

Feb 15, 1932

Market.

Without attempting to argue with the tape or minimize the constructive ~~measures~~ influence of Lombard loans as regards the stock market common sense would caution against indiscriminate purchases at these levels. It takes little reflection to discern the other side of the Glass bill. Things must have been very serious indeed ^{on Wednesday} to cause such an ~~act~~ a man as Glass ~~to~~ who has zealously guarded the rediscounting privilege for 20 years to throw overboard a bill which was openly deflationary and lead a ~~war~~ govt war on deflation. The bidding for stocks Saturday was utterly insane. Offers have been removed from specialists books and were it not for professional short selling there would be little stock available at any price. Prices look higher again today and while I have no means of guessing how far they may go I cannot recommend buying X at 50 when they are operating at the lowest level since 1904. The breath taking surprise of the news coupled with ~~open~~ flagrantly erroneous reports and a flood of bullish propaganda has had its effect. I very much question whether a sustained upswing can be based on legislation.