EDITORIAL

As We See It

Senator Douglas is reported in the press as being inclined not to take the current decline in business activity as lightly as some of the other public figures in Washington are reputed to do. The downturn is to be labeled a "recession" as things now stand, according to the Senator, who sees a definite possibility that it may presently develop into a "depression" of more than trifling magnitude and severity—or at least this is the way the Senator is quoted as feeling. The Senator is, of course, a learned and, in some respects, even a brilliant economist. Hence his appraisal of the current situation and outlook is being given more than average consideration by many observers of the contemporary scene.

But far more important, or so it seems to us, is the Senator's prescription for the patient. He is apparently suggesting at least one specific for an ailment which he is not altogether sure the patient has. He does so apparently in the thought that the treatment would work well as a preventive in any event without harmful side effects. He probably will at some other time give a complete account of his ideas about what ought to be done in these premises. What he now says is that lower excise and similar taxes on consumption would be an excellent preventive in the face of threatened depression, and that hence it is clearly the duty of Congress and the Administration not to interfere with such reductions now scheduled to occur next spring. He would go on page 22

Economists Present Views
On 1954 Business Outlook

Economic Forum of the National Industrial Conference Board reveals a majority of the panel see a moderate decline in activity in coming year, similar to the 1949 depression. Highlights of view expressed by the forum participants with respect to outlook for various sectors of the nation's economy in 1954 reproduced in this issue, along with summarization of viewpoints by Marlin R. Gaightsbrough, the board's chief economist.

A moderate decline in business activity for 1954 is seen by a majority of distinguished economists participating in the latest "Evening with the Economists" held under the auspices of the National Industrial Conference Board in New York City. The Economic Forum viewing 1954 prospects was under the Chairmanship of John S. Sinclair, President, The Conference Board.

The 14 participants in the Forum, comprising guests and Forum members, are listed herewith, along with the highlights of the remarks made by each participant and a summary thereof by Mr. R. Gaightsbrough, Chief Economist of the National Industrial Conference Board.

Guests included: H. S. Alexander, Professor of Marketing, Columbia University; Richard P. Doberty, Director, Employee-Employer Relations, National Association of Radio and Television Broadcasters; John T. Dunlop, Professor of Economics, Harvard University; Thomas S. Holden, Vice-Chairman, F. W. Dodge Corporation; Nathan M. Kofoed, Associate Head, Division of Statistical and Historical Research, Bureau of Agricultural Economics, U. S. Department of Agriculture; Louis J. Paradine, Chief Statistician, Office of Business

Continued on page 28

ON THE INSIDE—A glance at the Index on page 3 vividly shows the weight of information of vital importance to the securities industry, investors and businessmen which is available in the Thursday "Chronicle" every week throughout the year.

NATIONAL BANK
OF INDIA, LIMITED
Branches in India, Pakistan, Ceylon, Burma, Malaya, Singapore, Thailand, Indonesia, the Philippines, U.S.A., and London.

Authorized Capital $4,582,500
Capital $4,582,500
Reserve Fund $4,657,000

LAMBORN & CO., Inc.
99 WALL STREET
NEW YORK 3, N.Y.

SUGAR
Raw — Refined — Liquid
Exports — Imports — Futures

T. L. WATSON & CO.
50 BROADWAY
NEW YORK 4, N.Y.

CANADIAN BONDS & STOCKS
Commission Orders Executed On All Canadian Exchanges at Regular Rates

CANADIAN SECURITIES

Goodbody & Co.
MEMBERS NEW YORK STOCK EXCHANGE
115 BROADWAY 1 NORTH LA SALLE ST.
NEW YORK CHICAGO

BIDGEPORT"
The Security I Like Best

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

(The articles contained in this forum are not intended to be, nor are the opinions expressed as to, sales of any security discussed.)

AUGUST HUBER

Spencer Trask & Co., New York City

Member New York Stock Exchange

R. J. Reynolds Tobacco

The retail market in suggesting an issue with a strong psychological tide running against it may be realized at the outset. Conversely, however, the experience has taught that advantages purchasing points usually present themselves at such temporary periods of market adversity.

Manufacturers of "Camel," the largest selling cigarette brand, Reynolds & Co., with a position in the tobacco industry is a strong one. The tobacco shares have declined substantially in price recently. Factors behind this phenomenon evolve from around (1) published medical studies warning to the hazards of smoking, and (2) scheduled reduction in Federal excise taxes from $0.20 per thousand to $0.10 per thousand next April 1 may be postulated; (3) recent decline in cigarette consumption.

The health angle to smoking shows to be a well publicized periodically in the past. It is already well past time to acquire ever, invariably overcomes these factors. A decline eventually and the basic trend of cigarette usage has been persistently upward. The steady growth trend of cigarette consumption is evident from the figures—320 billion in 1952 from 201 billion in 1946, and 181 billion in 1940. Future expansion may be boosted by population growth and more people married. Growth is expected at a rate of 4 to 5 per cent per year. To these underlying factors the added prospect that consumer income increases and has been maintained at relatively high levels. Leaf tobacco consumption has been cut off and with the elimination of price ceiling, has shown a marked recovery. The price of the standard size cigarette was raised 38 cents per thousand.

Reynolds Tobacco earnings for 1953 are estimated around $3.25 per share, up from $3.20 last year. The company has been hard hit by excess profits taxes—equivalent to about $1.50 per share for this year. With a characteristically stable market for cigarettes in prospect, despite general economic trends, and with after-tax earnings at a record level, elimination of the excess profits tax could sharply augment net earnings. On this basis, profits for 1954 should be no less than $4.50 per share.

The present regular $2.00 annual dividend rate promises to be increased this year. The implementation of an extra disbursement next year. The present $2 rate, at the present prices of $12 5/8s 5 3/4.

The recent acute weakness in the shares has brought the issue down from an earlier high this year. It is a good time to acquire a basically well situated issue, it would appear, when temporarily adverse developments depress the market price. Considering the earnings prospects, high investment quality of the "real" dividends paid without interruption since 1910, and possible increase in the dividend, I regard this as an attractive new commitment for investment accounts at this lower price level.

BRADBURY K. THLLOW

Partner, Talge & Co., New York City

Member New York Stock Exchange

Fairchild Camera and Instrument Corp.

With the failure of the customary year-end rally to develop in the stock market and the simultaneous circulation of predictions of a fling in economic deterioration in varying degrees for 1954, investors' interest is naturally inclined to look for stocks in special situations. One such "special situation," more even attractive today, in my opinion, than it was a year ago, is represented in this column by Fairchild Camera and Instrument, listed on the American Stock Exchange.

Free of the business cycle, concentrating on a product which makes the fullest use of "electronic automation" to save labor costs, Fairchild is a true "gimlet stock," selling at a conservative price-earings ratio. Earnings estimates for 1953 at $2.50 per share, for 1954 close to $3 a share, the stock is now selling at a price, and the management has been given official recognition to the company's increasing earning power by paying a 10% stock dividend this fall in addition to the customary cash dividend.

Stock selling appears to have been heavy this year, probably because the stock has declined from a high of close $50 and holders have been anxious to establish losses in 1953.

Millions back in stock, now only $700,000 and orders appear to be firm. Completion of a large, unprofitable contract this summer and renewal of a sizable order for a similar product at what appears to be a good margin of profit should produce better earnings from military business than have been witnessed in the past two or three years.

But the principal reason for recommending the purchase of Fairchild Camera at present prices is the tremendous potential growth in income from rental of the company's "Scan-a-graver," an electro-photoengraver which, for a rental of less than $300 a month will perform "by push buttons" in 20 minutes what a conventional $100,000 photoengraving plant will take a high-priced operator a week to do only in several hours. It has been estimated that several thousand of these machines could be sold to small publishers and newspapers, with the probable "saturation point" in excess of 10,000. Perhaps, as an aftermath of the recent new newspaper paper glut, such a situation may well lead to a renewed interest in such equipment.

This Week's Participants and Their Selections

R. J. Reynolds Tobacco—August Huber, Spencer Trask & Co., New York City

Fairchild Camera and Instrument Corp.—Bradbury K. Thllow, Partner, Talge & Co., New York City

of the recent New York newspaper paper glut, such a situation may well lead to a renewed interest in such equipment.

This Week's Participants and Their Selections

R. J. Reynolds Tobacco—August Huber, Spencer Trask & Co., New York City

Fairchild Camera and Instrument Corp.—Bradbury K. Thllow, Partner, Talge & Co., New York City

Interest exempt from all present Federal Income Taxes.

We own and offer:

$100,000

Wilmington, Delaware

2 1/4% Bonds

Due October 1, 1989

To Yield 2.50% (and interest)

Grardon Graves Co.

39 Broad Street, New York 4

Telephone Whitehall 3-2440

Investment Opportunities in Japan

Call or write

For our current publications on Japanese securities

YAMAICHI

SEcurities Co., Ltd.

Established 1931

Home Office Tokyo—New York, Chicago, San Francisco

111 Broadway, New York, N. Y. 29 Continental 6-8888

Over-the-Counter Quotation Services for 40 Years

National Quotation Bureau

Established 1897

46 Front Street

New York 6, N. Y.

Chicago

San Francisco

"BUY U.S. SAVINGS BONDS"
West Germany's Remarkable Recovery

By HUGO H. HEKCH

Partner, Oppenheimer & Co.

Members, New York Stock Exchange

Mr. Heksch, in revealing the remarkable postwar economic recovery of West Germany, says industry has been completely rebuilt. The economic and financial recovery of many of these war-born nations is continuing at full strength—and at last showing substantial results. The North European countries, particularly Hol-

land, have done remarkable rebuilding jobs, and no visible to this section can help but be impressed by the large-scale improvements taking place. The financial status of the area is at a postwar peak. Moreover, it is a sign of the currency itself that currency flight, long a serious problem in the countries of the area, is no longer an issue. Monetary values are relatively stable, and the people are expressing great con
dience and assurance in the safety of their money. Trade figures are in relative plentiful supply in most of these countries, and producers are able to meet national consumption demands. An aura of self-satisfaction is spreading over Northern Europe.

Most remarkable of all, however, are leaps up toward Konrad Adenauer and his German Federal Chancellor. It was only 20 years ago that it was thought a lifetime would not be enough to accomplish what has been done since the signing of the Treaty of Paris in 1946. Industry has been completely rebuilt. The most modern equipment is being used in all these countries today. German businessmen have, in the last few years, boosted their industrial eff-

ciency to levels well above those of their prewar competitors, France and England.

Expansion Is The Keynote

Now that the financial and industrial setup of Germany has been established, German business history, expa-

nation is the keynote of all operations. In France and England, the war has ruined many of their industries, and the result is a multiple of operations. A hotel, de-

stroyed in World War II, has been rebuilt, increasing its capacity from 12 rooms to 350—all as mod-

ers as may be found anywhere in the United States. And so it goes.

Production figures contain still more striking comparisons. As of October, 1963, the average daily output of hard coal production was 120% of that of 1938, and the monthly output of cement 280% of 1938. As the raw materials increase, the same is true of textiles, 194% increase, and electric power, 259%. In 1963, 70% of Allied production was 170% of what it was before the war. Finally, export trade statistics highlight how West Germany was able to recapture and expand its overseas markets. In October, 1963, the value of the goods shipped abroad was $340 million compared with $85 million in 1938, while exports were $149 million, far above 1938’s $114 million. Industrial production figures were then much superior to those of other European countries.

We maintain firm trading markets in 225 unlisted stocks and bonds.

SINGER, BEAN & MACKIE, Inc.

HA 2-070
40 Exchanges Pl., N.Y. 5

Weisbrod—Sold

BURNHAM AND COMPANY

Members New York Stock Exchange

15 Broad Street, New York 5

Telephone

Diplcy 4-1880

NY 1-3280

American-Marietta Co.

Brunner Manufacturing

Copeland Refrigeration Corp.

Remington Corporation

Stromberg-Carlon Co.

Walt Disney Productions

Published Twice Weekly

The COMMERCIAL AND FINANCIAL CHRONICLE

U.S. Patent Office

WILLIAM B. DANA COMPANY, Publishers

25 Broadway, New York 5, N. Y.

Telegraph Address: Comfin

Cert. of Incumbent Dy. 72/1942, at the post office at New York, N. Y., to which all communications should be addressed.

Herbert S. Hertz, Editor & Publisher

William B. Dana, President

Subscribers' Subscriptions and Orders Address:

W. B. Dana Co., New York 5, N. Y., or at P. 0. Box 249, S. 77th Street, Kansas City, Mo.

Published Tuesday and Friday

12.00 per year, 3 months, 5.00 per year, 25 cents per copy.

Other Officers: Chairman, H. B. Dana; Treasurer, H. S. Hertz; Secretary, J. H. Keyserling.

For American annual subscription of The Commercial and Financial Chronicle, $5.00; to foreign countries, $6.00.

Copyright 1963 by William B. Dana

B. L. MULEY & CO.

MULEY & CO., INC.

INCORPORATED

25 BROADWAY NEW YORK 6

Whistle 3-9960

Other Publications

Telephone 1-4600 & 4601

PLEDGER & COMPANY, INC.

LOS ANGELES

Weisbrod—Sold

Southern Production

Foremost Dairies

American Marietta

Glass Fibers

Gustin Bacon

Bought—Sold

BURNHAM AND COMPANY

Members New York Stock Exchange

70 WALL STREET, NEW YORK 5

Telephone

Diplcy 4-1880

NY 1-3280

Digitized for FRASER

http://fraser.stlouisfed.org/

© 2023 Federal Reserve Bank of St. Louis

More New York's leading credit-

ator nation in its European investments.6

escapes much of the demands.8

of the Currency Reform Act of 1948, along

with boosted industrial efficiency which is well above that of

France and England. Points out Germany is now leading credi-

tor nation in its European investments.7

Observations made on my re-

tent trip abroad confirm many of the gloomy predictions of Eu-

ropean political and financial leaders returning from European count-

tries. The economic and finan-

cial recovery of many of these war-born nations is continuing at full strength—and at last showing sub-

stantial results. The North Eu-

ropean countries, particularly Hol-

land, have done remarkable re-

building jobs, and no visible to

this section can help but be

impressed by the large-scale

improvements taking place. The

financial status of the area is at a

postwar peak. Moreover, it is a

sign of the currency itself that

currency flight, long a serious

problem in the countries of the

area, is no longer an issue. Mo-

netary values are relatively

stable, and the people are ex-

pressing great confidence and

assurance in the safety of their

money. Trade figures are in

relatively plentiful supply in

most of these countries, and

producers are able to meet

national consumption

demands. An aura of self-

satisfaction is spreading

over Northern Europe.

Most remarkable of all,

however, are leaps up toward

Konrad Adenauer and his Ger-

man Federal Chancellor. It

was only 20 years ago that it

was thought a lifetime would

not be enough to accomplish what has been done since

the signing of the Treaty of Paris in 1946. Industry has been completely

rebuilt. The most modern equip-

ment is being used in all these

countries today. German

businessmen have, in the last

few years, boosted their indus-

trial efficiency to levels well above

those of their prewar compet-

itors, France and England.

Expansion Is The Keynote

Now that the financial and in-

dustrial setup of Germany has

been established, German

business history, expand-

tion is the keynote of all op-

erations. In France and Eng-

land, the war has ruined

many of their industries, and

the result is a multiple of

operations. A hotel, de-

stroyed in World War II, has

been rebuilt, increasing its

capacity from 12 rooms to

350—all as modern as

anywhere as may be found

anywhere in the United States. And so it goes.

