Winkler assumes that Finland paid its war debt installments due to the American government only because they were relatively small sums and because she was prompted by her expectations of getting larger accommodations or more than compensate for these small sums, he overlooks the fact that the Finnish government this year on behalf of the so-called war debt paid our government approximately \$395,000. Aside from this, on other Finnish obligations outstanding here the Finnish government and others paid in interest and sinking fund approximately \$5,950,000.00. These figures are taken from a letter from the Bank of

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Finland, dated December 5, 1934, a copy of which I am attaching hereto.

I am enclosing a copy of the article from the World-Telegram referred to above, and understand you will consult with interested parties and take what steps you deem necessary to correct the unfortunate impression that may result from it.

Very truly yours,

Fidelity Union S
ESSEX MFG CO
MADE IN U.S.A.