

disclosure of everything. In certain industries, also, — the chain stores, for instance, — where profits are derived from a multitude of transactions in different commodities, the embarrassment of disclosure is less important. Profits on all kinds of things are averaged into a general figure, not disclosed for particular products. Competition, in other words, is much generalized. But let rivalry within an industry narrow down to two or three big competitors and it takes a hardy perennial to stand the wind and weather of publicity alone.

Thus in the cracker trade, the Sunshine people, with all their thousand windows, can hardly be expected to let in the daylight, so long as the National Biscuit Company hides in the underbrush. This is the way a recent bankers' circular describes the situation: —

This company has made a practice of reporting net earnings after all expenses, interest charges, depreciation, and federal taxes. The balance sheets offer no basis for annual comparison because of the fact that net property value after depreciation as well as net inventory after write-offs are given. So far as the annual reports are concerned, no attempt can be made to show what the company is actually putting back into the business each year. Therefore, the best avenue of approach to an estimate of the real net returns of the Loose-Wiles Company is through a comparison with the National Biscuit.

Here is the situation in a nutshell: Two or three adversaries watching each other like cats spoiling for a fray, each with an eye to quick advantage over the other. How averse will any one of them be to adopt the policy of disclosure until it becomes generally recognized as "good business" so to do! Sometimes the force of example is almost electric: but until such time as the spark jumps, a heavy strain in favor of reticence is imposed. This it is which perhaps as much as anything retards the spread of