Production figures contain

still more striking compar-

isons. As of October, 1963, the
daily average output of hard coal production was 120% of

that of 1938, and the monthly

output of cement 280% of

1938. As the raw materials

increase, the same is true of
textiles, 194% increase, and

electric power, 259%. In

1963, 70% of Allied produc-

tion was 170% of what it

was before the war. Finally,

export trade statistics highlight how West Germany was able to recapture

and expand its overseas markets. In October, 1963, the value of the goods shipped abroad was $340 million

compared with $85 million in 1938, while exports were $149 million, far above 1938’s $114 million. Industrial

production figures were then much superior to those of other European countries.
The Income Eight

By IRA U. COLEIGH

Author of "Winning in Wall Street"

A brisk and peaceful piece on the possibilities of an eight percent return on a readily list of equities selected from today's market.

Mr. George Spelvin is now 65. On Jan. 2, he will retire, after 40 years in the same manufacturing plant. This com-

parison might be somewhat disrespectful to pension—just $5,000 but the life expectancy of a person of his age and good health is not over 10 years. Will he live to do for living income meanwhile? We will see. His home is small; pedal— Câmara-

the conventional. His retirement will allow him to spend more time on his various activities: reading, fishing, golf, and of interest to many people. He has many friends, and he will continue to socialize with them. His family is large, and he will continue to see them regularly. His health is good, and he will continue to work on his farm, doing odd jobs and caring for his horses. He will continue to travel, visiting his children and grandchildren. He will continue to enjoy his hobbies, such as photography and painting. He will continue to be active in his community, serving on boards and committees. He will continue to be a source of inspiration and guidance for his family and friends. His life has been fulfilling, and he will continue to live a happy and satisfying life. His income will provide him with the means to enjoy his retirement to the fullest. He will continue to be a valuable member of his community, and his contributions will be remembered and appreciated. His life is a model for us all. His example inspires us to live a life of purpose and fulfillment. His legacy will live on, and we will be better for having known him.
The State of Trade and Industry

A slight dip in over-all industrial production for the national-large occurred in the period which ended on Wednesday of each week a year ago, output was moderately lower.

Additional layoffs were announced and strikes remained minimal during the first week of August, a result of the strike of cuntry workers, additional firms were forced to cut their output. The depression in the shortage of metal cans. It was further reported that package with was meat announced layoffs last week.

Steel production was reported. The Cleveland plant several days earlier than it had planned, M. E. Croxton, manager, announced. The Cleveland plant was observed. But elsewhere, layoffs and production cutbacks mounted.

Furthermore, the Cleveland plant was observed. But elsewhere, layoffs and production cutbacks mounted.

Will Eisenhower get the information necessary to decide on the following questions:

(1) Is Eisenhower to take the advice of Admiral William D. McCrea, Adams, representing certain Republicans, that there be another tax cut before the election?

(2) Or, will he stick to his low-taxation platform?

(3) Will the run the risk of losing Connecticut, New York, and the chance to run in 1956?

(4) Is a "middle-of-the-road" policy just what the nation needs, or will both groups, or no group?

(5) Is it possible to have tax revision, and gradual change, and if so, should both groups?

The Republic of El Salvador is notifying its Customs First Lien 8% sinking fund gold bonds due in 1954 in the amount of $5 million. The bonds were issued at 7% sinking fund gold bonds, series C, due July 1, 1957; and the appurtenant coupons for the 4%, $3 million, due 1954 for the Fund Dollar bonds due Jan. 1, 1976 that the time within which the period for change the bonds and coupons, and to pay Certificates of Deferred Interest (scrip certificates) in cash at 100% of its face value has been extended from Jan. 1, 1954 to Jan. 1, 1955. The period for exchange of Convertible Certificates for American Depository Receipts (certificates) in the United States Fund Dollar Bonds of the Republic, due Jan. 1, 1976, has also been extended from July 1, 1953 to July 1, 1956.

El Salvador Bond Exchange Offer Notice

The Republic of El Salvador is notifying its Customs First Lien 8% sinking fund gold bonds due in 1954 in the amount of $5 million. The bonds were issued at 7% sinking fund gold bonds, series C, due July 1, 1957; and the appurtenant coupons for the 4%, $3 million, due 1954 for the Fund Dollar bonds due Jan. 1, 1976 that the time within which the period for change the bonds and coupons, and to pay Certificates of Deferred Interest (scrip certificates) in cash at 100% of its face value has been extended from Jan. 1, 1954 to Jan. 1, 1955. The period for exchange of Convertible Certificates for American Depository Receipts (certificates) in the United States Fund Dollar Bonds of the Republic, due Jan. 1, 1976, has also been extended from July 1, 1953 to July 1, 1956.

El Salvador Bond Exchange Offer Notice

The Republic of El Salvador is notifying its Customs First Lien 8% sinking fund gold bonds due in 1954 in the amount of $5 million. The bonds were issued at 7% sinking fund gold bonds, series C, due July 1, 1957; and the appurtenant coupons for the 4%, $3 million, due 1954 for the Fund Dollar bonds due Jan. 1, 1976 that the time within which the period for change the bonds and coupons, and to pay Certificates of Deferred Interest (scrip certificates) in cash at 100% of its face value has been extended from Jan. 1, 1954 to Jan. 1, 1955. The period for exchange of Convertible Certificates for American Depository Receipts (certificates) in the United States Fund Dollar Bonds of the Republic, due Jan. 1, 1976, has also been extended from July 1, 1953 to July 1, 1956.

Anti-Depression Battle Mapped by Economists

By A. Wilfred May

Full-dress Washington parley ponds how much Recessions and what can be done about it. The Philosophers-ever growing political consciousness noted.

WASHINGTON, D. C., Dec. 30—Worrying the four thousand of the American Science Association meet here is not the extent of "the com—

R A P I D  P R O G R E S S  A N D  F U N D  I N P U T  
---of the 13 unions are barred from striking for a period of 6 months.

Purchasing executives are displaying more optimism about early 1954, despite the fact that industrial activity and orders are below the level of a year ago. But the National Association of Purchasing Agents reported that about two-thirds of its member's estimate of activity will be down and perhaps even a bit in the first half of next year.

It was reported this week that lower carpet prices at the manufacturing point and now almost a certainty of an announcement by Bigelow-Sanford Carpet Co., the industry's largest firm, is a reflection of more price reductions, ranging from 10% to 20%, on its 1954 line of new carpeting.

This company's action came three months after James Lees and Sons Co. cut out prices between 10% and 20% on its line of all副本, and Philadelphia Carpet Co. were the only two concerns which were successful. This is further reported that the furniture industry manufacturers in December 1954, 13.7 million, a 10% increase from the corresponding months of last year.

Steel production is gaining faster behind the Iron Curtain than in the countries of the Free World. But tonnage output of the Free World was nearly $100 million below the production behind the Iron Curtain. These are highlights of a study of world steel production just completed by the "Iron Age," national metalworking weekly.

Combined production of Russia and its satellites was 15% greater in 1953 than in 1952, while output in Free World countries was only 10% higher in 1953 than the previous year.

Steel production in the United States and Canada was only a little over 54 million tons. This is almost 4% less than the output for the same period last year, states the trade journal.

In 1952 total world production of 350 million net tons, while the Red bloc turned out a total of 48 million tons. This is almost the entire output of the United States in 1953 but 1952. Total world output in 1953 was 294.6 million net tons, an increase of 4.6 million tons over the 1952 output. Total world output in 1953 was 294.6 million net tons, an increase of 4.6 million tons over the 1952 output.

Well over half of Two World Production in 1953 was accounted for by the United States which made 111.8 million net tons. This was a gain of 18.7 million net tons over the 1952 production of 93.2 million tons. Output in 1952 was restricted by a 54-day strike of the closed-down steel of the industry. Operations in 1953 were unhampered by labor or other troubles, this trade authority points out.

Steel production this week are scheduled to advance 9% to 7.5% from the Christmas week low of 64.1% of rated capacity. The current output early-end is continuing to prevail in the market.

Becalled people aren't alarmed, states "The Iron Age." Year-end decline in operations is traditional in the industry—except during time of war or emergency. With customer pressure reduced and a deep, steady, bank of cutting prices is a matter of paying routine overtime to keep production up.

Furthermore, it continued to report that in January, it observes, and to continue to improve in February and March. The latter month will probably be tops for the quarter—and perhaps for the year also.

An extended New Year's holiday and continued slowdowns among the industries will cause a further decline in the percentage of remain low, "Ward's Automotive Reports" notes.

The --- is expected to remain current this week should be about the same or lower, or 67,975 assembled last week. This was 2%, below 97,416 in the previous week and 13% behind the 99,257 in the like period last year.

It now appears that the industry's final quarter production total will be in the range of about 120,500 in the final quarter last year and second only to the final quarter of 1950, a record, for production. This would bring the total for 1953, this industry states, that car production hasn't been ahead of like 1952 quarters.

The industry has sold 6,088,155 cars, or about 42% more than the 2,788,603 in the corresponding 1952 period. There are at least two production days for 1953. The industry's record remains 6,700,000 units in 1950.
The Farm Situation Calls For Revised Action

By HON. EZRA TAFT BENSON

Secretary of Agriculture

Secretary Benson, in picturing farm situation today, gives data on drop of farm income; rising farm expenses; and the bulging farm surpluses held by the government. Says, though solution of farm problem may still be in the future, considerable progress has been made toward recovery, and expresses view, 1953 "has marked the turning point." Holds high crop supports to be care for future farm income, and points to future Democratic party farm program. Reveals new Administration is working on plan "to help insure the farmer a fair share of the national income."

I used to be a farmer myself. And in my own farm I am still dealing with many of the same problems I had as a farmer. Here briefly is the situation we face:

(1) Farm income has dropped;
(2) Farm expenses have gone up;
(3) The government has bought cotton, wheat, butter and corn than it can eat or feed.
Farm income has declined from the peak it hit in February, 1941. Farm prices then were 113% of parity. By the time the new Administration took over, farm parity had dropped to 94. Today the parity ratio is 26%, although it has averaged about 92 during the past year.

So farm prices dropped 19 points under the Democrats—only four points since the President took over to win his train.

We are now being made on millions of bushels from the 1953 crop. This points to a further build-up in government-owned corn.

Wheat: We now have 255 million bushels in the hands of the Commodity Credit Corporation, acquired at a cost of approximately $1.1 billion. It is expected that at least much more wheat will be placed under loan from the CCC. But even if we don't acquire a single bushel of this—"and the prospect is that we will not actually wind up with most of it—we already have enough corn in our stocks to meet the bread and cereal needs of 160 million Americans for a full year.

Dairy products: We own more than 900 million pounds of butter, cheese and dried milk, acquired at a cost of $333 million.

The entire list of government-held surpluses is a long one. It currently adds up to more than $6 billion—twice what it was a year ago. It is probable that government loans on various farm commodities will total an additional $2 billion by the end of this month.

Do you know what it costs the government to store this storage bill for these crops? Four hundred sixty-five thousand dollars a day. And the bill is going up fast.

These overall problems of falling income, over-abundant supplies, pilching costs and loss of farm markets, are ones this Administration inherited. They were not made by the farmers when we moved in the front door.

What are we going to do about it?

What the Administration Has Done

Before I answer that I will tell some of the things we have already done.

Let me assure you that though the solution of the farm problem may still be in the future, considerable progress has been made along the road to recovery.

I believe that 1953 has marked the turning point—in the right direction.

During the past year your Department of Agriculture has given farmers a better opportunity to take full advantage of price-support programs than ever before. This also is true of related assistance programs.

High price supports on food and fibre crops have been continued. In only two cases—cottonseed and flaxseed—have the support levels been lowered. And it was generally recognized that the adjustments were sound and necessary.

In the case of wheat, special disaster loans were made available to farmers over a wide area where—due to one reason or another—available storage was inadequate and wheat was piling up on the ground.

At the same time, farmers were urged to use the price-support loans as an aid to orderly marketing without violating market gluts at harvest time.

Abundant crops this year made it 

I have been talking to you about the 1954 crop. I would like to tell you about the 1954 crop. I would like to tell you about the 1954 crop. I would like to tell you about the 1954 crop. I would like to tell you about the 1954 crop. I would like to tell you about the 1954 crop.

A Family Prayer For New Year's 1954

By ALEXANDER WILSON

O here is your God and merciful Father, we on this New Year's Day humbly pray with thankfulness to Thee for all our blessings and for the blessed life and birth of Thy Son, Jesus Christ.

May Thine benediction rest on this household in affectionate love and truthfulness and on all of us who are gathered at this table to partake of Thy bounty.

Gracious Father of all us, Thou hast given generously of Thy bounty; grant us one more gift, a grateful heart.

We also humbly give thanks for Thy blessings and privileges, for our Country, for our Families and loved ones, for our Friends and for the courageous Young Men of America who have fought our battles and made the Supreme Sacrifice in Korea and elsewhere in foreign lands.

Help us our Lord and Master, to Christianize Christianity, to Civilize Civilization and to Humanize the Humanities, and, with Thy help, uplift our Souls and minds to the level of the spiritual and ethical values of the Man of Nazareth.

Hasten the day, most holy Father, when wars will cease, when international hatreds and discord will be no more in this war-cursed world and help all mankind, both nations and individuals, to an observance of Jesus Christ's ad m o n i t i o n : "Love one another."

May we, Americans and Russians, friends and foes alike, and all our foreign brothers in arms, soon be able to say

"I dream a world where Man No other man will kill. Where love will bless the Earth, And Peace its Path adorn."

Grant this prayer we beseech Thee, if it be Thy will, in the name of the Prince of Peace. Amen.

The Compactor of the State of New York

will sell at his office at Albany, New York, on

January 6, 1954, at 12 o'clock Noon

(Eastern Standard Time)

$61,005,000

HOUSING (SERIAL) BONDS

STATE OF NEW YORK

Dated January 15, 1954, and maturing as follows:
$1,245,000—annually, January 15, 1956 to 2004, inclusive.

Redeemable by State on notice, on January 15, 1994, or on

any interest payment date thereafter.
Principal and semi-annual interest July 15 and January 15

payable at Bank of the Manhattan Company, New York City.

Descriptive circular will be mailed upon application to

J. RAYMOND MCGOVERN, State Comptroller, Albany, N. Y.

Dated: December 28, 1953
Along the banks of the Ohio—"La Belle Rivière" to the French explorer LaSalle—not far below Pittsburgh lie the river docks of Weirton Steel Company, a major division of National Steel.

Working 24 hours a day, great magnet and clam shell cranes unload the massive barges carrying coal and steel scrap... hoisting from each barge a cargo that fills from 15 to 20 gondola cars on the cliff above for transfer to the nearby Weirton mills. Here, too, come giant barges of different types bringing oil, chemicals and other bulk ingredients essential to the steel-making process.

America's great inland waterways serve again as a highway for the transportation of finished steel. National Steel's products are delivered to customers along the 2,200-mile span from Weirton down the Ohio and Mississippi Rivers to the Gulf of Mexico and on to Houston, Texas, 14 barge-days away. More than 3,500,000 tons of materials passed over the Weirton river docks in the past year, and the capacity of these handling facilities has been markedly increased by recent additions to keep pace with National Steel's expanding steel production.

Use of economical water transportation is another reason why National Steel has become recognized as an efficient producer of high-quality steel products... a leader in steel-making progress.

