

Peace Is Bullish

By ERNEST LEOGRANDE

NO, the word isn't bully, although peace is that, too. What we want to stress most in these few words, however, is that peace is bullish.

In the financial world there are two animals representing opposite sides of the investment fence: a bull, for buying, and a bear, for selling.

A college textbook explains "bearishness" this way:

"The motive to hold cash that is basic to the speculative motive. Cash is held because prices are expected to fall below present levels."

Conversely, "bullishness" is the willingness to spend, because of confidence in the financial future of the investment.

Last March Red China gave the United Nations a welcome jolt by suggesting a plan to break the prisoner exchange deadlock that had stalemated truce talks in Korea. Her ice-breaker led to the exchange of sick and wounded prisoners which it was hoped would lead eventually to a truce in Korea.

At about the same time Premier Malenkov began waving a tentative olive branch at the free world from Moscow.

It looked as though the world was taking its first steps toward settling its difficulties of the post-World War II period.

And what happened to the stock market? It broke. It went down. It turned bearish. In short, it didn't make sense.

There was panic in the Street. Well, not quite panic. But the market *was* falling. And why? Because investors saw war prosperity being cut, apparently.

The financial world was treated to the spectacle of company officials reassuring anxious stockholders that "business is going to be okay even if the war does end."

The Wall Street Journal, recognized as a reliable guide for the investor and taken by some people as the very voice of capitalism, rapped the panic-stricken across the knuckles in an editorial.

Wars are destructive, the paper pointed out. Things made for war are made to be destroyed.

Therefore, a war prosperity is a false prosperity. If it were a true prosperity, the paper said, then good times could be insured indefinitely by having half the population make balloons and giving the other half pins to break the balloons so that more balloons could be made to be burst.

When energies are released from war, the editorial writer said, they can be put to the business of making things people really need and want.

It concluded: "War itself is a terrible thing but we find more terrible yet the fact that there are men walking about who talk of peace as if it were terrible."

This fear of peace is the very food that will fatten the belief that businessmen start wars. And yet many of us have heard someone — someone who didn't own a single share in any company but just worked on a weekly salary — say, "I hope defense orders don't fall off at the factory. Otherwise they'll start cutting." It's the old mess of potage. It fills temporarily but there's a sad day ahead when the bill for it is handed over.

No, peace is bullish. Let's hope we get a chance to prove it soon.