

GOSSIP OF THE STREET
VIEWS OF FINANCIERS DIFFER
ON McADOO'S MERGER PROPOSAL

Most Bankers Unwilling to Give Opinions on Railroads or Their Operation—Consolidation of All Government Loans Suggested—Gossip of the Street

THE merger of inland waterways, railroads and merchant marine, as suggested yesterday by former Secretary of the Treasury W. G. McAdoo, in connection with his proposal of a five-year trial operation of the railroads under government control, was freely discussed in some quarters of the financial district with varying views.

"Who," he asked, "is there to say with authority that such a plan will be carried out in five years or in any fixed number of years? As matters stand now, and as they have stood so frequently in the past, there is a greater possibility of the argument as to whether such work should or should not be carried out, being still argued at the expiration of five years, than that anything would be accomplished."

Another banker took a very different view. He claimed that the plan proposed was merely a blind to cover up the blunders made by the railroad administration during the last two years.

As a rule, financiers were unwilling to express opinions on anything which concerned railroads or their operation, some saying the subject required more thought than they had the opportunity to give, and that, as Mr. McAdoo has presented it, it required the knowledge of experts.

Suggests Consolidation of All U. S. Bonds
The Victory Loan was being discussed yesterday when a banker said: "Who should they be an speculation as to whether the Victory Loan will be a long or short run bond, or what rate of interest it should bear, or if the issue should be five billions or six billions? Why should the public holding the previous Liberty bonds be puzzled as to whether their bonds are the first or second or third, or any other issue, or whether they are convertible or not? Has this country not advanced in finance at least as far as Great Britain had years ago, when financing she could borrow an almost unlimited amount at 4 per cent, she consolidated into one fund all her outstanding bonds and evidences of indebtedness and issued a uniform security against them at a uniform rate of interest, known as consols. And later, when she could borrow at a lower rate than 4 per cent, reduced the interest rate of consols? Why don't we consolidate all our Liberty and Victory and other bonds into one consolidated fund and issue United States consols against it at a rate of interest that will attract everyone? What if, for a few years, we do lose some money by such an operation?"

"The feeling of stability which would be engendered and the sense of security among the people owning such a security, the ease in marketing and the many other advantages which would accrue would far outbalance, in my mind, the initial loss."

Another well-known banker said he had listened to a great deal of discussion among financiers about the Victory Loan, but the most constructive statement he had heard on the subject was made by a banker who suggested that the government should levy a special tax which would raise \$1,000,000,000 annually to be used as a sinking fund exclusively for the Liberty bonds as a stabilizer. He approved the idea of a consolidated fund and a uniform security issue to replace the various issues now outstanding.

It was a common expression in the Street and in brokers' offices yesterday that the removal of the money committee's restrictions had apparently no effect on Stock Exchange transactions. A banker remarked, in reference to this talk, that there seemed to be a widespread misunderstanding of the motives which actuated the money committee.

"If they had believed for one moment," he said, "that the removal of the restrictions would have resulted in a wild time in speculation they would not have relaxed one iota, but they relaxed because they had studied the situation and wisely concluded that such speculation was not at all probable at this time. The benefit already felt," he continued, "from the removal of the restrictions is more psychological than real in other words, bankers and brokers are freed from the restraint that the restrictions imposed. They feel they can now do what they could not do before, but the question arises: Do they want to do it now that they can?"

Bankers Skeptical of Figures on Unemployed

A surprising and entirely unqualified statement, attributed to Dr. George W. Kirtwett, Federal director of employment in New York State, that there were at present 10,000,000 unemployed in the United States, was discussed in the financial district yesterday with a great deal of skepticism. A banker who gives such subjects considerable thought said it looked very much like propaganda for a purpose which he could not fathom. He called attention to the statement just issued by Judge Gary, chairman of the board of the United States Steel Corporation, which, he said, employs more workers than any other concern in the world, and, therefore, Judge Gary was in a position which gave his words authority on the labor question.

Judge Gary said in part: "Why should there be any talk about unemployment? The country never was more in need of its workers than it is now, and it will use all the workers it can get. I don't think there is going to be any permanent or menacing unemployment problem."

"Our country never has been so prosperous as it is now. We have resources of \$15,000,000,000 annually coming out of the ground—more than we ever had before; we have more than sixteen billions of cash in our banks; we are a creditor nation to the extent of fifteen billions or more, and our per capita wealth has jumped up to \$56, as compared to \$35 before the war. We are in an era of prosperity hitherto undreamed of."

"What we need is simply to get to work and not talk about unemployment. Psychology has a good deal to do with it. Pessimistic talk will do more to bring about unemployment than it will do to prevent it. 'But there isn't going to be any. Our men who have been fighting abroad will be taken back into industry just about as fast as they return. Of course, there may be a little talk here and there about a few not being able to find employment, but this will not be serious."

"We don't need any booming. Business will take care of itself. This time of the year is always cleaning-up time. It is not necessary for industry to do more than the demand requires. Business is going to boom itself without any help from anybody. There is no doubt about that."

Another banker, when discussing this labor or unemployed situation, remarked that he thought statements estimating 10,000,000 unemployed in the United States at present as absurd on their face.

"I said he, 'Am one of the 120,000,000 in this country. My shoes are wearing out each day, so are my clothes, and they will have to be replaced, and the same holds good with the other 119,999,999. Who is going to manufacture shoes and clothing and all the hundred-and-one other things we will need? Then we must eat, and a good many of us must grow and sow and reap to supply the food.' I argued," he said, "with Judge Gary that there is no room today for pessimism on this subject."

Girl Killed by Autotruck
An autotruck struck and killed Station Wood five years old, in Franklin street as she was crossing South street last night. The little girl died at 2402 South Franklin street. She was pronounced dead at the Methodist Hospital. The driver, Leonard Becker, of South Tenth street, was arrested by the thirty-seventh district police.

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Deaths
A. H. JONES, 21, died Jan. 25.
W. J. BROWN, 25, died Jan. 25.
J. W. HARRIS, 30, died Jan. 25.
E. M. SMITH, 40, died Jan. 25.

PHOTOPLAYS
The following theatres obtain their pictures through the STANLEY Booking Corporation, which is a guarantee of early showing of the finest productions.

Table of theatre listings including Alhambra, Apollo, Arcadia, Bluebird, Broadway, Chestnut Hill, Empress, Fairmount, Family, 56th St., Great Northern, Imperial, Leader, Liberty, 333 Market, Model, Overbrook, Palace, Princess, Regent, Rialto, Ruby, Savoy, Stanley, and Victoria.

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