

# Trends

## Questions Value of Liquidity in Stocks.

BY JOHN T. FLYNN

NEW YORK, July 20.—Back in the years before 1929, the Stock Exchange carried on a very extensive, intelligent and effective propaganda in order to impress on the people the great service which it performed for American finance. One of the arguments it pressed was that speculation was necessary in order to give to investment a certain quality called "liquidity." And now the president of the Stock Exchange resumes that campaign. It has been telling audiences around the country that liquidity is essential to the financial system; that there would be no liquidity without the exchange.

On the Exchange are large numbers of members who are speculators. They are there ready to buy and sell any stock at a price. It is their presence which makes it possible for you to sell any share you have any time you get ready to part with it. It is your ability to convert your shares into cash on the shortest notice which gives them liquidity.

These are mere statements by the president of the Exchange. They are worthless unless facts prove them. And no one has ever offered any facts to prove that this so-called liquidity is really a good thing. As a matter of fact a good deal has been offered to prove that it is on the whole a bad thing.

The whole argument is built on the notion that a stock ought to be able to convert its investment into cash on a moment's notice. The owner of a grocery or a hardware store or a factory or an apartment house or a residence cannot pick up a telephone and sell it within a few minutes. He must wait until he finds a buyer. The same is true of a stock. It is not a commodity which can be sold on the spot. It is a share of ownership in a business. It is not a commodity which can be sold on the spot. It is a share of ownership in a business.

He doesn't want what the managers of a corporation do with it; how they exploit it; how they use their public relations; how they use their whole conduct. If things go a little wrong in the corporation, he does not feel called on to go with other stockholders to correct them. He merely reaches for the telephone and unloads the share.

WE hear much of private property. Private property is not merely a right. It imposes obligations. The owner owes certain civic and moral and social obligations to the society which he lives in. But this element of liquidity in shares has resulted in completely destroying all sense of responsibility in owners. What this has cost the nation in dollars and cents as well as in moral and man can say.

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## LOCAL CARPET AND RUG FIRM EXPANDS

Business Done in Three Months Exceeds 1935 Total.

A building 40x14 feet is to be erected at once adjoining the McKelvey & Kelly plant at 502 S. Pennsylvania-st. to care for the firm's increasing business in the rug, carpet, slip-cover and upholstery lines, according to Henry J. McKelvey, a partner in the company.

Business of the firm during March, April and May was greater than that of the entire year of 1935. Mr. McKelvey said. The new structure is to be taken under a long-term lease and will nearly double the company's floor space.

The new building is to house the office, the cleaning, slip-cover and upholstery departments, and provide a storage room for furniture and rugs received for cleaning. The old building is to be used for the manufacture of carpets and rugs.

Mr. McKelvey and Osborn F. Kelly established their partnership in November, 1925, in a garage at 558 W. 10th-av. They now employ 40 persons.

## On Commission Row

(Quotations below subject to change after wholesale prices being offered to buyers by local commission dealers.)

YORK—Baltimore, Md., 24. pt. extra, 24.75; 24.50; 24.25; 24.00; 23.75; 23.50; 23.25; 23.00; 22.75; 22.50; 22.25; 22.00; 21.75; 21.50; 21.25; 21.00; 20.75; 20.50; 20.25; 20.00; 19.75; 19.50; 19.25; 19.00; 18.75; 18.50; 18.25; 18.00; 17.75; 17.50; 17.25; 17.00; 16.75; 16.50; 16.25; 16.00; 15.75; 15.50; 15.25; 15.00; 14.75; 14.50; 14.25; 14.00; 13.75; 13.50; 13.25; 13.00; 12.75; 12.50; 12.25; 12.00; 11.75; 11.50; 11.25; 11.00; 10.75; 10.50; 10.25; 10.00; 9.75; 9.50; 9.25; 9.00; 8.75; 8.50; 8.25; 8.00; 7.75; 7.50; 7.25; 7.00; 6.75; 6.50; 6.25; 6.00; 5.75; 5.50; 5.25; 5.00; 4.75; 4.50; 4.25; 4.00; 3.75; 3.50; 3.25; 3.00; 2.75; 2.50; 2.25; 2.00; 1.75; 1.50; 1.25; 1.00; .75; .50; .25; .00.

## Unlisted Stocks

(By John T. Flynn)

Bankers Trust, 21d. 1/2; 21d. 1/4; 21d. 1/8; 21d. 1/16; 21d. 1/32; 21d. 1/64; 21d. 1/128; 21d. 1/256; 21d. 1/512; 21d. 1/1024; 21d. 1/2048; 21d. 1/4096; 21d. 1/8192; 21d. 1/16384; 21d. 1/32768; 21d. 1/65536; 21d. 1/131072; 21d. 1/262144; 21d. 1/524288; 21d. 1/1048576; 21d. 1/2097152; 21d. 1/4194304; 21d. 1/8388608; 21d. 1/16777216; 21d. 1/33554432; 21d. 1/67108864; 21d. 1/134217728; 21d. 1/268435456; 21d. 1/536870912; 21d. 1/1073741824; 21d. 1/2147483648; 21d. 1/4294967296; 21d. 1/8589934592; 21d. 1/17179869184; 21d. 1/34359738368; 21d. 1/68719476736; 21d. 1/137438953472; 21d. 1/274877906944; 21d. 1/549755813888; 21d. 1/1099511627776; 21d. 1/2199023255552; 21d. 1/4398046511104; 21d. 1/8796093022208; 21d. 1/17592186044416; 21d. 1/35184372088832; 21d. 1/70368744177664; 21d. 1/140737488355328; 21d. 1/281474976710656; 21d. 1/562949953421312; 21d. 1/1125899906842624; 21d. 1/2251799813685248; 21d. 1/4503599627370496; 21d. 1/9007199254740992; 21d. 1/18014398509481984; 21d. 1/36028797018963968; 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