

Closing the Back Door

The year 1940 found the M & O comfortably in the black. When the United States entered World War II at the end of 1941, things turned out more favorably for the M & O than they had done during the first world conflict. Without the bugaboo of government operation of America's railroads, there was seldom the discrimination against short lines that had taken place during the United States Railroad Administration days. To be sure, there were car shortages, spiraling labor and material costs, and frequent personnel changes. But such problems were faced by all railroads as well as general industry.

The third and last rechartering and refinancing of the M & O took place in 1940. The charters were good for 20 years; hence the second had been granted in 1920. At that time the company refunded its bonds by issuing new ones in the amount of \$65,000 at six per cent. With the third chartering in 1940 the road succeeded in reducing interest to five per cent on a \$32,500 issue. There was also a stipulation that part of the bonds were to be called in each year, the amount being \$1,000 annually. By the commendable practice of systematic redemption the bonds had been whittled