complacency. In 1922 $30,000,000 15-year 6½% debentures were issued and are still outstanding, the only change in its capitalization of $45,000,000 7% preferred stock and $45,000,000 common stock. In 1923-4 holdings in Great Western Sugar Co., Michigan Sugar Co. and Continental Sugar Co. were sold in whole or part at a substantial profit over book values. Reduction thus in its beet sugar interests has been offset by increased investment (now over $30,000,000) in cane sugar properties furnishing about 13% of the company's requirements. Refining facilities have been modernized with resultant economy.

Cooperage, molasses and shipping contribute to operating income and income from investments in 1926 was $2,045,000, including that from its Cuban producing properties.

The treasury position at the end of 1926 was strong. Current assets were $68,888,000 (including $23,105,000 cash and $21,941,000 loans) and current liabilities only $7,072,000. The item remaining of the unfortunate story of undelivered customers' contracts of 1920 is down to $1,051,000 compared with $15,113,000 as of five years previous.

American Sugar Refining Co. is the largest producer of a single food product in the world and few companies in other industries (except the United States Steel Corp. and the Standard Oil companies) have so highly integrated an operation—production, manufacturing and marketing.

Problems still remain. Ever since the fateful month of July, 1914 sugar has been under the influence of governmental interference and still is. Import duties and taxes have been increasingly applied by foreign countries. Refining capacity in the United States is 50% in excess of needs and Cuban production above requirements.

The American Sugar Co. however is again in good treasury position with modernized plants and the speculative opportunity in its stock is found in the prospect for further even though irregular progress toward former stabilization in the sugar industry.

American Telephone & Telegraph Co.

About 5½% earned on an average $2,654,000,000 Bell System plant investment during 1926 would have provided for the 9% dividend on $979,026,000 average outstanding American Telephone & Telegraph Co. stock. Actual realization of less than 7% return meant 11.95% on the stock not counting in the equivalent of 2.45% more in the undistributed earnings of 90%-owned operating subsidiaries. With a fair return from public utility property recognized to be