NATIONAL STEEL CORPORATION

PITTSBURGH, PA.

AN INDEPENDENT COMPANY OWNED BY MORE THAN 19,000 STOCKHOLDERS
**Economic Conditions in Israel** - Review - Bank Leumi Le-Israel, B. M., Tel-Aviv, Israel.

**Investment Opportunities in Japan** - Circular—Yamalchi Securities Co., Ltd., 111 Broadway, New York 7, N. Y.

**Japanese Stocks—Earning performances and dividend payments for major companies for the fiscal year ending September, 1953—Nikko Securities Co., Ltd., 4, I-chome, Marunouchi, Chiyoda-Ku, Tokyo, Japan.

**Natural Gas Industry Regulation and the Colorado Interstate Gas Company** - Analysis—Villas & Hickey, 49 Wall Street, New York 5, N. Y.


**Over-the-Counter Index** - Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Indexes and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 13-year period.

**Pierce** - National Bank of New York, 325 Hudson Street, New York 14, N. Y.

**Pierpont** - New York and the Colorado River, showing service items—For Aetna Life and Casualty Co., 700 Broad St., Philadelphia, Pa.

**Pierce Steel & Broadway** — Memorandum—John DeWitt & Company, Inc., 456 South Spring Street, Los Angeles, Calif.

**Pierce Steel & Broadway** — Bulletin—John DeWitt & Company, Inc., 456 South Spring Street, Los Angeles, Calif.

**Airlines, Northwest** — Memorandum—Hannes Co., 35 South LaSalle Street, Chicago 3, Illinois.

**Stone & Webster** — Analysis—Brux, Nordeman & Co., 60 Beaver Street, New York 7, N. Y.

**Stromberg-Carlinson Company** — Analysis—Eastman, Dillon & Co., 15 Broad Street, New York 5, N. Y.

**Upsan Co.** — Memorandum—Fowel & Co., 453 South Spring Street, Los Angeles, Calif.


**Stone & Webster, Inc.** — Analysis—Brux, Nordeman & Co., 60 Beaver Street, New York 7, N. Y.

**Stromberg-Carlinson Company** — Analysis—Eastman, Dillon & Co., 15 Broad Street, New York 5, N. Y.

**Robert D. Diehl, Diana, Ruth, Debby, Cathy and Bobbie. Bob Diehl is head of the Traders' Department of Panne, Webber, Jackson & Curtis, 625 South Spring Street, Los Angeles.**

**AD LIBBING**

The 1st National Advertising Committee received a check for $9,689.56 representing our participation in the Year Book Convention issue published by the "Commercial and Financial Chronicle." Affiliates which have produced above their quota should be congratulated. Our Treasurer, shortly.

**Below are the results:**

**N. S. T. A. Advertisers—1953**

**Commercial & Financial Chronicle**

- Alabama Security Dealers Association—$63.00
- Arizona Security Dealers Association—$303.36
- Baltimore Security Traders Association of—$304.00
- Boston Security Traders Association—$1,285.90
- Carolina, The Security Dealers of the—$313.00
- Chicago Board of Traders of—$1,323.00
- Cincinnati Stock and Bond Club—$284.20
- Cleveland Security Traders Association—$1,729.60
- Connecticut, Security Traders Association of—$176.40
- Dallas Security Traders Association—$477.00
- Denver, Bond Club of—$214.20
- Detroit & Michigan, Securities Traders Association—$700.20
- Florida Security Dealers Association—$396.60
- Georgia Security Dealers Association—$360.00
- Houston, Investment Dealers Association of—$88.20
- Kansas City (Missouri), Bond Traders Club of Mass.—$1,035.40
- Los Angeles, Security Traders Association of—$1,050.00
- Louisville, Bond Club of—$270.00
- Memphis Security Dealers Club—$68.20
- Nashville Security Traders Association—$182.70
- New Orleans Security Traders Association—$277.20
- New York, Security Traders Association of—$5,739.00
- Philadelphia, from 1 National Advertising Committee—$1,855.80
- Pittsburgh Security Traders Association—$302.40
- Portland (Oregon), Security Traders Association of—$126.00
- St. Louis, Security Traders Club of—$522.00
- San Francisco Security Traders Association—$948.00
- Seattle Security Traders Association—$1,040.30
- Syracuse, N. Y., Bond Club of—$63.00
- Twin Cities Stock Exchange (Minneapolis, St. Paul)—$252.00
- Wichita Bond Traders Club—$1,270.30
- Unassisted—$2,223.40

May we again express our appreciation to Herb Seibert and his entire staff for their united efforts and cooperation which made possible such a successful demonstration for 1953.

**HAROLD B. SMITH, CHAIRMAN, National Advertising Committee, Pierpont & Co., 120 Broadway, N. Y. C.**

**NEW ORLEANS SECURITY TRADERS ASSOCIATION**

The New Orleans Security Traders Association at their annual meeting, held Friday, Dec. 17, 1953, elected the following officers:

- President—John J. Zollinger, Jr., Scharff & Jones, Inc., Orleans
- Vice-President—C. Homer Keen, Ducournau & Kees.
- Secretary-Treasurer—Robert D. Alexander, Howard, Well, Labouisse, Friedrichs & Co.

The following delegates were elected to serve at the 1954 convention of the National Security Traders Association to be held in Atlantic City, N. J.: Wm. Perry Brown, Newnan, Brown & Co., Inc., and Arthur J. Keenan, St. Denis J. Villeneue & Co.


**INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA**

The Investment Traders Association of Philadelphia will hold their annual midwinter dinner on Feb. 20 at the Ben Franklin Hotel.
Air Industry Looks Ahead

Admiral DeWitt C. Ramsey reviews the airplane industry during 1953, and estimates its prospects for 1954. Finds aircraft manufacture operating under an unusually stable level of activity, which in turn is largely unaffected by the end of the Korean War. Though high level of activity is maintained at year end, uncertainty marks outlook for year ahead.

During 1953 the aircraft manufacturing industry, as a whole, maintained an unusually stable level of activity. This stability was due in no small way to the realization, in January, of the projected production schedules of 1953, and the assurance they give of continued production into 1954.

The year saw the completion of the massive expansion program taken following the outbreak of the Korean War and the attainment of the projected output. This was in large part due to the high level of activity maintained in the industry. The initial effect of the war was to expand production facilities to meet the increased demands. The military procurement program for air hardware expanded to the extent that by the end of 1953 the 1953 output was estimated to be in excess of 1,000 planes per month, a level which, in civilian terms, is still slightly below the peak wartime production level of December, 1944.戎

Military Industry

Military activity in 1953 was strongly influenced by the presence of the Korean War. The situation was complicated by the fact that the Korean War, this year's production, in dollar volume, was the highest in any year since 1939, when the U.S. aircraft industry. Annual production was approximately $5 billion, and was steadily increased from the 1953 base of $4 billion to a peak of approximately $6 billion during the current fiscal year. This four-fold increase in deliveries during the year is possible only by a very large expansion in the labor force and in production facilities. In 1950 there were 725,000, and in floor space—from 625,000 to 1,685 million square feet. During the period an outlay of some $1.5 billion was made for new or enlarged buildings, with a further $1.5 billion being made available through the stimulation of the share of facilities expansion programs. The peak was reached in late 1952 when privately financed as compared to the 1953 base of $4 billion. During 1940-1945 $3.4 billion was spent on facilities, which was privately financed in facilities of which only 40 percent were completed at the end of the fiscal year. The Korean War mobilization $1.2 billion or 34.1 percent was financed by the government.

Production changes during the past 12 months which affected many areas of the aircraft industry were to the point that the aircraft industry has been able to maintain its stability.

Some Significant Events

The year 1953 was marked by the completion of the first long-range guided missile, the Redstone, which was developed by Convair. The Redstone was first launched in 1952 and achieved all of its predetermined objectives. The Redstone is a guided missile with a range of approximately 100 miles

Civil Aircraft Industry

Although production of military planes has been at an all-time high since 1953, the Civil Aircraft Industry has still managed to continue at a substantial rate. The production of airplanes for the civil航空 industry is estimated at 450,000 units, of which about 210 were military, and 240 were for the commercial industry. The remainder of the aircraft were ordered in excess of 300 units at the end of the year.

In the utility airplane field, production was increased by approximately 12,000 compared to the 1952 production count. The increase in unit production was due to the larger number of aircraft produced. The total number of aircraft produced in excess of 3,500 in 1953 to an estimated 3,800 in 1953 was marked by an even greater percentage increase in airframe production.

The broad reorganization of governmental mobilization responsibilities is a major program in the field of production.

A reprogramming of aircraft procurements is being accomplished to eliminate from future production schedules certain older aircraft types to provide funds for new models which will be larger and have a greater utility.

As many military requirements were reduced and as the nation's productive capacities were expanded, controls on wages and prices were removed. These controls over materials were eliminated and efforts were made to assure the industry that the requirements of the government would continue to be met. In the field of materials, the material that had been in short supply was now available in sufficient quantities for government and industry. The shortage of materials was not the real problem. The problem was the lack of adequate facilities to manufacture the aircraft.

Military Production

Military aircraft production was at an all-time high since 1953. The production of military airplanes was around 1,000,000 airplanes, about 90% of which were produced by the government. The remaining 10% were produced by the private industry.

In the production of military airplanes, the most significant accomplishment was the production of the B-47 jet bomber. The B-47, a long-range, high-speed airplane, was designed and built to operate at an altitude of 40,000 feet and to carry a payload of 2,000 pounds.

The B-47 was the first of a new generation of long-range, high-speed, high-altitude airplanes. It was designed to operate at an altitude of 40,000 feet and to carry a payload of 2,000 pounds.

The B-47 was the first of a new generation of long-range, high-speed, high-altitude airplanes. It was designed to operate at an altitude of 40,000 feet and to carry a payload of 2,000 pounds. It was the first of a new generation of long-range, high-speed, high-altitude airplanes. It was designed to operate at an altitude of 40,000 feet and to carry a payload of 2,000 pounds.
The Role of Commercial Banks in Financing United States Wars

By JULIAN GERARD BUCKLEY, Ph.D.

Dr. Buckley traces the role of commercial banks in the war of the United States from 1812 through 1815. It indicates that the banks, in advancing to the government, have often contributed to postwar inflation and to subsequent declines in gold. Give data on the War of 1812, the Mexican War, the Civil War, the Spanish-American War, and the two World Wars.

Throughout the history of the United States and particularly in the past 35 years, the prestige of the commercial banks has risen and fallen a number of times. In wartimes, banks are asked by the government for advances, and have tried to cooperate in every possible manner. As a result, the banks have often contributed in great part to the war effort and to the eventual decline in prices. It is the purpose of this thesis to trace the part the banks played in financing the commercial banks in wars from 1812 to 1940 and to discuss the amount of debt of the government bought by the commercial banks. Where figures are not available estimates are made based on an intensive search of the financial literature of the period. Lastly the price inflation resulting from the war is described.

The bulk of the war was the War of 1812 and the Mexican War. There were about 90 banks in the country. These included the Bank of North America, and the Philadelphia Bank in Philadelphia, the Massachusetts Bank in Boston, and the Bank of New York, the Manhattan Company, the City Bank and the Bank of America in New York City. In the main it was to these banks that the Secretary of the Treasury Gallatin: at first turned for funds to finance the war of 1812.

Neither the bankers, however, nor the banks were willing to be of material assistance to the government. Whether the banks did not receive large salaries, in fact, they were in reality only disguised clerks.

George Clymer, the President of the Philadelphia Bank, received a salary of $5,000 a year; Matthias Gibson, President of the Manhattan Company, was reputed to be worth $10,000; and Matthew Clarkson, President of the Bank of New York, was believed to be worth $30,000. It is obvious that these banks could not on their own account subscribe to much of the government loans.

As far as the banks were concerned it is estimated that their total capital was about $65,000,000 in 1813. A good part of this was already loaned. Nevertheless, it is estimated that during the period of the War of 1812 banks increased their holdings of United States Government securities about $20,000,000. This might be compared with $127,000,000 of government debt outstanding at the end of the war. Thus the increase of government-held debt was about 16% of the debt outstanding at the close of the war. (See chart showing a comparison of bank-held debt, money supply & prices.)

The chart of the war was about $100,000,000 and the debt issued was about $80,000,000. But the banks were unable to take any more securities because the government had already signed an agreement to lend the entire debt to the Bank of the United States in 1811.

It was to the rich merchants that Secretary of the Treasury Gallatin was forced to appeal. In other words, individuals, not the banking system, bought the bonds. It is believed that some of the reasons why commodity prices failed to increase to a material degree. By 1812, two years after the end of the War of 1812, commodity prices were about 25% higher, at the start of the war.

The Mexican War was a country was better organized and in a stronger financial condition. It had recovered from the severe panic and depression of 1817. All the banking system had been approved by the Suffolk Bank in Boston. This was where the Suffolk Bank of Boston charged at the rate of 10% per annum for redeeming the notes of Boston and surrounding banks thus giving stability to the local currency and was, in effect, the first clearing house. However, banks not subscribing to the system had their notes presented at the windows for payment. There is a story of a Maine banker who was confronted by an agent from the Suffolk Bank with $5,000 of his notes for redemption. He immediately closed the bank and refused to redeem these notes in specie, hit upon the ingenious device of counting the notes slowly. He took a whole day to count $300 of notes. As a result the agent became disgusted and returned to the Suffolk Bank in Boston.

Other banking improvements were the Safety Fund in New York City in 1819, the Bank of Redemption Law in Pennsylvania in 1824, and the Free Banking Act in New York State in 1812 (which eliminated much banking and corruption in connection with the granting of bank charters). On July 14, 1812, the Mexican War broke out and the government had considerable war debts outstanding. The war lasted about four years. About $19,000,000 of these bonds (or $22,000,000 at 100) were sold to the firm of Corcoran and Riggs. This banking partnership had several branches and sold the bonds, in part, to rich individuals. In contrast to bank-held securities sold in the War of 1812, this traffic in government securities was kept up by the government. In 1818, the firm of Corcoran and Riggs, a former clerk in the War Department of the United States, and George Washington Riggs, the son of the wealthy Philadelphia merchant, Elias Riggs, Corcoran & Riggs prospered not only during the war but afterwards and eventually became the Riggs National Bank of today.

The Commercial and Financial Chronicle... Thursday, December 31, 1952
Alexander, President of the National Bank of Commerce of New York, at the start of the First Liberty Loan, reported the availability of selling a substantial part of his bonds, and for their own account but to the people he knew. The treasurer of the Mechanics & Metals Bank, stated that the banks should not be permitted to engage in any large part of their resources in government bonds.

During the entire World War I period, the government debt increased from $5,234,000,000 in June, 1917, to $25,234,000,000 in June, 1920. The Federal Reserve banks and the Federal Reserve System increased their holdings of government securities during the period by $7,26,000,000. This increase was only 17% of the debt outstanding at the end of the War.

The money supply increased 26% and the commodity prices two years after the War were only 17% above the level at the commencement of the War. (1)

During the post-War World I period, the bankers reached the peak of their prosperity. Many emerged from World War I as aristocrats of the money market.

The big bankers of Wall Street—such as Charles E. Mitchell, F. M. M. Warran, Henry H. Wofford, Sgeois, Proctor, William K. Vanderbilt, and the public mind were weighted with almost mythology. The Wall Street bull market was fantastic. Prices in the late 1920's were paid for the stock. For example, the Vanderbilts paid $38 for a price of $90. This was a gain of $22 in a year. It was $45 an hour share and paid dividends of $2.63 a share.

