



A CASE OF MISTAKEN IDENTITY

OUTLOOK

and Independent



➤➤ Trend of the Week ◀◀

➤➤ *Beware of Bear-Baiters*

AS WE EXPECTED, the New York Stock Exchange, having prohibited short selling for forty-eight hours after Britain abandoned the gold standard, is now being asked to prohibit or restrict it permanently. Senator Hastings of Delaware warns the Exchange to put a minimum price on securities or ban short selling for the rest of the year. Similar sentiments are expressed by Senators Brookhart and Frazier, Governor "Alfalfa Bill" Murray of Oklahoma and enough others to indicate that Congress and the New York legislature will both be deluged with bills to abolish short selling, or at least discourage it.

It is therefore worth while to repeat a few facts. First, bears did not put, and are not keeping, stock prices at their present levels; declines in earnings and dividends and pessimism as to the immediate future of business must be held accountable for that. Secondly, bears are necessary both in falling markets, when they tend to provide a cushion of buying, and in rising markets, when they tend to prevent undue inflation in prices. Thirdly, bears are almost daily blamed for offenses they do not commit; they suffer every time the market fails to justify someone's pollyanna prediction. Finally, much of the clamor against short sellers, in and out of Congress, represents an attempt to make the Wall Street bear a goat for the failure of prosperity.

In a few words, short-selling is fundamentally sound. In one respect, however, it has been abused. We refer to the general brokerage house practice of loaning customers' securities to bears without the customers' permission. The practice should be discontinued, not only to put

a customer's securities at his own command but also to put an end to valid protests which threaten, unless ended, to give undue weight to invalid protests against short selling. The Stock Exchange would do well to restrict short-selling in this respect lest Congress abolish it altogether.

➤➤ *Transpacific*

HAD CLYDE PANGBORN and HUGH HERNDON made their non-stop flight across the Pacific in 1927 they would have had the world at their feet. One need but recall the honors showered on Lindbergh, Chamberlin, Byrd and lesser fliers to appreciate what Pangborn and Herndon have missed. For one thing, they have had precious few of those eight-column headlines which the newspapers accorded aviators indiscriminately in 1927. Instead, though their flight ranks with the best, it gets single-column heads on first pages or two-column heads at most.

The failure of the press to treat the flight as if the fate of the world hung upon it is a welcome indication of our emergence from aeronautical infancy. The two young men have, indeed, become the first to fly the Pacific without a stop—covering the 4,500 miles from Samushiro Beach, Japan, to Wenatchee, Washington, in slightly less than 42 hours—but we have grown older since

Lindbergh covered four-fifths that distance at no better average speed. No one speaks of inaugurating transoceanic air services nowadays as every one did in 1927. It is now well known that transatlantic flights are so dangerous as to be impracticable, while transpacific flights are more dangerous still. It is realized that, though Pangborn and Herndon succeeded in flying the Pacific, Don Moyle and Cecil Allen did not. One flight doesn't make an airline, as we have come to see.

➤➤ *Dwight W. Morrow*

AMONG THE QUALITIES of the late Dwight W. Morrow two were outstanding: His conciliatory spirit and his insatiable appetite for facts. "He cannot see two men in a dispute without letting his mind experiment on ways and means of bringing them together," a political colleague said of him, while one of his business associates semi-seriously exclaimed, "Morrow knows everything, absolutely everything!"

Possibly he inherited his love of learning from his father, a college president in West Virginia. At any rate, he showed it early in life and shone as the bright particular star of his classrooms in high school, Amherst College and Columbia Law School. Later, as a studious young corporation lawyer, he began to exhibit a knack for effecting amicable settlements out of court. How he was made a Morgan partner before he was forty-five, how he conducted successful international negotiations during the War, how he helped to give New Jersey a sound penal system and a workman's compensation law, how he became Ambassador to Mexico, delegate to the London naval conference and finally United States Senator—these things are

