

February 28, 1935.

Mr. Paul C. Butcher  
Continental Illinois National Bank & Trust Company  
Chicago

Dear Mr. Butcher:

I have received your letter of February 20th. I like the following bonds recommended by you:

Alabama Power 5s due 1946

Any of the Detroit Edison issues mentioned in your letter  
Kansas City Terminal 4s due 1960.

I suggest that you hold the remaining \$20,000 with a view to picking up some of the bargains that the present scare is likely to throw on the market.

The Idaho Power Company 5s of 1947 do not seem to me to be quite up to the others. While earnings have been showing a good increasing trend and interest has been earned by a good margin, the company is comparatively small and serves a scattered farming and mining territory.

The Houston Light & Power 5s due 1953 are probably safe, but do not appear to be particularly attractive. Earnings are covering interest charges by an ample margin, but the total indebtedness of the company as compared to property value appears high. Furthermore, the prosperity of the territory which the company serves is dependent to a large extent on agriculture, stock raising and oil production.

I have written Mrs. Gertrude B. Warner to approve the Alabama Power, Detroit Edison and Kansas City Terminal issues.

Very truly yours,

Sas B. Warner



February 28, 1933.

Mr. Paul G. Butcher  
Continental Illinois National Bank & Trust Company  
Chicago

Dear Mr. Butcher:

I have received your letter of February 20th. I like the following bonds recommended by you:

Alabama Power 5s due 1948  
Any of the Detroit Edison issues mentioned in your letter  
Kansas City Terminal 4s due 1933.

I suggest that you hold the remaining \$10,000 with a view to picking up some of the bargain that the present scare is likely to throw on the market.

The Idaho Power Company 5s of 1947 do not seem to me to be quite up to the others. While earnings have been showing a good increasing trend and interest has been earned by a good margin, the company is comparatively small and serves a scattered farming and mining territory.

The Houston Light & Power 5s due 1933 are probably safe, but do not appear to be particularly attractive. Earnings are covering interest charges by an ample margin, but the total indebtedness of the company as compared to property value appears high. Furthermore, the prosperity of the territory which the company serves is dependent to a large extent on agriculture, stock raising and oil production.

I have written Mrs. Gertrude B. Warner to approve the Alabama Power, Detroit Edison and Kansas City Terminal issues.

Very truly yours,

Sam B. Warner



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Please reconsider February 18, 1935. I inform you what bonds you recommended having in mind the necessity of securing an opportunity for appreciation to offset losses which are likely to result on the small real estate mortgages.

Mr. Paul C. Burcher, Personal Trust Officer  
Continental Illinois National Bank & Trust Co.  
Chicago

Dear Mr. Butcher:

Sam H. Farmer

Your letter of February 1st has been received. In your letter of December 30th, you recommended the purchase of certain bonds. On January 21st I replied asking for a list of bonds with a greater chance of appreciation. In your letter of February 1st you replied with another list of bonds. All but two of the bonds in this second list were quoted above par and none of them seem to me to have any chance for appreciation. In view of the present state of the Aaa bond market, it seems to me that a slight loss is inevitable on all the bonds you recommend, or at any rate that there is no opportunity of appreciation.

I have purchased recently the following bonds all of which I believe to be legal in Illinois:

Western Electric 5s of 1944	100-1/2
Potomac Edison 5s of 1956	88
Oregon-Washington R. R. & Nav. 4s of 1961	86
Montreal, Light, Heat & Pwr. 5s of 1970	94
Cumberland Cty. Powr. & Light 4-1/2s of 1956	89

Of these issues the Potomac Edison 5s of 1956 were recommended by you in a recent letter. Another issue recently recommended by you of which I believe to be almost equally good is, Alabama Power 5s of 1946 @ 95.

Three other issues which I consider attractive and legal in Illinois are:

Central Pacific 4s of 1949	82
Detroit Edison 5s of 1952 (on same mortgage as bonds out over 5 yrs.)	100-1
Union Electric Light 4-1/2s of 1957	98-1/2

These will be a first mortgage on May 1, 1933; the company has cash in hand to pay the prior mortgage due on that date.

Other highgrade bonds recently recommended by you to me netting 5s are:

Pennsylvania & Ohio Power 5-1/2s of 1954	93
Idaho Power 5s of 1947	98
Illinois Northern Utilities 5s of 1957	94
Alleghany Valley Ry. 4s of 1942	90
Houston Lighting & Power 5s of 1953	98-1/2





February 13, 1933.

Mr. Paul C. Burcher, Personal Trust Officer  
Continental Illinois National Bank & Trust Co.  
Chicago

Dear Mr. Burcher:

Your letter of February 1st has been received. In your letter of December 30th, you recommended the purchase of certain bonds. On January 21st I replied asking for a list of bonds with a greater chance of appreciation. In your letter of February 1st you replied with another list of bonds. All but two of the bonds in this second list were quoted above per and none of them seem to me to have any chance for appreciation. In view of the present state of the bond market, it seems to me that a slight loss is inevitable on all the bonds you recommend, or at any rate that there is no opportunity of appreciation.

I have purchased recently the following bonds all of which I believe to be legal in Illinois:

100-1/2	Eastern Electric Co. of 1944
88	Potomac Edison Co. of 1938
55	Oregon-Washington R. R. & Nav. Co. of 1931
34	Montreal, Light, Heat & Pow. Co. of 1920
83	Cumberland City Pow. & Light 4-1/2% of 1928

Of these issues the Potomac Edison Co. of 1938 were recommended by you in a recent letter. Another issue recently recommended by you of which I believe to be almost equally good is, Alabama Power Co. of 1948 & 28.

Three other issues which I consider attractive and legal in Illinois

83	Central Pacific Co. of 1943
100-1	Detroit Edison Co. of 1932 (on same mortgage as bonds due over 5 yrs.)
98-1/2	Union Electric Light 4-1/2% of 1927

There will be a first mortgage on May 1, 1933; the company has cash in hand to pay the prior mortgage due on that date.

Other high-grade bonds recently recommended by you to me setting as first

93	Pennsylvania & Ohio Power 5-1/2% of 1934
98	Idaho Power Co. of 1947
94	Illinois Northern Utilities Co. of 1937
90	Allegheny Valley Ry. Co. of 1942
98-1/2	Houston Lighting & Power Co. of 1933



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Please reconsider the question and inform me what bonds you recommend having in mind the necessity of securing an opportunity for appreciation to offset losses which are likely to result on the small real estate mortgages.

Very truly yours,

Sam B. Warner





Please reconsider the question and inform me what bonds you recommend having in mind the necessity of securing an opportunity for appreciation to offset losses which are likely to result on the small real estate mortgages.

Very truly yours,

Sam E. Foster