When the stock market crash came, it was, indeed, particularly in New York City, attempted to stem the panic. Perpetuated out the $10,000,000,000 of brokers' loans at a panic from becoming a financial disaster. In the following depression, bank failures which followed caused panic and the failure of the banks was crucially important to the stability of the bankers was crucially important to the stability of the banks in New York City. There was a period of approximately two years, a number of banks and insurance companies to suspend operations causing heavy losses to the depositors. This was, in particular true in Detroit, Michigan and Cleveland, Ohio, where the public shrank the confidence of the public in banks and in the bankers.

With the advent of the Roosevelt Administration, a number of banking reforms were enacted. These included laws which prohibited banks from underwriting or investing in corporate stocks or in writing corporate bonds. More importantly, the National Credit Insurance Corporation was formed which insured virtually all of the small commercial banks. In great part as a result of these reforms, the depression was not exceeded almost entirely. Further, the general burden of taxation was not increased and the government began to improve as the thirties advanced. By the outbreak of World War II, the American people were in a far better position than they were in 1920. However, the prestige of the commercial banks had not been destroyed. It had been covered a little. His opinion on public or even private matters was still regarded by some as a measure as in the 1920's. If a banker ever said in his private or public hearing, "his words were often ridiculed or ignored. On the other hand, the bankers, in the Federal Reserve System and the Federal Reserve banks, were increasingly prominent.

World War II

On Monday, Dec. 8, 1941, the day following the attack on Pearl Harbor by the Japanese, the leading bankers, government bond dealers, and savings banks were called to a meeting at the Federal Reserve Bank of the City of New York. From this meeting emerged statements to the effect that there would be no panic selling of government securities. The New York City bankers only did not sell government securities but also purchased securities of their own. Government bond prices increased greatly.培 took purchases of securities by the Federal Reserve System during the period about $70,000,000,000. The commercial banks and the Federal Reserve System increased their holdings of government securities during the period by about $70,000,000,000.

The money supply increased 26% and the commodity prices two years after the end of World War II were only 17% above the level at the commencement of the War. (1)

At the present time, many bankers and economists believe that bank-held debt is one of the causes for inflation. Under the leadership of the Federal Reserve System, the rigid pattern of govern¬ment security prices has been followed to operate under a more or less government bond market. Yet the commercial banks are mainly the real cause of the phenomenon and the problem is not a solvent of prices. It is hoped that by increasing the public and desired higher price, par¬ticularly in the bond market, (1)

The peculiar thing about the bond market pattern was the fact that very few brokers participated. As far as can be deter¬mined from the records, this was not aiming to drive the government out of the market and dominating the price. Through this World War II, the Federal Reserve System negotiated to sell bonds to individual investors. These included J. M. Morgan, W. B. Burgess, Win¬throp Aldrich, Edwin C. Maynard, G. B. Senterfield, G. C. Potter, J. T. Traphagen. However, it is worth noting that the pattern of the committees to sell bonds in World War II were in the Federal Reserve System and in the Treasury.

The commercial banks are in a very much better position than they were in 1920. However, the prestige of the commercial banks has not been destroyed. It has been covered a little. His opinion on public or even private matters was still regarded by some as a measure as in the 1920's. If a banker ever said in his private or public hearing, "his words were often ridiculed or ignored. On the other hand, the bankers in the Federal Reserve System and the Federal Reserve banks, were increasingly prominent.

The money supply increased 124% during the war period and commodity prices by two years after the end of the War were only 17% above the level at the commencement of the War in 1920. (1)

Thus, with the exception of the Civil War, in the last 17 years we have had a period of expansion. The increase in bank-held debt to debt at the end of the War was only 17% above the level at the commencement of the War.

The Federal Reserve System increased their holdings of government securities during the period by about $70,000,000,000. The commercial banks and the Federal Reserve System increased their holdings of government securities during the period by about $70,000,000,000.

The money supply increased 26% and the commodity prices two years after the War were only 17% above the level at the commencement of the War. (1)

The money supply increased 124% during the war period and commodity prices by two years after the end of the War were only 17% above the level at the commencement of the War in 1920. (1)

Thus, with the exception of the Civil War, in the last 17 years we have had a period of expansion. The increase in bank-held debt to debt at the end of the War was only 17% above the level at the commencement of the War.

The Federal Reserve System increased their holdings of government securities during the period by about $70,000,000,000. The commercial banks and the Federal Reserve System increased their holdings of government securities during the period by about $70,000,000,000.

The money supply increased 26% and the commodity prices two years after the War were only 17% above the level at the commencement of the War. (1)

The money supply increased 124% during the war period and commodity prices by two years after the end of the War were only 17% above the level at the commencement of the War in 1920. (1)

Thus, with the exception of the Civil War, in the last 17 years we have had a period of expansion. The increase in bank-held debt to debt at the end of the War was only 17% above the level at the commencement of the War.
Industrial Atomic Energy

By JOHN J. GREEVE

Director, Nuclear Research and Development

Specialist in nuclear research discusses general business aspects of private use of atomic energy in both power and industrial fields. Says a main purpose of McMahon Act was to make new source of energy industrially useful without jeopardizing military security, and approved plans as given by Atomic Energy Commission in spurring work already done along these lines. Reveals use of "atomic heat reactors" is a possibility for industry, but says question remains open, which will increase use of technology. Describes research activities of the joint Detroit Edison-Dow Chemical project. Advises against "government subsidy" in atomic industry.

It is pleasant to discuss the general business aspects and the philosophy and natural resource outlook which (1) private institutions and industry in general, (2) the power producing and consuming industries, (3) general public in particular, and specifically the Atomic Energy Company, to be found in the field of atomic energy.

Our present approach to atomic energy differs from previous plans and actions. The first part of this subject—leading to the general interest of private enterprises—was a subject of a speech given by Mr. Gordon Dean, then Chairman of the Atomic Energy Commission, almost two years ago at the University of Michigan Power Plant Conference, when the industry and the alumni were fortunate enough to have Mr. Dean to talk about independent atomic research.

At that occasion Mr. Dean stressed the need for additional fundamental research. There are some who ask, "Why doesn't the public treasury finance all research on atomic energy? Why military planners and others involved in such work?" He said the complete development of atomic energy represents a complex of individual gifts can and should broaden the scope and stimulate the flow of free, independent inquiry into natural phenomena and the laws of nature. He believes, "that on inventions, one who chooses the traditions that have built the scientific world (or even a major part of basic research) in any field completely in the non-governmental manner. To do so would in the long run be to our very different people. In short, there is much that can and should be done through private research by universities, individuals, and industries, and that should not be controlled or supported by governmental agencies. Those who contribute to the support of such research are truly philanthropic. It is there more that needs to be done than has been done, so far. The Eisenhower program stated that unless great progress is made in our atomic research, the United States will be in a "nuclear" position.

Imagine going into a museum, suddenly turning around and coming face to face with an armored dummy. You may feel that your work is in the finest of causes, and that you are doing your civic duty. But when you realize its importance is that it is the primary reaction is to blow smoke into its face, but not to ostracize your lack of respect. Not that you can burn the whole world can smell the smoke blown out of a dummy.

Main Purpose of McMahon Act

One of the main purposes of the McMahon Act was to make new source of energy industrially useful without jeopardizing military security. It is generally known that many military developments do not become an industry itself but in a neglected, starved and undervalued position. This is not exorbitant and it often blossoms as the military brings it to the public eye, and makes it a significant factor in time of war. If we are to have some of the processes for protecting and cultivating, then we must also have one that is important. This requires that we achieve a thorough understanding of the military and its role in our society. The development of atomic energy is strictly a private industry. It is important to the country for its own political and economic reasons. The question is not whether or not we should have a national atomic energy program, but rather whether or not it is the right time to have it. The answer is no, for several reasons.

You may ask about direct solar power. I personally believe enough in solar heating to be spending some of my time working on the project of Dr. Telkes at M.I.T. But there are other possibilities. A solar house and a power house. You can get a lot of energy from a roof, by an airplane above the clouds converted at 100% efficiency to direct current of the sun. On the other hand, the creation of many more Telkes storage system also using direct solar power. The reverse process of the ocean with refrigeration on the other hand, may be as useful for the sun. We should not use it now for our hot water purposes.

Having cleared out of the way many specious schemes with cost analysis, we are left with the statement that the Atomic Energy Commission is in a strategic position to become a decisive factor in the world battlefield. This happened.

Industry Should Have Greater Share in Nuclear Development

By EUGENE M. ZUCKERT

Manager, Atomic Energy Commission

In discussing legislation amending the Atomic Energy Act, Mr. Zuckert advocates giving industry a much greater share in future development, but warns this must be of "an interim character," because attempts to be too specific or too forward would be dangerous. He argues that the Atomic Energy Commission, however, that Atomic Energy Commission if given legal powers do a good job of administration and industry will do a good job of speeding atomic progress. Points out self-financed private companies are a much better way of funding important and new projects.

Continued on page 32.
provide a platform for an interim period of development. Technologically, we really are not sure how we are going to achieve the most significant benefits from the development of nuclear energy. Enough has been accomplished in the past year to show that the control of the chain reaction to convince us that there ARE dividends. Energy costs for me. Some people, applications of atomic energy. But advances in the techniques will not mean that today's hopes and dreams are now in sight. We must be willing to consider on measures which could in no way be considered dynamic improvements. The dynamic program of the President's is even reached.

First on the calendar will be the long-term policy to accomplish, which millions of words have already been written in scientific journals. The matter is to be spoken before the matter is settled; second in importance, but not necessarily results, is that Congress, not international treaties, has the last word on matters in treaty provisions affecting domestic law, or in other words providing that treaty provisions are not supreme in domestic law unless Congress has specifically passed domestic legislation to conform, and that will be the bill, already passed, by the House, admitting Hawaii to statehood. They may not be in that order but the indications are they will be the first three pieces of legislation to come up.

All three will consume endless time and endless talk; the Hawaiian statehood bill may be subjected to a filibuster, and tactics surrounding the consideration of the St. Lawrence bill may be of the same nature, and it is quite possible that the end defeated. The people of Hawaii, the more vocal of them, would undoubtedly be disappointed, but that is about all.

But there is no question that now that the President has stated to the country that it seems a pity that a Congress from which so much is expected, which has so much to accomplish, should start off in the first months of its term with three measures mentioned above will command any appreciable degree of popular interest. As the weeks are consumed with these three bills, they will tend to develop themselves towards Congress and the Eisenhower Administration. We live in a world of propaganda, and there is no way of controlling that nature. The propaganda will be that the Eisenhower Administration isn't accomplishing anything, with very few people knowing just what it is they would like to have it accomplish. Before many weeks have passed, members of the House and Senators will begin to spend their time in the effort to come up with a few tricks of propaganda that the president's hasn't accomplished anything and their tendency will be to strike out against the Administration from the back of the House, sneaking in a propaganda measures and joining in the criticism. Of course, this will all be right up the Democrats' alley.

In my opinion, the vital that the legislation for the Atomic Energy Commission in administering the government's part of the participating partnership with industry. I believe the merit, in dealing with government agencies, of preparing the bill for the Atomic Energy Commission in administering the government's part of the participating partnership with industry.

I am sure that the administration will have the merit, in dealing with government agencies, of preparing the bill for the Atomic Energy Commission in administering the government's part of the participating partnership with industry.

I am sure that the administration will have the merit, in dealing with government agencies, of preparing the bill for the Atomic Energy Commission in administering the government's part of the participating partnership with industry.
A More Varied Pattern in The Canadian Landscape

By GORDON R. BALLY
President, Bank of Montreal, Canada

Chief executive of large Canadian banking institution, in comment on return to keener competition in Canadian domestic and international trade, says situation is now one in which normal hazards of enterprise are once more apparent. See, however, that there have been several developments in international finance and trade, but warns, if incoherence of overproduction should drive nations behind high tariff barricades and exchange restrictions, period of prosperity for most industrialized countries will be a period of tension, and conditions a dominant world influence, and stresses necessity of U. S. adopting a liberal and unrestricted trade policy.

Broadly, it has been another active year for trade. But it must also be said that the business landscape has begun to show a return of the pattern of light and shade. Some industries, particularly those dependent on international finance and trade, have been keener, but, in domestic and international trade, in general, we seem to have passed from a situation in which nearly all new business influences were buoyant to one in which, in the case of some of the older countries, are once apparent. While this certainly does not justify the hope that the good outlook, it does suggest the need for a better understanding of exchange conditions that are selling and profit are subsiding. I am still an optimist regarding Canada's position, yet wholesome optimism is true in Canada as elsewhere. With the central bank keeping a firm rein on currency supply and with the demand for credit active, market interest rates have tended to rise. The upward movement has been a powerful and pervasive influence in restraining excessive demands that might otherwise have led to renewed inflation. As it is, the levels of wholesale and consumer prices of goods have changed little in the past year. The nation has had the advantage of a great deal of business with a dollar of stable purchasing power, and increases in a policy a policy successful.

A Flexible Monetary Policy

One of the most important developments of the past two years or so has been the revival in many countries of a greater use of official monetary policy to stabilize business and prices. This has been true in Canada as elsewhere. With the central bank, keeping a firm rein on currency supply and with the demand for credit active, market interest rates have tended to rise. The upward movement has been a powerful and pervasive influence in restraining excessive demands that might otherwise have led to renewed inflation. As it is, the levels of wholesale and consumer prices of goods have changed little in the past year. The nation has had the advantage of a great deal of business with a dollar of stable purchasing power, and increases in a policy a policy successful.

Stability of the Canadian Dollar

A particularly welcome move in this connection is the financial interest in reducing business and price levels to a stable purchasing power, and increases in a policy a policy successful.

An Opportunity to Be Seized

To revert to my main theme, the real measure of improvement in this regard has been the beginning of a process by which the United States, Canada, and the sterling area have not only been able to move closer together, but have made it possible for the United Kingdom, in particular, to be in the same stable state on this side of the Atlantic.

Some Forces Cushioning 1954 Business Drop

By CHARLES A. SCHUMZ
President, Standard & Poor's Corporation

Mr. Schumz lists as offsetting factors to indications of a business slump: (1) prospect of easier credit conditions; (2) some reduction in taxes; and, more spending by consumers. Because for consumer spending for services, such as travel, medical attention, and rent, etc. to bolster business.

There are plenty of dark clouds on the industrial skies. Inventories are large and surplus inventory correction will probably replace the accumulation that went on in 1953. Government spending is declining, and, Russia permitting, it is likely to drop further in the coming year.

Employment has begun to contract, and, together with a reduced amount of overtime pay, points to a fair-sized slowdown in total consumer incomes. Increased competition suggests narrower corporate profits.

Offsetting Factors

If the observer considered only these forces, he would conclude that daily serious business recession lay ahead. There are several offsetting forces, however, causing us at Standard & Poor's to think that our confidence that the readjustment now under way will not get out of hand: (1) Credit: The Federal Reserve, in its role as guardian of a "stable and expanding economy," has for some months been taking steps to ease the difficult situation. Thanks largely to its purchases of government securities and reduced reserve requirements, the Federal Reserve can now of funds that 1954 will see no repetition of the money stringency that began to pinch business in the spring of 1953.

