

# ►► The Stream of Business ◀◀

## ►► High Lights

OUR business circus continues under the big top, with new acts in the three rings. These are the decision that the radio tube "patent pooling" agreements are in violation of the Clayton act; the impetus given to oil merger rumors by the Socony-Vacuum decision; and the plan for reorganization of National Radiator Corporation.

The Federal Circuit Court of Appeals in Philadelphia affirmed on February 13 a decree of the District Court of Delaware which held that the Radio Corporation of America, General Electric, Westinghouse and allied companies had attained a monopoly over sale of radio tubes to dealers and manufacturers of receiving sets. The De Forest Company and joint plaintiffs must, however, continue the fight, as R. C. A. will appeal the case to the Supreme Court.

Monopoly in radio tubes, but none in oil. In its decision approving the Socony-Vacuum merger, the United States Circuit Court of Appeals at St. Louis held that "there are sound reasons for this merger, which are entirely sufficient and wholly unconnected with any desire to create a monopoly." As a result of the decision, many new merger rumors have been started, and most of the oil stocks made moderate advances.

## ►► Changed Buying Habits

A study of corporation earnings for 1930 reveals a number of things in addition to the cheerless fact of a reduction of close to 25 per cent in net profits as compared with 1929. One of these is the remarkable determination of the buying public to continue, throughout the course of the depression, the buying of luxuries to which it had become accustomed during the boom period.

While sales of clothing, shoes and household supplies and equipment were at a low ebb, the amusement enterprises, restaurants, soft drinks and candy made distinct gains. The jewelry business prospered because of brisk demand for moderately priced articles, and particularly for novelties. Retailers of jewelry who concentrated on moving their old stocks of high-priced goods had a tough time of it, but those who featured the smaller and cheaper novelties did as well or better than in 1929.

By FRANK A. FALL

Tobacco, which may be classified as a luxury or a necessity, depending on one's personal point of view, had a good year. The outstanding feature of 1930 in

## INDICES

(A two-minute summary)

**Commodity Prices** (Fisher's Index—1926=100) February 12—76.3. (Crump's British Index—1926=100) February 12—66.3.

**Car Loadings** (American Railway Assn.) Week ended January 31—719,281 cars (increase of 3,591 over preceding week; reduction of 179,613 under same week of 1930).

**Steel Ingot Production** Week ended February 7—50% of capacity (increase of 2% over preceding week; reduction of 28% under same week of 1930).

**Crude Oil Production** Week ended February 7—daily average gross 2,116,500 barrels (increase of 30,550 over preceding week; reduction of 497,300 under same week of 1930).

**Grain Exports** Week ended February 7—479,000 bushels (reduction of 189,000 under preceding week and of 2,124,000 under same week of 1930).

**Bank Clearings** (as reported to Bradstreet's) Five-day period ended February 12—\$6,592,707,000 (reduction of 22.7% under preceding week and of 23.7% under same week of 1930).

**Failures** (as reported to R. G. Dun & Co.) Five-day period ended February 12—534 (reduction of 142 under preceding week and of 32 under same week of 1930).

this industry was the advance of cigarette sales as compared with those of cigars. For the first time in the history of the industry in the United States, a full package of 20 cigarettes was consumed for every cigar smoked.

While the phenomenal increase in cigarette sales during recent years has been due to a considerable extent to large-scale competitive advertising, other important factors have contributed to the result. One is, of course, the rapid spread of smoking among women. Another is the explosion, by the London *Lancet*, of a number of widely accepted fallacies in regard to the harmfulness of cigarette smoking. But possibly the chief reason of all is the discovery, by millions of people, that the cigarette offers the best short smoke of mild tobacco, in convenient form and at a reasonable price.

## ►► Vagaries Series 15

THREE weeks collapse, as Professor Baer puts it so expressively, and it is again time to report on the strange doings and undoings that are relayed to us from all points of the compass. In the latest batch we discover:

1. That dog who (sic) got tired guarding a loft at 577 Greenwich Street, New York City; bowled over a tele-

phone instrument; barked into it, and was rescued by the police.

2. That beggar, sleeping off a dose of dope, whose hat fell into his lap and was filled with about \$25 in silver coins contributed by thoughtlessly charitable passers-by.

3. That Missouri inventor, appropriately named Cyrus V. See, who has devised a fishing outfit with a flashlight bulb which flashes when a fish is hooked and remains lighted until the quarry is removed.

4. That new ink substitute, penene, which threatens to put the good old office blotter permanently out of business. It dries by absorption into the fabric of the paper, and not by the old process of evaporation.

## ►► F. R. S. and Credit Control

IF THIS corner of the page has seemed to list heavily in the direction of banking during the past few weeks, it is not because we have deliberately chosen books on banking for review but rather because the bankers have suddenly become more than usually articulate.

