

March 7, 1945.

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The March issue of Fortune contains an article entitled "The Wall Street Situation", which cites what is stated to be an actual case of a speculator who got in and out of the market on a number of low priced stocks between 1942 and the end of 1943 that were moving upward along with the general trend of the market. It shows how this speculator ran less than \$2000 of his own money up to \$250,000 by the end of 1943, and that if he had held on to his profits to take advantage of the 1944 highs, he would have had \$1,200,000. The article states:

"A speculator named Morris Blumberg, who has bought and sold in these and other stocks, says he has done much better, and modestly remarks that somebody else might have done better still. In other words, a few thousands could have been run up into millions.

"What may seem even more remarkable, around 75 per cent could have been kept after income taxes. The tax law since 1942 has said that money realized from the appreciation in securities held for more than six months is taxable not as income, sometimes over 90 per cent, but as a capital gain, at a maximum of 25 per cent."