This prospect has a important favorable implications primarily for building, but also suggests that there will be little dumping of inventories, hasty calling of receivables, etc., such as are usually associated with credit stringency on the industrial skies. Inventories are large and surplus inventory correction will probably replace the accumulation that went on in 1953. Government spending is declining, and, Russia permitting, it is likely to drop further in the coming year.

Surveys suggest a decline in industrial spending for plant and equipment.

The Role of the United States

Much free advice is today being tendered to the United States, and too often it is as a result of U. S. commercial policy is the sole factor determining the outcome of the rest of the free world. But when all that should be said has been said of the proper responsibilities of soft currency countries, the fact remains that the course of affairs in the United States exerts an overwhelming influence in many other nations. This is not to say that the qualities as expressed in tariffs, quotas and methods of customs administration, are of little importance. But even greater moment are the repercussions, in the expectation of the effects that on that country's demand for imported goods.

In a period of international concern and continuing conflict with tariff policy and the presence of business in the United States, the concept of a world-wide, or at least predominant and direct export policy, is a realistic one. The U. S. would not have the right to engage in an expansion of trade with the United States. We are a vast country, full of resources, and one that will come into increasing demand as some of the basic natural resources of the United States States are drained away, and that is a long run conception. Our exact in the immediate future is in our own hands. The policies based fundamentally on recognition of this fact, that the welfare of the free nations is interdependent, secondly, that the American free market ideal can be achieved only with the help of other nations, and, thirdly, that it is idle to talk of enduring peace without design and purpose, to help herself by giving them a fair chance to sell in external markets.

In this regard, we in Canada have welcomed a number of recent proposals from United American individuals and organizations, reflecting high-level thinking of the way we can go on to protect our citizens and the international trade on which we are dependent. The proposals have, for the most part, been chosen to address the problem of international trade and finance, and to suggest means of improving the effectiveness of existing mechanisms. The proposals range from simple measures of assistance to more complex arrangements for facilitating trade. In general, the proposals are aimed at making international trade more efficient and more accessible to all countries.

Some of the proposals include:

1. The creation of a new international financial institution, similar to the International Monetary Fund, to provide short-term financing to member countries suffering balance of payments difficulties.

2. The establishment of a new international commodity agreement, similar to the General Agreement on Tariffs and Trade, to promote trade in agricultural and industrial commodities.

3. The introduction of new technology and management practices to increase the competitiveness of Canadian industries.

4. The development of new markets for Canadian goods and services, particularly in Asia and Latin America.

5. The promotion of international cooperation and understanding, through cultural and educational exchanges.

In conclusion, while the prospects for a strong and resilient recovery in the United States are not without some uncertainty, the proposals outlined above represent a constructive approach to promoting a more stable and prosperous economic environment for all countries.

Charles A. Schumz
President, Standard & Poor's Corporation
Business Level Can Be Maintained By Aggressive Merchandising

By WALTER E. HODADY, Jr.*
Economist, Armstrong Cork Company

Ascerting business volume during 1954 can be held to 1953 levels, that is, to the greatest single challenge to business, in year ahead, is to convert, through aggressive merchandising, consumer buying potential into actual sales.

Sales continues government spending in an effort to reduce inflationary pressures will do much to stave off a general business turnover, and points out average family is now in position to continue spending, and save less, so as to maintain living standards.

Attempts to forecast the business future must keep in mind that the success of any individual company depends upon a combination of forces—outside control of management 

W. E. Hodady, Jr.

As I see forces which may be involved in molding the future are:
(1) the course of business which in a broad sense includes many specific factors, such as
(a) the policies of government, and (b) the policies of competitors.
(b) the buying potential and spending attitudes of the consuming public; and
(c) the policies of competing companies. The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The principal "in-

The prin
Independence vs. Security
Canada's Internal Threat

By BRIG. J. B. WEIR
Chairman, Montreal Stock Exchange

In pointing out government in Canada is now "mixed up in everything," and about one-fourth of its national income goes to support its activities. Mr. Weir says, "In the trend towards more and more social security, we have gone far enough with the policy of "a rich government but a poor people."

We have heard from many quarters the story of the wonderful future of our country's natural resources; etc., etc. This subject is often clarified or enlarged by me; for the most fortunate of all its peoples, I do not believe that the i

The Situation in Canada
Now, we in Canada are at the same point in our development that the United States was at the time of the Carnegie, Rockefeller, and Morgan. Let us look at our position as it is today. It is just about the opposite to what the Canadian magazine described. We have government mixed in with every phase of our business; etc., etc. This is in line with the old saying, "every phase of our daily lives and works." The whole system is increasingly reliant upon the State, a reliance encouraged rather than discouraged by the government. Today about one quarter of our national income is in excess of one billion dollars, this is spent mostly on security, fact, and social business. We have government in every phase of our daily lives and works, and it is against the current of this trend, in ever increasing amounts, that I wish to sound a solemn warning.

Of course along with this costly trend goes its inevitable increase in arm's-exorbitant taxation. A business man of mine asked me how much he is paying in taxes. He is in a situation where his fixed amount is 100% called "a rich government," etc. He said: "I thought you would say it but I am right. Take the average corporation! bài a tax of approximately 50% on their earnings and of course on their graduated investment you are going to add them out of the remaining half of the earnings. This is double taxation, etc., etc., etc. I do not think such a system act as a deterrent to the people that are going to take a risk and provide the capital to finance and expand the great enterprises that must spring up if we are to develop this country to its full capacity.

Confinement Taxation
Then let us look at the individual, the rate which rises to 83%; can such a rate be called "taxation" or should it not be called "confiscation." One has only to look at the income statement of an individual, etc., etc. The net left to them after taxes is not large. Take the man with income, etc., etc., etc. These men will not invest in risk ventures, etc., etc. The return is high simply because the risk is high. This high personal rate also means a reduction in earning capacity, etc., etc.

One of the main worries which we have today in the financial business is that the junior part-

Leaves Taxes as They Are
BY LEON H. KEYSELING
Former Chairman, Council of Economic Advisers, Washington, D.C.

Continued on page 38

In these trying times, it is not sufficient for an economist basi-
ically inclined to the doctrines of the school of free enter-
erprise, to do so, and I think that if taxes were re-

The Commerce and Financial Chronicle... Thursday, December 31, 1923
THE MARKET... AND YOU
By WALLACE STREELE

The market seemed determined this week to provide little in itself of a Happy New Year for the securities circle. Despite rather widespread hopes that the bulk of the tax selling had already taken place, there was plenty of evidence found in midweek that such sales were postponed in the hope that the traditional year-end rally would trim the long position losses. As a result, a bit to what profits were to be gleaned before the final page of the calendar was flipped on.

Sufficient pressure was around to make the year-end rally possible. New York, and New England stocks, in particular, continued to make a bit too early to qualify as the year-end upsurge which, incidentally, is generally considered one of the strongest of the seasonal market patterns. As a matter of fact, it ran out of steam in the New England markets, and even for short-turn followers, who can chart higher prices by New Year's Eve over Christmas. But there is evidence that after the last 20 years for the industrials, found their hopes dashed as the market lost a couple of points as it closed. It had never heard of the tradition.

Chrysler a Target

Chrysler, which has been leading a rather pedestrian existence since its last week spell, was one of the week's more significant moves on the 23rd. It was a bit of rumors and estimates which included new financing, large block liquidity, and possibly even a buying涛.T. guessing about the eventual 1954 dividend payout. It was enough, whatever the validity, to send the stock at a price a third under the 1953 best. In fact, it was the poorest price seen for this perennial favorite of the fall of the year bull market than any recorded since 1949.

The only group able to show resistance to the year-end gaming were the issues which have been casualties with conviction in recent years. Celanese is as severely pressed as any other in the division, down below 20 after the better - than - 50 level reached in the very early stages of the 1950-53 bull swing. Nevertheless the issue was able to slide into new low levels of the last half dozen years this week, a feat by no means noteworthy in the soft goods end of the stock list.

For a change the long-sick rails weren't too ready to take over the leadership on moments of softness. Not that they were able to shrug it all off, but they showed far more resistance to declines than has their behavior. It wasn't enough to prevent new 1953 lows for Baltimore & Ohio, Pennsylvania, Canadian Pacific, New York Central and Chicago & Alton which followed the front orders of the day bringing the last 300,000 orders of the day.

Worried was a necessity in a retreat by the rail average back to October levels. But the railroaders have been so disconsolate for so long over their fortunes, any trace, however slight, that they were trying to mend their ways was wellcome.

Little of a technical nature was around to scatter encouragement. New lows continued to lead new highs by December. A rise late in the month provoked the higher volume. The list expanded markedly in its bullishness. All are doubly short at this time of the year.

In retreating from the recovery highs after the list collapsed November, the market has tried twice since to get going, the early December attempt the better. The market's decisive lack of steam, and the fact that it took the announcement plan to retire the preferred brought some skepticism, including the one-day tumble of the issue of something very close to a dozen points. The senior preferred took two sessions to sell down as hard. Both issues more than wiped out the gains in the day before it followed announcement of the plan before finding support. The common took it all a bit more easily, probably because the in the going level around 15 it is well deflated after the mid-40's record high early two to three years ago.

The Heavy Textiles

Textiles generally fared little better than American Woolen. Their persistent heaeviness lately has exhausted the bull market which have been casualties with conviction in recent years. Celanese is as severely pressed as any other in the division, down below 20 after the better - than - 50 level reached in the very early stages of the 1950-53 bull swing. Nevertheless the issue was able to slide into new low levels of the last half dozen years this week, a feat by no means noteworthy in the soft goods end of the stock list.

A Sour Finale

The final sour performance of the year by the list caps a rather miserable year for anything but encouraging to the investors. The year's peak in the industrials of approximately 264 lasted for only one. The trading day almost exactly a year ago and the highly selective markets in the following months. The sentiment of the majority experienced was one of sizable profits for the year.

A series of desultory markets through the Spring, and a far less spirited summer rally than had been anticipated, led, in September, to the year's lows with the industrials reaching the current levels of the early part of the year. The rebuff was one of the more enthusiastic events of the stock market year. Yesterday's recovery is re¬covered to around 278 where a bit of opposition appeared. The improvement was over last week, but laboriously, another couple of points before another reaction occurred. Early this month a new attempt to generate an upswing carried close to the 285 overhead resistance level but faltered again. The story repeated itself over the previous week was a sad one again.

This capsule resume doesn't hint at the unusual selectivity which has characterized the bull market for the blue chips entirely that made it almost entirely an institutional market.

The noise of the trader dabbling in the more speculative issues but also worked against the major institutional district generally. Although Stock Exchange volume has what appears to be a commission article at the current time, many stocks have been able to maintain their ways which was wellcome.

LETTER TO THE EDITOR:

In Defense of Stock Dividends

Walter Schloss, security analyst, commenting on recent communication from Dr. Neil Carothers, cites advantages to stockholders of stock dividends over alternatives. Maintains stock dividends are preferable to alternative companies. States main purpose is to benefit shareholders while conserving cash, and build up future profits.

"(B) Stock Dividends reduce income taxes for the stockholders."

By converting earnings into permanent capital you are making additional dividends on this converted capital. Obviously the larger the invested capital, the more the corporation should earn, and the more dividends the stockholder receive when the expansion program is completed. Note the recent Preferred Stock Dividend declared by Consolidated Cigar.

Disadvantages to Stock Dividends

The concept of paying stock dividends is not new. They were paid in the 18th century. However, the current practice of paying stock dividends has several disadvantages. First, they reduce the amount of capital available for investment. Second, the company's earnings are reduced by the amount of the dividend. Third, the company is required to pay out a certain percentage of its earnings as a dividend, which reduces the amount of funds available for reinvestment. Fourth, stock dividends do not give the investor any economic benefit, such as additional capital gains or dividends. Fifth, stock dividends may be considered as a sign of weakness, because they indicate that the company does not have enough cash to pay a cash dividend.

Conclusions

In conclusion, while stock dividends may seem attractive to investors, they do not provide any economic benefit and they reduce the amount of capital available for reinvestment. It is better to pay cash dividends, which provide a direct economic benefit to investors, rather than stock dividends.
1955—A Critical Year
In Labor Relations

BY HOWARD S. KALBENHOF
Director of Research, Industrial Relations Counselors, Inc.

Dr. Kaltenborn makes an appraisal of influences molding labor policies, and assesses probable results of these policies. Says 1955 will see a year in labor-management relations, since management feels impelled to resist further rising costs, and unions, on the other hand, are demanding higher wages. "...We have to recapture some of the old American sprint spirit we had in the earlier days of unionism, and take some of the energy of the older days, and the kind of job I know we are capable of doing."

"...We have a job, not only to organize, but once we have a job of educating and informing organized labor, to help them to get together in the days ahead...."

"...We have to give our members the sense of participating in the process of making them conscious of the fact that we do what we do for the first time in the history of labor in the United States. By 1939, union membership represented 29% of the total number of wage and salary workers in the United States. By 1948, this ratio had risen to 34.4%. In 1954, when that year it had fallen to its present level of 28.9% (a decline of 15.1 million out of 46.2 million)."

"...There is another way, the total trade union membership in the United States has remained fairly stable over the years. But in the same period the labor force has increased by approximately nine million.

But these aggregate figures are something of a charade, we must not conceal the fact that the AFL-CIO's trade union membership, whereas the CIO has been declining, the AFL has approximately four million members in 1953, which increased to 6.7 million and one-half million in 1948, at which point it fell to one-half million, a period of about 20 years, whereas the CIO has had a continuous decline from 1926 to 1909. The AFL-CIO makes heavy weather of expressing the financial status of its members, but the CIO has lost.

The shrinkage in CIO membership has been considerable. Since 1945, when its rank numbered six million and one-half million, the membership has declined to the point where the CIO now claims only onehalf million members, whereas the actual membership is not much more than onehalf million. In 1939 the AFL-CIO's total membership was 14.5 million. By 1948, the CIO had the advantage of a diversified trade union federation, with membership covering a wide variety of industries, whereas the AFL-CIO had only 30 affiliated unions, and half of its total membership is concentrated in two unions, the Steelworkers and the Automobile Workers.

Both the AFL and CIO, and the CIO in particular, are hurt by proscriptions of another kind. There is a natural fear that the CIO will be organized but not unionized will lose its identity. This is anticipated by the speeches and writings of leaders of the CIO. Whether these public statements are as accurate as their union membership as a whole is greater than the number of business leaders cited or as illustrated by the remarks of number of business leaders cited or an extended explanation.
main healthy, but you will find that this issue of the paper is no longer considered to be the leader. You will find management firmly dedicated to maintaining a wide variety of policies among its shareholders, its employees, its customers, and the public at large.

Henry A. White, President of Simmons & Company, Ltd., has stated that the Bank will continue to maintain the best possible balance among the various pressure groups. This is a job which by its very nature cannot be done satisfactorily by any one group, but only by [redacted] in the best interest of the company's customers and shareholders.

G. J. Price, President of Westinghouse Electric Corporation, has expressed his views in these terms: "We have always been interested in the management of our industries. We believe that a good management is the key to the success of any company."

Mr. White disagrees and feels that it is not possible to have a good management without the support of the employees, customers, and shareholders. He believes that the Bank will continue to strive to maintain the best possible balance among these pressure groups.

The Bank will continue to maintain its position as a leader in the business world, and will continue to be a good management company.

The Bank will continue to maintain its position as a leader in the business world, and will continue to be a good management company.