Add, then, to the bibliography *The Federal Reserve System and the Control of Credit* (Macmillan \$1.75) by Walter E. Spahr, professor of economics in New York University. And note that Dr. Spahr sticks closely to fundamentals that are of interest to all business men and others who are concerned with the problems of credit control.

For the Federal Reserve system the years 1914-1917 were years of organization and experimentation. Then came the war, during which Reserve policies were dominated by the Treasury. From 1920 to 1923 the Reserve authorities were busy trying to stem the tide of deflation and the subsequent rise of prices, so that it was not until 1923 that anything like normal banking policies and rate structures began to appear.

The Reserve authorities have consistently taken the position that they cannot stabilize the price level, and reserve the right to meet each new situation as it arises. The Board might, however, be somewhat less vague and secretive concerning the policies and principles which it follows in credit control, and we second Dr. Spahr's motion that it make a definite attempt to educate the public (and Congress) with respect to its basic operating principles.

# ►► The Leisure Arts ◄◄

## Speaking of Books—The Theatre—The Movies

### In American

IN THE Oklahoma run scene of the movie, *Cimarron*, there is a spectacle, scarcely an exaggeration of the historical event, which reminds such of the audience as had forgotten it that the race which settled America is the maddest in the world. Fire the imagination of these avid, lawless men with the promise of wealth and room to swing a cat and they are off. If they are to go under now, as many think they are, it will be because there is no more room in the world and no more gold except such as must be earned in safe and tedious ways.

Taking America and the men who settled it as a theme, you can set out three new books before yourself and, by striking first one and then another, can hear the harmonies of the song of adventurers and even its dying fall. There is *Puritan's Progress* by Arthur Train, novelist and chronicler of Mr. Tutt (Scribner's \$3.50), an informal history of American manners, ideas, belief and conduct from Plymouth Rock to now. There is *The Course of Empire* (Coward-McCann \$4), personal records of Forty-niners and Spanish Californians, edited by Valeska Bari. And there is *A Vagabond Trouper* (Harcourt, Brace \$3.50), the story of Jefferson De Angelis' life by himself and Alvin F. Harlow.

Mr. Train knows a man who "once sat on the lap of a man who in turn had sat on the lap of a man who had attended the funeral of a passenger on the Mayflower" (to be exact, of Peregrine White, the child born on the Mayflower in Plymouth Harbor). Mr. Train was apparently struck, as well he might be, by that evidence of the nearness of the beginnings of our history, only "two laps" away. He has, it seems, a dislike of formal history, and like Mr. Ford, prefers to collect his history in kind—covered bridges for Mr. Ford, diaries and wills and conversations for Mr. Train. (Like Mr. Ford, too, Mr. Train is not always too accurate. Or

perhaps it is the proof-reader who gives the date of the fall of Robespierre as the date of the death of Louis XV, spells Strachey's name wrong, and makes a good many other such mistakes.) Mr. Train's book is a compilation. It is "two laps" from the sources. Its writer has read books by men who have read books by men who have studied the sources and formed conclusions about them. But inasmuch as his book appears to perpetuate no misconceptions, it has escaped the worst dangers of compilations. It has some original matter in it

settlers. They stayed near the coast where there was protection and order. But they were adventurous. They criticized freely and did as they pleased. And Mr. Train does well in reiterating the information that they, in common with thousands, came to America to seek their fortunes. We so easily forget that not all the settlers of New England came there in order to preach hell-fire and sing hymns.

In 1852, President Fillmore offered Mr. Train's father a position as judge of the Supreme Court of Oregon. He

did not accept the appointment. From that point in Mr. Train's book one hears the dying fall in the American song. The book becomes more amusing. It becomes less heartening. The title suggests that the author is one of our optimists. The record which he makes of the old America is neither a sentimental nor a distorted one. He does not see the Puritans either as demi-gods or as devils. Nevertheless, their story as he retells it has gusto. And that quality is lacking in the diverting account of Victorian and contemporary America which is the last half of the book. Mr. Train has a smiling irony for the follies and notions and even achievements of our immediate forbears. He has gathered together so much data about them that the historical novelist, choosing the seventies, eighties, nineties, and early nineteen hundreds for his scene, can get most of the necessary local color in this one book. But for the contemporary world Mr. Train has considerable respect. He is not deceived by speed. But he pins great hopes upon the rule of benevolent plutocrats, upon divorce and upon the illusionless younger generation.

If Mr. Train's father had accepted the offer of the Oregon judgeship, there would have been a different story to tell. Part of what it would have been told in the reports of the Forty-niners which Valeska Bari edits. Going to Oregon would not have been very different from going to California. There might have been the overland trip by covered wagon,



Woodcut by Clare Leighton from a beautiful new edition of H. M. Tomlinson's "The Sea and the Jungle" (Harper)

in the form of diaries and letters, and it is history conveniently and agreeably built on the frame of the Train family tree. For the remoter ancestors, for the great-grandfather who fought at Lexington and the grandfather who was a preacher in Framingham, there are the usual stories and attitudes. The Trains were not among the more adventurous