

Wall Street

Investment Bankers Urge Securities Act's Revision: Liability Under Statute Conceded.

By RALPH HENDERSHOT
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HOT SPRINGS, Va., Nov. 2.—It is beginning to look as though investment bankers may secure a reasonable revision of the securities act in the next session of congress. Investment bankers from all over the United States, meeting in convention here, have sufficiently revised their attitude toward the law as to provide a common meeting ground with the administration to work out the problem.

Not only do the bankers now desire a law to regulate the sale of securities but, in meeting here this week, they went on record in a resolution saying that the association believes that every seller of securities "should be liable to the buyer for any damage caused by negligence or bad faith on his part." In other words, they now favor for the first time the principle laid down by President Roosevelt, that the time has come for the sellers of securities to be liable.

They are still critical of certain provisions of the act—and most of those who have made a study of it believe rightfully so—if the administration wishes long-term capital to flow into industry through the normal channels of finance. Of course, if as some people have suggested, the President desires to have that branch taken over by the government all of their arguments may prove futile. Few, however, believe that to be the case.

Gordon Cites Apathetic Capital

The bankers also have begun to present some real arguments for revision. Frank Gordon, president of the association, supplemented his set speech to the extent of saying, "A reservoir of money that can be translated into jobs for millions of people is being held back by the need for clarification of the liability sections."

Incidentally, Mr. Gordon seemed to be following suggestions made to the bankers by newspaper men covering the convention in a forum on Sunday. The bankers were told that the newspapers and the general public were not concerned over the selfish interests in the situation, but that they were interested in the public's stake in the matter, viz., the need by industry of long-term capital and the part such capital or lack of it will play in the return of normal business conditions.

Law Held Revival Impediment

"It is time for plain speaking," Mr. Gordon said at another point. "The law is a hindrance to national recovery. Personally I do not believe that any one ever intended to pass a law which makes a country dealer who handles \$10,000 of a ten-million-dollar issue liable for the entire ten million."

It may be said in passing that the association always has stood officially for sound investment banking practices. The trouble has been that it never did anything to enforce the principles for which it stood. Had it done so the new securities act might never have come into existence. It would not have been needed. Now the government has taken over the job of policing the industry. The result in the end is likely to be for the good of everybody concerned, but initially all probably will have to suffer to some extent.

New York Stocks

(By Abbott, Hoppin & Co.)

-Nov.				Prev.	Can Dry G Ale.	26 1/2	26 1/2	26 1/2
Oils.	High.	Low.	10.30.	close.	Can Bk A.	9	8 1/2	9
Canada	29 1/2	29 1/2	29 1/2	29 1/2	Can Bk B. <td>9</td> <td>7 1/2</td> <td>9</td>	9	7 1/2	9
All Rigs	29 1/2	29 1/2	29 1/2	29 1/2	Crm of Wheat. <td>27 1/2</td> <td>27 1/2</td> <td>27 1/2</td>	27 1/2	27 1/2	27 1/2
Barnes	29 1/2	29 1/2	29 1/2	29 1/2	Crude Oil	33 1/2	33 1/2	33 1/2
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Gulf Dist	30	30	30
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
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Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
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Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
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Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
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Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
Mid Cont	11 1/4	10 1/4	10 1/4	10 1/4	Mid Sug	35	34 1/2	35
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