Role of the Federal Reserve Bank of St. Louis

The Federal Reserve Bank of St. Louis plays a significant role in the functioning of the economy. It manages the nation's money supply and is responsible for maintaining price stability, by controlling inflation and recession. It also serves as the nation's lender of last resort, providing emergency funds to banks that are in trouble.

The Bank is also responsible for conducting monetary policy, which involves implementing monetary policy actions such as open market operations, discount window lending, and reserve requirements. These actions are designed to influence the supply of money and credit in the economy, and to achieve the Bank's goals of price stability and maximum sustainable economic growth.

In conclusion, the Bank plays a crucial role in the functioning of the economy, and its policies have a direct impact on the well-being of individuals and businesses. It is important to understand the Bank's role and function in order to fully appreciate its impact on the economy and society as a whole.

---

Railroad Securities

New York Central and Pennsylvania

At least one thing was proved last week so far as the railroad picture is concerned: that the all-time low of the low ebb to which speculative interest in the railroads has fallen is still in evidence. The fact that good railroads grade rails on the part of the institutional investors. Illinois Central sold at competitive bidding a new series of $15 million of its consolidated mortgage bonds. At a coupon of 3% the company got a bid at a slight discount and the bonds were taken at par. The issue was quickly sold, an indication that railroad securities in the hands of the strongest buyers. This display of institutional enthusiasm on the part of the railroad stock market. Railroad stocks, and particularly the more speculative ones, look like a good investment at the time of this writing, to be dominated by tax-loss selling operations.

As the most interesting, perhaps naturally, have been the stocks of the large eastern carriers, particularly the New York Central results in this territory were not to say the least promising. Pennsylvania, for instance, reported a drop of $407,957, or 13.9%, in revenues for the month. More than 30% of the decline in revenues came from a drop in net income. Net for November, 1954, was $79,865, or 78.6% below net reported a year ago. In October, 1954, the respective figures were: net revenue, $1,081,107, or 76.3% below; net income, $2,042,388, or 47.2% below the October, 1953, total. For the two month period of November and December, a decline in revenues was registered by the Pennsylvania Railroad, with a drop of $1,392,479, or 43.6% compared with the same month a year ago. Actual dollar transportation costs were cut only $32,411 on a drop of $1,392,479 in operating revenues.

For the full 11 months, results were still considerably above those of November, 1954, as gross revenues increased more than 10% over the November, 1954, figure. Total transportation costs were down 6%, or $242,000, and net income was $65,000, or 8%, above the November, 1954, performance. In November, 1954, net income was $11,000, or 4%, above the same month a year ago. For the first eight months of 1955, net income was $70,000, or 4%, above the 1954 total. The November, 1954, deficit was $24,000, or 21%, compared with the November, 1953, deficit. While the year-to-year spread of December, 1955, over August, there was still signs of improvement. Maintenance of the road and maintenance of service were reduced slightly and even though taxes were higher from July to November, 1955, on account of the 5% increase in the tax rate.
United Gas Corporation

United Gas Corporation is one of the largest integrated natural gas companies in the United States. It contains over 1,100,000 miles of main lines and over 700,000 miles of distribution lines, has 7,000,000 customers and a total of 1,000,000 employees. The company also owns over 100 refineries and processing plants and over 100,000 acres of land in the United States. The company is headquartered in New York City, and has over 10,000 employees. The company has been in operation since 1898 and has been listed on the New York Stock Exchange since 1903. The company is currently under the leadership of John O'Brien, President of the company.

In 2019, the company had revenues of $2.1 billion and net income of $0.5 billion. The company has a market capitalization of $10 billion and a debt-to-equity ratio of 3:1. The company has a dividend yield of 2.5% and a P/E ratio of 10. The company has been consistently profitable over the past 10 years, with a CAGR of 5.5%.

The company has a strong track record of growth and expansion, and has made significant investments in new infrastructure and technology. The company is currently expanding its pipeline network and is working on several new projects, including a new pipeline in the Gulf of Mexico.

In addition to its core natural gas business, the company also has a strong presence in the wholesale and retail energy market. The company is a major distributor of electricity and has a market share of around 10% in the New York metropolitan area.

The company has a strong financial position, with a AAA rating from Standard & Poor's. The company has a strong management team, and is well positioned to continue its growth and expansion in the years to come.

---

**George L. Bliss**

President of the Federal Savings Association of N.Y. City. Also a prolific author of mortgage research.

---

**E. W. Tague With**

**New York, N.Y.**

---

**New Investment Fund**

(Merely in the Fantastic Concerns)

Beyond doubt, the world has witnessed appreciable progress towards normal conditions in world economy, but notes expectations that 1953 would see restoration of sterling convertibility were not realized. Says uncertainty of U.S. business outlook indicates that American investors adopt a cautious attitude. This matter looks for little increase in Sterling area gold reserve in 1954, and concludes for by the most important factor in income today is the U.S. business outlook.

APPRECIABLE VOLUME

Dr. Eisni indicates there has been appreciable progress toward normal conditions in world economy, but notes expectations that 1953 would see restoration of sterling convertibility were not realized. The uncertainty of the U.S. business outlook indicates that American investors adopt a cautious attitude. This matter looks for little increase in Sterling area gold reserve in 1954, and concludes that the most important factor in income today is the U.S. business outlook.

Beyond doubt, the world has witnessed appreciable progress towards normal conditions in world economy, but notes expectations that 1953 would see restoration of sterling convertibility were not realized. Says uncertainty of U.S. business outlook indicates that American investors adopt a cautious attitude. This matter looks for little increase in Sterling area gold reserve in 1954, and concludes that the most important factor in income today is the U.S. business outlook.

APPRECIABLE VOLUME

Dr. Eisni indicates there has been appreciable progress toward normal conditions in world economy, but notes expectations that 1953 would see restoration of sterling convertibility were not realized. The uncertainty of the U.S. business outlook indicates that American investors adopt a cautious attitude. This matter looks for little increase in Sterling area gold reserve in 1954, and concludes that the most important factor in income today is the U.S. business outlook.

Beyond doubt, the world has witnessed appreciable progress towards normal conditions in world economy, but notes expectations that 1953 would see restoration of sterling convertibility were not realized. Says uncertainty of U.S. business outlook indicates that American investors adopt a cautious attitude. This matter looks for little increase in Sterling area gold reserve in 1954, and concludes that the most important factor in income today is the U.S. business outlook.

APPRECIABLE VOLUME

Dr. Eisni indicates there has been appreciable progress toward normal conditions in world economy, but notes expectations that 1953 would see restoration of sterling convertibility were not realized. The uncertainty of the U.S. business outlook indicates that American investors adopt a cautious attitude. This matter looks for little increase in Sterling area gold reserve in 1954, and concludes that the most important factor in income today is the U.S. business outlook.

Beyond doubt, the world has witnessed appreciable progress towards normal conditions in world economy, but notes expectations that 1953 would see restoration of sterling convertibility were not realized. Says uncertainty of U.S. business outlook indicates that American investors adopt a cautious attitude. This matter looks for little increase in Sterling area gold reserve in 1954, and concludes that the most important factor in income today is the U.S. business outlook.

APPRECIABLE VOLUME

Dr. Eisni indicates there has been appreciable progress toward normal conditions in world economy, but notes expectations that 1953 would see restoration of sterling convertibility were not realized. The uncertainty of the U.S. business outlook indicates that American investors adopt a cautious attitude. This matter looks for little increase in Sterling area gold reserve in 1954, and concludes that the most important factor in income today is the U.S. business outlook.

Beyond doubt, the world has witnessed appreciable progress towards normal conditions in world economy, but notes expectations that 1953 would see restoration of sterling convertibility were not realized. Says uncertainty of U.S. business outlook indicates that American investors adopt a cautious attitude. This matter looks for little increase in Sterling area gold reserve in 1954, and concludes that the most important factor in income today is the U.S. business outlook.
As We See It

further in the same general direction in certain circumstances.

The Senator's Prescription

The Senator's general idea is that it would be a good thing to leave more purchasing power in the hands of the people. This is an old notion of putting more purchasing power into the hands of the people as a means of stimulating business. The essence of the New Deal notion had been to increase government spending and to distribute funds among the rank and file. Some schemes of this sort contemplated the acquisition of the required funds by monetization of public debt, while others envisaged the seizure by taxation or by sale of government obligations of funds being hoarded throughout the land, particularly perhaps by the wealthy, who, so the reasoning went, would not in the circumstances then existing proceed with business ventures as the political managers believed that they should. The present ideas of Senator Douglas at least have the merit of being based upon an apparently greater faith that the people themselves can and will make better use of the money the politicians who undertake to make decisions for them.

But the matter is not nearly so simple as generalities such as these would make it appear. The proposals of the Senator are not, of course, without importance by reason of the fact that they in essence have ardent supporters in many directions—supporters, as a matter of fact, not only among the Democratic minority and among the so-called liberals of the Republican party, but also among the New Dealers as such is roundly condemned. No one is likely to regard Congressman Reed as a New Dealer or as a Fair Dealer; nor is he to be classed with the ordinary radicals, or even a liberal. Yet, whether he himself fully realizes it or not the reasoning behind his insistent and almost perpetual demand for tax reduction implies very much the same conclusions as those which appear to impel Senator Reed. In fact, the general idea of putting the pump by reducing taxes rather than increasing expenditures appears to be gathering adherents daily in political circles.

Of course, some of these adherents are not particular what taxes are reduced, or at least are more interested in reducing taxes than in the selection of taxes to be reduced, while others would give the low income brackets the benefit of all or virtually all reductions while leaving the rich soaked as severely as ever if not more so. Still the idea of increasing the deficit by reducing tax collections rather than enlarging expenditures is common to most of them—possibly even a majority of them—since they do not appreciate themselves that by broad reduction in tax rates under present conditions tax collection would rise rather than fall.

Danger in the Situation

It seems to us that very real danger resides in this new attack upon fiscal soundness. Mr. Reed, so far as we are aware, has never shown a great deal of interest in curtailing expenditures—at least not in any way comparable to his desire to reduce taxes. Senator Douglas is hardly to be compared with Senator Byrd as a devotee of prudence and good sense in the management of national finances. Many of those who now would gladly climb on the bandwagon of tax reduction appear to care hardly a fig about the magnitude of public outlays. In fact deficits seem to them as one means of combating or preventing depression.

This reduces this whole idea to the old, old one of a "little inflation" (or really some underdetermined amount of inflation) as a means of inducing prosperity and well-being. In one respect, however, this campaign for further inflation—if campaign it is to be termed—has a new twist. This time inflation is to be applied before there is any serious sign of recession. This is to start on the basis of fear of recession rather than confidence. Or is it not rather a reaction into our economic system every time we are able to work up fear of bad times, or more accurately when the recent past clearly demonstrates that fear is likely to be followed by fear that we will begin to fear bad times may work to their detriment, and whenever ever be an attempt to this internal blowing up of our monetary and credit system?

In the matter of greater concern by reason of the fact that essentially this same infirmity is to be found in the majority of the remedies for a downturn in business. Let construction, or residential building, or any of a long list of activities begin to decline, and no one stops to inquire whether a slackening of the sort is good or bad, or to those who would ask the question: How may we restore the wonted activity to this branch of the economy? And the answer, nine times out of ten, involves further pumping of money, or its equivalent, into the revolving funds to the extent that work or production was an end of itself— an excellent thing to be cultivated and encouraged quite regardless of whether any one needed or wanted the things produced.

Could we not introduce a little more rationality in this business of eliminating depressions or of reducing their severity?

Business Level Can Be Maintained
By Aggressive Merchandising

—so this can only mean growing long-term business for you.

Well over a third of the nation's families have had such a substantial increase in income during the past year, as to enable them to enjoy an entirely different— and greatly improved—standard of living. It is almost inconceivable that such "come" families in particular can be selling their products or services to the many intruders on their recent gains.

As long as after-tax income is wide open, it is not too improbable for at least the next six months that the consumer will still be expected to hold close to present levels. Moreover, experience has shown that reductions in income will not immediately affect the rate of spending this is because for the most part the families are generally willing both to eschew more expensive or to draw down accumulated savings— or, at least, the rate of dissaving when income falls as income losses seem temporary.

When purchasing power is no longer rising, and in fact shows some decline, the problem of the sales problem among workers who have lost overtime pay, families do become increasingly "choosy" about what and where they buy. They are much more selective in buying those products and services which have a substantial value and more than twenty companies generally are willing to buy on the kind of service offered at the time of sale.

Thus, the difference in income still at record heights in all but selected groups of people— the industrial communities, and liquid savings still higher than during depression— and the fact that it becomes obvious that most of the people are buying more at rate-of-service—if they choose to do so, surveys of spending intentions in each of the groups indicate that they expect to buy heavily—but they must be "sold" Rightfully, they feel as consumers they are "king" once more. Almost certainly they will make the bulk of their purchase only where they receive proposition.

Greatest Single Challenge

Facing Business

Here is the greatest single challenge facing American business in the year ahead—how to penetrate and sell to those who have gained immensely from the post-war inflation. To the point in actual sales and profits. Can American business induce the public — through aggressive merchandising of genuine and real goods — to continue to spend at the present high levels? Can American business induce the public to capitalize fully on the huge spending power that is now available will mean gradually rising unemployment, lower incomes, and throughout a decade of reductions in consumer spending and in new housing starts.

The next six to nine months are always critical in business, but the period just ahead will be unusually important in this regard because by mid-1954, we should begin to know how well this challenge has been met.

Present consumer confidence toward the end of the year is expected to persist as long as unemployment among the blue-collar workers, current figure is 1,200,000. When cracks appear in consumer confidence, we know they take a good deal of time to repair.

Yet, when thinking of this in one this when they try to judge spending attitudes and buying power of American families. And looking to the future it seems firm enough to support forecast of cautious optimism for 1954.

Whether you agree with my forecast or not, it is well to keep your view that 1954 will witness a marked increase in competition in sales financing and business generally. Many of you will con tend that the industry can do even better, and so keep that it can hardly go worse. There may be less concern about.

There is certainly nothing while I can tell about this and the most immediate competitive situation which I think you do not agree it is much better than before. I. However, I'd like to offer a few comments about change in the nature of competition which is rapidly taking place.

Usually it is the more established house that competes. Now, it seems almost certain that many major household items—of consumption—will be purchased in the consumer market in the years ahead.

There is an increasing number of people who will want to finance major home improvements easily on short-term money, but will want the slower than the more and related home improvements Naturally, it seems almost certain that many major household items—of consumption—will be purchased in the consumer market in the years ahead.

In many of these post-Regula tors have already run out next year and with pressures for more housing space and better quality it becomes rather a package deal. And at last, consumer durables will be more than the usual items they are today and will be available to the public for the first time or at least the first time.

There is the case of a family a year ago, $500,000,000 of his home by a mortgage and in 1954, the family would then be able to finance major home improvements easily on short-term money, but will want the slower than the more permanent home improvements naturally, it seems almost certain that many major household items—of consumption—will be purchased in the consumer market in the years ahead.

In many of these post-Regula tors have already run out next year and with pressures for more housing space and better quality it becomes rather a package deal. And at last, consumer durables will be more than the usual items they are today and will be available to the public for the first time or at least the first time.

"A Rising Ground Swell"

There is a rising ground swell of demand for automobiles in the country, and you people have an important stake in this development. Why not sell more private credit—will it be met by private means? If it can be met either by advance sales or by a further rise in your personal savings, and related home improvements according to the forecast of the recent Federal Reserve Board of New York, it seems almost certain that many major household items—of consumption—will be purchased in the consumer market in the years ahead.

With millions of post-Regula tors who have already run out next year and with pressures for more housing space and better quality it becomes rather a package deal. And at last, consumer durables will be more than the usual items they are today and will be available to the public for the first time or at least the first time.

There is the case of a family a year ago, $500,000,000 of his home by a mortgage and in 1954, the family would then be able to finance major home improvements easily on short-term money, but will want the slower than the more permanent home improvements naturally, it seems almost certain that many major household items—of consumption—will be purchased in the consumer market in the years ahead.

In many of these post-Regula tors have already run out next year and with pressures for more housing space and better quality it becomes rather a package deal. And at last, consumer durables will be more than the usual items they are today and will be available to the public for the first time or at least the first time.

There is the case of a family a year ago, $500,000,000 of his home by a mortgage and in 1954, the family would then be able to finance major home improvements easily on short-term money, but will want the slower than the more permanent home improvements naturally, it seems almost certain that many major household items—of consumption—will be purchased in the consumer market in the years ahead.
year will be close to the volume experienced in 1953. How much of this affect will convert to profitable business in 1954? This will be determined by the control operations "within" your own business. I know from your convention questions, you will devote most of this afternoon to this right discussion of operating problems, and of course, the results of the specific subjects discussed will be appropriate and further evidence of the excellent planning underlying your operation. I am a specialist in sales, financing operations, and I offer some general suggestions as to ways company executives and salesmen can take steps to help insure that 1954 will be another good year.

As a first step all of us must stand back and try to take a fresh look at our business. Do we really know just who our customers are and what they are buying? Salespeople need to know that we are offering competitive policies which will enable us quickly to capitalize fully upon expansion of present and potentially new customers as well as to withdraw speedily from the present and future market trends? What markets are we expanding? Who are our customers and who is our new market? Who is responsible for uncovering new markets? Are we fully informed on new products they can help sell? Can we tell from changes in their goods that their future plans are likely to be?

As a second step we should review our policies to discover if our capacity is running up to the real needs of our customers. Are we doing anything just about as well or better than we were five or even six years ago? If so, we’re losing ground. Last year sales were high, and the end to such rising costs is still not in sight. The same men and personnel will be scarce for several more years. Have we planned our system of recruiting, hiring, and training programs accordingly? Do we understand what our key people mean?

Stalling—Weakest Element In Our Economy

Do we recognize that the weakest element in our economy today is the business, the individual, the customer? Do we have a well-rounded program to improve the selling, buying, and servicing parts of our business?

At this point I would suggest you review some of the problems you face. You must review the credit policies you adopt and see what these policies mean to your borrowers. If your credit policies are to be real, you must give your borrowers the best possible service in offering credit at the time when they need it. What is happening in the national economy is reflected in the economic opportunities of the borrower. People are investigating the kind of income he is earning and the products he is purchasing. Bankers must face the fact that over the past five years the consumer price index has moved upward. This trend has been influenced by the increased cost of living, taxes, and by increased costs of labor. The income of the consumers has not moved with the cost of living.

The credit policies we adopt must allow for a continuing price inflation. To meet this inflation we must allow our borrowers to have better opportunities to meet their obligations. We must make our policies flexible enough to meet the changing needs of the borrower.

Pressure of Credit Policies

During the coming year, credit policies will be under constant pressure from many different quarters for special terms and special privileges. We must be constantly on our guard. How will you handle requests for special terms and special privileges? Will you be thoroughly consistent in your policies?

If so, shouldn’t they be thorougly restudied now? The current conditions in 1954, above all, will require that sales financing executives keep their eyewatches on the horizon and not be stampeded toward new and untried devices. A little in the time available at this time could be costly too. This is something we must expect during the coming year. American consumers are going to demand a lot of capital in 1954 and, as banks, need your best skills to determine what devices are going to be. Whether you are using a credit card or checking the stresses on the economy or cash flow will offer new high record to the economic year in the form of funds financed through your organizations.

Some respects the sales financing business may now be in a mood similar to that which is periodically observed before the opening of the next season in the theater. Now that the industry has spent the last two seasons, with the outstanding record of last year, we see a slowing down of the ingenuity and determined effort on the part of the banks to combine not only to produce any activity in the year, but to be active in this year for this business. It is with this business to which I want to make today what is likely on the longer-run future of our business. Are your plans geared not alone to meeting whatever economic adjustment may lie ahead, but the supply of funds seeking an out¬

The current condition in 1954, above all, will require that sales financing executives keep their eyewatches on the horizon and not be stampeded toward new and untried devices. Whether you are using a credit card or checking the stresses on the economy or cash flow will offer new high record to the economic year in the form of funds financed through your organizations.

Some respects the sales financing business may now be in a mood similar to that which is periodically observed before the opening of the next season in the theater. Now that the industry has spent the last two seasons, with the outstanding record of last year, we see a slowing down of the ingenuity and determined effort on the part of the banks to combine not only to produce any activity in the year, but to be active in this year for this business. It is with this business to which I want to make today what is likely on the longer-run future of our business. Are your plans geared not alone to meeting whatever economic adjustment may lie ahead, but the supply of funds seeking an out¬

The current condition in 1954, above all, will require that sales financing executives keep their eyewatches on the horizon and not be stampeded toward new and untried devices. Whether you are using a credit card or checking the stresses on the economy or cash flow will offer new high record to the economic year in the form of funds financed through your organizations.

Some respects the sales financing business may now be in a mood similar to that which is periodically observed before the opening of the next season in the theater. Now that the industry has spent the last two seasons, with the outstanding record of last year, we see a slowing down of the ingenuity and determined effort on the part of the banks to combine not only to produce any activity in the year, but to be active in this year for this business. It is with this business to which I want to make today what is likely on the longer-run future of our business. Are your plans geared not alone to meeting whatever economic adjustment may lie ahead, but the supply of funds seeking an out¬

The current condition in 1954, above all, will require that sales financing executives keep their eyewatches on the horizon and not be stampeded toward new and untried devices. Whether you are using a credit card or checking the stresses on the economy or cash flow will offer new high record to the economic year in the form of funds financed through your organizations.

Some respects the sales financing business may now be in a mood similar to that which is periodically observed before the opening of the next season in the theater. Now that the industry has spent the last two seasons, with the outstanding record of last year, we see a slowing down of the ingenuity and determined effort on the part of the banks to combine not only to produce any activity in the year, but to be active in this year for this business. It is with this business to which I want to make today what is likely on the longer-run future of our business. Are your plans geared not alone to meeting whatever economic adjustment may lie ahead, but the supply of funds seeking an out¬

The current condition in 1954, above all, will require that sales financing executives keep their eyewatches on the horizon and not be stampeded toward new and untried devices. Whether you are using a credit card or checking the stresses on the economy or cash flow will offer new high record to the economic year in the form of funds financed through your organizations.

Some respects the sales financing business may now be in a mood similar to that which is periodically observed before the opening of the next season in the theater. Now that the industry has spent the last two seasons, with the outstanding record of last year, we see a slowing down of the ingenuity and determined effort on the part of the banks to combine not only to produce any activity in the year, but to be active in this year for this business. It is with this business to which I want to make today what is likely on the longer-run future of our business. Are your plans geared not alone to meeting whatever economic adjustment may lie ahead, but the supply of funds seeking an out¬
The Farm Situation Calls For Revised Action

have helped to strengthen the domestic market. Special efforts have been made to get surplus feed to farmers and ranchers in the drought areas and to help save their foundation herds. Even more significant, in many respects, were steps taken to expand the foreign market for farm products. One such move was suggested by the American Farm Bureau Federation and approved by Congress. This provided that $250 million worth of surplus production could be disposed of to friendly nations on liberal terms.

A total of $275 million has been earmarked for the purchase of surplus farm commodities within the United States under this plan. Substantial sales have already been completed. Foreign governments are coming forward with purchases outlining their requirements, and it is anticipated that several large allocations of surplus commodities will be announced shortly. It should be pointed out that these sales are being made in such a way as not to interfere with normal trade through private channels. These are some of the things that have been done to help the plight of the farmer. In working them out we have used every line of government effort, every tool at the Department of Agriculture's command. We have evolved beyond the requirements of the Farm Security Administration.

At the same time we have been working on an overall program to reduce the price of farm products and to increase the purchasing power of farmers. In short, we have tried to do it the whole way, both the wholesale and retail. We have been doing it this way in order to help raise the price of farm products and to save the farm income. And we have been doing it this way, I am sure, in the best interests of all concerned, including the consumers of our food essentials. The United States government has always endeavored to attain its economic objectives in ways that reflect the highest standards of public service, and we believe that we have made the proper effort to help the farmer in his production problems.

Government Farm Programs Are Under Fire

But I wouldn't be honest with you if I did not also say that it is the judgment of many farm leaders that government farm programs alone will not do this job. New, I am told that it is not possible to get the farmers to follow these ideas and that they are not interested in them.

Now, let's follow these facts together and see if they lead to the truth. If you will look at any of the farm programs that we have tried to follow, you will see that the modern farm programs will not support the prices we need to save farm income or to assure the farmers the prices they need to keep their farms going. In other words, these programs show they never have.

Sixteenth century, the Romans wrote the most comprehensive price-fixing laws in history and had considerable success in controlling prices. The Roman law allowed for a specified profit in all sales. This profit was laid down by law and was the law itself which was reenacted as a failure.

Yes, but that ancient history you say. We're smarter today. We have learned a lot.

But let's take the last 30 years. Most of you can remember after the first World War when we tried to control prices through organized marketing. We tried to stabilize farm income through the Farm Board of the problem, the government that these well-meaning laws did not stop farm prices from going down.

Then the Democrats took over. And privately, the Liberals threw the law books on the farm that farm legislation has not stabilized farm income.

Do you remember what happened in 1949? That was after the government stepped in with legislation to raise prices. Hogs were vacuumed up to 91 cents a pound. Corn was only 71 cents a bushel. Cattle brought 148 cents a pound. Actually 81% higher in 1950 than they were in 1949.

Some may contend that costs were also lower before the war. But that is only the final result. The idea was to correct the price structure by the law. The difference between 91 and 81 was in mind: Prior to the outbreak of the war, we had a number of all-out price support efforts—farm prices were only 76% of parity.

Incidentally, these facts are all published in the Department of Agriculture book on statistics.

But hogs are better than a nickel a pound, you say. Many price-support programs have gone up. Have so all other prices. But one other thing. In general, it was War—not government farm programs—that raised farm prices. Whereas in Europe during the war years, prices fell by 75% in some instances.

After World War II, we gave away large quantities of food to humankind. We paid farmers in Korea, in Japan, in the Philippines. In 1956, the Korean War again gave farm prices another sharp boost.

Now, just as farm programs did not stop the farm income—neither did farm programs prevent income from dropping when prices started down in 1951.

Instead of seeking a new approach, we have tried to repeat an effort that has not been born of wartime necessity. That is to say, the 90% of parity supports which has been based on a farmer's urgently-needed production, was turned into an irregular arrangement to prop up farm income. But these supports did not do the job.

That's why I say farm programs cannot guarantee your farm income.

You hogs raisers know what I mean. You have hogs worth $5 each. You are selling for 16 cents a pound—a year ago—only 77% of parity. So how many more hogs can you hog supports than. But Secretary Bran- chard and his friends say their price support programs were superior. At least, if he didn't say that, I think he assumed it. None of these hogs because of the dismal failure of attempts to support live hog prices in the latter part of 1956.

What did farmers do when they knew there would be no price supports? You know what you did. You bailed out of production. We are all fearful this year—5% fewer sows, a smaller herd, a smaller hog harvest. We are bouncing back quickly. Some of you sold hogs here in Chicago this week for $2 a pound.

Is there any hog farmer in the country who has made money since hogs this year? If you are making money, you Capitol! This is what the government did in 1952.

I think this isn't a make a pretty good argument that supply and demand will solve a particular farm problem. It doesn't work in this case if it works at all. Why are we cross-exam¬

ing our present farm program—to search out the weak spots so we can take greater steps. One of you well know from personal experience what is involved in marketing. Your idea is that by getting acreage controls, we'd restrict supplies and raise the farm income.

The Facts of the Farm Situation

What are the facts?

Fact No. 1: Acreage controls do not work. A great many instances production actually goes up. A farmer from Kansas told me last week that he thought you had already added acreage to crops, and you have. You are up 30% in rice; you are up 41% in wheat as far as you could be. In 1951, the government tried to reduce fertilizer and summer follow. You Corn Belt farmers know what this means. It means you're pouring your fertilizer on corn—you've been using a lot of corn to make bread and that gives 50 bushels before.

Fact No. 2: What will you plant on the land cleared by the acreage control creates a new land problem. You've going to plant soybeans in rice fields.

Fact No. 3: This is: Even acreage controls do reduce supplies. This does not mean that it will raise your farm income.

Prices under bushel isn't enough. It's price the government estimate that makes farm income.

I presented recently in the House of Representatives the observations of Melvin Gehlbach, an Illinois farmer, who gave the Department program and these four indictments of our pres¬

(1) High price supports on feed grains encourage farmers to raise feed grain production rather than feed to livestock.

(2) Our present high support prices have led to widespread soil-depleting crops. We have known for a long time that farmers cannot have helped the farmer most who needs the help. And supports hardly helped the little farmer at all.

Since 85% of all feed grains go into livestock, Mr. Gehlbach said, a little, to the detriment of the farmer.

(3) The structure of the farm program is based on a historical fact that the government made the price of farm products is reflected upon the price of farm products. It was made to benefit the farmer. It was made to benefit the consumer. It was made to benefit the country. It was made to benefit the nation. And it was for the benefit of everyone, a farmer, an industry, a union, an employer, a country, a nation, a world.

(4) As I think back over the years, I believe we've been led to expect, and have maintained, that the government will be there to help us. We have always been with a market in the government. We're not always there. It was not always true, but keep this in mind. We have been with the farmer. We have been with the consumer. We have been with the industry. We have been with the union. We have been with the country. And we have been with the world.

As a nation the government's whole purpose is to carry out the American Farm Bureau Federation's strong stand in this fight. But more than this, the government is in the same battle. Now is the time for every farmer to stand firm and be counted—made known clearly and unmistakably your views on the subject at hand.

The question of who speaks for farmers is a question of one argument. But it must be absolutely clear that farmers, unless farmers first speak for themselves. There could be no better speech for the farmer than the farmer which must be given the most of this opportunity. All possible assistance you can give to this end.

You may be assured that the government, will do anything or make any policy which is contrary to your wishes. The government can be of no use to the farmer. The government must be of service to the farmer. He is the farmer. The government is of service to the farmer. He is the master—of the American

tremendous and sound agricultural education. With God's help and our united efforts, we can build a new and better world.

S. F. Exchange Member

SAN FRANCISCO, Calif. — Ronald E. Kachler, President of the San Francisco Farm Credit Corporation, has announced the election of Jack T. Johnson to membership in the Exchange. Mr. Johnson is a general partner of Parrish & Maxwell, Earl T. Parrish and Victor T. Maxwell are also general partners of the firm.
Guaranty Trust Company of New York on Dec. 29, announced that Walter H. Potter, Gordon

Company in 1935. He was on

military leave from 1941 to 1946, when he rejoined the organization.

Mr. Potter has been appointed an Asso-
ciation Trustee Board of National City Bank in 1947, an Assistant Vice-
President in 1959 and a Vice-

President in 1952.

Among appointments announced by the National City Bank of New York were the following: Harold L. Hamann, formerly an Assistant

Manager and George F. Nolan, formerly Manager of the Long Island City Branch, were appointed Assistant Vice-Presidents and Robert A. Atterbury, Jr., Dan Findlay Porter, Richard S. Smith, and Robert Swanson, Jr. were ap-

pointed Assistant Cashiers.

Charles S. Parker Jr., Vice-

President in the investment de-

partment of the Chemical Bank

and Trust Company, New York, died on Dec. 28, after a long illness, at the age of 48.

Mr. Parker joined the Guaranty Trust Company of New York in 1932, where he served as an Asso-

ciate Vice-President. In 1949, Mr. Park-

er was elected Vice-President of the Continental Bank and Trust Company in charge of the Investment

portfolio and its municipal investments.

When the Continental Bank was

merged with the Chemical Bank Trust Company, Mr. Parker was elected Vice-President of the latter institution.

The board of directors of Bank-

ers Trust Company in New York

elected William F. Finley and

William McKinley Vice-

Presid-


tents, it was announced on Dec. 29, by S. Sloan Colt, President.

At the same time Henry J. Cossin, J. R. Corcoran, Jr., J. A. Dowell were promoted to Trust

Officers and C. Russell Sigler was elected Assistant Trust Officer. All five men are associated with the Bank's Pension and Per-

niciation Trust department.

Mr. Finley is in charge of the Investment Advisory Division, came to Bankers Trust Company in New York in 1949.

Mr. McKinley came to Bankers

Trust Company in 1928 and was appointed an Assistant Trust officer in 1938.

The election of Walter A. Steecker as an Assistant Vice-

President of Bankers Trust Company of New York has been announced by James G.

Blaine, President.

Mr. Steecker was formerly one of the Senior Bank Executives with the Federal Reserve Bank of New York.

After the first of the year, he will be located at the Main Office and associated with its lending and credit operations of the bank.

Announcement was made by Mr. Wallace M. Davis, President of the Bank of New York, it was announced on Dec. 30, by R. E. Simonds, Jr., President. Mr. Allin is in the trust department.

Mr. Richardson represents the Bank in the Rock-

Mountain states and on the West Coast. Mr. Allin would become Assistant Vice-President and the latter would become Assistant Vice-

President.

Carleton M. Burr has been elected Assistant Secretary of United States Trust Company, New York, according to an announce-

ment made by J. Wilbur Lewis, President.

Mr. Burr has been with the United States Trust Company since it started as a clerk and later be-

came a teller, then a unit head. Since 1934 he has been purchas-

ing agent and in charge of the records of the bank.

College Point National Bank of New York on Dec. 23 announced that Harry A. Kleiner has been elected a Director.

As of Jan. 12, 1954, the Lan-

caster National Bank of Lancaster, Pa., will recede the price of

its stock from $50 per share to $10 per share and each shareholder will receive five new shares for each share now owned, and in addition it will issue 25,000 additional shares of $10 par, making the capital stock of the bank effective at $25,000. 9,100. The details are $31,191,527.99.

James M. Large, President of

Tradesmen's Land Title Bank and Trust Company, Philadelphia, Pa., has been elected to the Board of Directors.

Mr. Large, at the same time, also announced the promotion of William F. Hughes from Trust Officer to Vice-President, and the appoint-

ment of Mr. Hughes as Assistant

Manager.

Mr. Earle, who joined the bank in Jan. 30, 1956, was named an Assistant Cashier on Nov. 9, 1951, and an Assistant Vice-

President on Dec. 1, 1952.

Mr. Hermann came with the bank in 1930 and was appointed Assistant Treasurer on Oct. 27, 1948. He joined Trademen's on April 1, 1947.

Directors of Melborn National

Bank & Trust Co., Pittsburg, Pa., have approved the change in the capital stock of the bank from 1,250,000 shares of stock to 2,404,000 shares of $25 per share.

Stockholders will vote on the proposal at the annual meeting Jan. 26.

The Board of Directors of The

Herrick National Bank of Mankato, Minn. effective Dec. 15, 1953 increased the surplus of the bank from $800,000 to $1,200,000.

What this means is that the undivided profits. The bank's profits from operations have been maintained.

The excess is available for paying dividends and for investment.

"Any such dividend is uncertain and misleading. No one likes de-

testing, whether little or big. The businessmen who are accused of-

such a feeling are among the bravest of us all. Most businessmen are, however, so realistic that to recognize that the weaknesses generated by the boom must be corrected before the new advance begins is not so different from the policy of a hospital that treats the diseased and the sick."

"What are these weaknesses that we must face and make a readjustment necessary? There is widespread re-


gard for the basic answers to these questions. Some theorists find the ultimate cause of all of our difficulties to be the result of rapid credit expansion. Others lay the blame on psychological waves of exces-

sive optimism and pessimism. Still others see the final cause in disproportionate production of different groups and the resultant squeeze against nonguaranteed goods, or produc-

ers" as against consumer goods."

"Whatever the fundamental cause or complex of causes may be, it is generally agreed that the first step is to promote healthy condi-

tions. For one reason or another, the health of sales- 

Figured for FRASER

http://fraser.stlouisfed.org/
Mutual Funds

BY ROBERT R. RICH

Barringer reported to the directors of Delaware Fund. "Be¬
tween the years Dec. 3 and Dec. 15, the Dow-Jones Industri¬
ual Average lost a little less than 2 percent. The September-
nerume, and the utility aver¬
gage, 75. The average in the same time gave up only 1 percent since the low point of three months ago.

"According to earnings," Mr. Bar¬
ringer went on, "are generally running a little below last year, and railroad earnings for the year as a whole now only a small gain over 1952. For 1953, there are forecasts of lower load¬
ing rates, and negotiations with the Brotherhoods have the control of higher wages. These relative factors have apparentlyorth¬
ized the move of the rail earnings and the increase in earnings which may be expected to result from the continued growth of the industry." D. Moreau

MIGSF Reports Million Gain

Massachusetts Investors Growth Stock Fund reports total net as¬
sets of $274,703,177, equal to $17.22 per share on 2,079,937 shares outstanding. The net income for the year was $18,932,686, compared with $13,174,442, respectively. C om m o n stock earnings in 14 differ¬
ent industries, totaled 70.7% of the net total assets.

Diversification of the portfolio at the year-end, by principal stock groups, was: as compared with a year ago, was as follows:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Net Income as of Nov. 30, 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities</td>
<td>$8,032,686</td>
</tr>
<tr>
<td>Restaurants</td>
<td>$7,383,000</td>
</tr>
<tr>
<td>Agriculture</td>
<td>$4,134,000</td>
</tr>
<tr>
<td>Chemicals</td>
<td>$3,853,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$2,672,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$2,450,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$2,320,000</td>
</tr>
<tr>
<td>Finance</td>
<td>$2,153,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$1,892,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1,728,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$1,653,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$1,520,000</td>
</tr>
<tr>
<td>Finance</td>
<td>$1,493,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$1,450,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1,328,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$1,293,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>Finance</td>
<td>$1,215,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$1,182,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$1,149,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$1,115,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$1,073,000</td>
</tr>
<tr>
<td>Finance</td>
<td>$1,030,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$997,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$954,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$911,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$868,000</td>
</tr>
<tr>
<td>Finance</td>
<td>$825,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$782,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$739,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$696,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$653,000</td>
</tr>
<tr>
<td>Finance</td>
<td>$610,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$567,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$524,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$481,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$438,000</td>
</tr>
<tr>
<td>Finance</td>
<td>$395,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$352,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$309,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$266,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$223,000</td>
</tr>
<tr>
<td>Finance</td>
<td>$180,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>$137,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$94,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$51,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$8,000</td>
</tr>
</tbody>
</table>

R E C T O R  F U N D I N V E S T M E N T  F U N D

FREE RECTOR INVESTMENT

120 Broadway, New York, N. Y.

B A L A N C E D  M I U T U A L  I N V E S T M E N T  F U N D

F O U N D E D  1 9 2 8

Prospective depositors may obtain a prospectus from:


B A N K  F U N D

F O U N D A T I O N  F U N D

G R O W T H  F U N D

I N S U R A N C E  F U N D

I N C O M E  F U N D, I N C.

Distributed by

420 Rector Street, New York 6, N. Y.

PROSPECTUSES MAY BE OBTAINED FROM:

The above or local dealer.

CANADIAN FUND

F O U N D E D  1 8 7 2

ONE WALL STREET

NEW YORK

GENTLEMEN: At no obligation please see us on prospectus. Canadian Fund.

The Commercial and Financial Chronicle… Thursday, December 31, 1953
Bank and Insurance Stocks

By H. E. JOHNSON

This Week — Insurance Stocks

Considering the action of the general equity market in 1953, the performance of the casualty and fire insurance companies has been relatively weak.

The index of insurance stock prices as compiled by "Barrow's" on Dec. 31, 1952, was 57.31, and on Dec. 31, 1953, it was 56.81. After having closed the year at 90 3/4 and declining to a low of 109.68 reached in the spring of the year, the index moved upward to a high of 200.29 attained the middle of November. Since that time, it has declined slightly and at the end of last week stood at 194.87. It is still above the level existing at the close of 1952 with the gain amounting to 8.06 points in the average.

The overall index of the "averages" obscures certain changes with individual groups or with particular stocks which have acted much better than the average. For example some of the better acting stock groups this year include aircraft manufacturing, electrical equipment, food, grocery chains, and paper. The index of these groups has advanced considerably more than the index as a whole (which is only a little above 58 percent of the peak reached at the middle of September. It has subsequently rallied to the present level around 260. However, it is still below the level prevalent at the end of 1952, the decline amounting to 11.90 points in the average.

This fact is evident in the market action of insurance shares. Indeed, one might say that selectively rather than any general trend has been the dominant factor in the market action over the past year.

Keeping this in mind it is interesting to review the price changes of 25 of the leading insurance stocks for the year.

Merrill Lynch Adds

(Special to The Financial Chronicle)

CHICAGO, Ill.—Henry Ziemba has been added to the staff of Merrill Lynch & Co., and Thomas M. Moore, formerly of Pierce, Firman & Beane, Board of Trade Building.

With First of Michigan

(Special to The Financial Chronicle)


The Chase National Bank of the City of New York

Bulletin on Report

Laid, Bissell & Meeds

Membership No.

Members American Stock Exchange

130 South La Salle Street

Chicago, III.

(110571) W. W. Whitaker, President

Telephone: Mar 5-6500

L. A. Miller, Manager Trading Dept.

Specialist in Bank Stocks
Economists Present Views On 1954 Business Outlook

Economists, U. S. Department of Commerce; Roy L. Eisenberg, Vice-President, Bankers Trust Company; Helen S. Johnson, Managing Editor, "The Analysts Journal." Fourteen members participating included: Jules Backman, Professor of Economics, New York University; Martin R. Galbraith, Chief Economist, National Industrial Conference Board; Lloyd C. George, Economist, Dun & Bradstreet; Paul H. Godfrey, Brookings Institution; Clyde L. Rogers, Vice-President, National Industrial Conference Board; Glenn Saxon, Professor Economics, Yale University; Bradford R. Smith, Economist, United States Steel Corporation; Rufus S. Tucker, Economist, General Motors Corporation.

The following are highlights of the remarks made by participants.

RUFUS S. TUCKER

Mr. Saxon Will Be Down

American non-agricultural exports in 1954 should be substantial enough to more than offset the decline in the rate of agricultural exports. In 1953, total exports averaged about $15 billion, but in 1954, the forecasts indicate that the decline in the agricultural sector will be enough to more than offset the gains in the non-agricultural sector.

Mr. Saxon was optimistic on this point, but felt that the overall picture was not as promising. He believed that the decline in the agricultural sector would be more than offset by the gains in the non-agricultural sector. However, he was not as optimistic about the overall picture, and felt that it would be difficult to predict the future accurately.

Mr. Saxon was also concerned about the possibility of a recession in 1954. He felt that if the recession were to occur, it would be more severe than the previous one. He believed that the situation was more precarious this year, and that the economy was more vulnerable to shocks.

Mr. Saxon was also concerned about the possibility of a recession in 1954. He felt that if the recession were to occur, it would be more severe than the previous one. He believed that the situation was more precarious this year, and that the economy was more vulnerable to shocks.
off in the neighborhood of 8% to 16% from the 1953 level. ... 

Mr. Backman

Sees Recession, and a Moderate Rise in Prices

... The decline in the Federal Reserve Index probably will not be as drastic as the 20% to 25% decline in the years of 1929 and 1933. The index probably will decline by 15% to 20% in 1954, which will result in a much more tranquil type of recession than was experienced in those years. In the years of 1929 and 1933, the index declined by 40% to 50%, with an accompanying decline in business and industrial activity of almost 50%. The index in 1954 will probably decline by only 15% to 20%, with an accompanying decline of only 15% to 20% in business and industrial activity.

... 1954 will probably not be as drastic as the 1929-1933 depression, but it will be a serious recession, and unless there is a substantial rise in the gross national product in 1954, it will probably result in a recession of approximately 15% to 20% in the gross national product in 1954, and an accompanying decline of 15% to 20% in the index.

... The decline in the index will be accompanied by a decline in the gross national product of 15% to 20%. The index will probably reach its peak in the first quarter of 1954, and it will probably decline to its lowest point in the fourth quarter of 1954.

... In 1954, the index will probably decline by 15% to 20%, with an accompanying decline in the gross national product of 15% to 20%. The index will probably reach its peak in the first quarter of 1954, and it will probably decline to its lowest point in the fourth quarter of 1954.

... The decline in the index will be accompanied by a decline in the gross national product of 15% to 20%. The index will probably reach its peak in the first quarter of 1954, and it will probably decline to its lowest point in the fourth quarter of 1954.

Mr. Backman

Sees Recession, and a Moderate Rise in Prices

... The decline in the Federal Reserve Index probably will not be as drastic as the 1929 and 1933. The index probably will decline by 15% to 20% in 1954, which will result in a much more tranquil type of recession than was experienced in those years. In the years of 1929 and 1933, the index declined by 40% to 50%, with an accompanying decline in business and industrial activity of almost 50%. The index in 1954 will probably decline by only 15% to 20%, with an accompanying decline of only 15% to 20% in business and industrial activity.

... 1954 will probably not be as drastic as the 1929-1933 depression, but it will be a serious recession, and unless there is a substantial rise in the gross national product in 1954, it will probably result in a recession of approximately 15% to 20% in the gross national product in 1954, and an accompanying decline of 15% to 20% in the index.

... The decline in the index will be accompanied by a decline in the gross national product of 15% to 20%. The index will probably reach its peak in the first quarter of 1954, and it will probably decline to its lowest point in the fourth quarter of 1954.

... In 1954, the index will probably decline by 15% to 20%, with an accompanying decline in the gross national product of 15% to 20%. The index will probably reach its peak in the first quarter of 1954, and it will probably decline to its lowest point in the fourth quarter of 1954.

... The decline in the index will be accompanied by a decline in the gross national product of 15% to 20%. The index will probably reach its peak in the first quarter of 1954, and it will probably decline to its lowest point in the fourth quarter of 1954.
The State of Trade and Industry

Steel Output Scheduled To Rise Despite
Shortened Holiday-Week

In the steel industry the coming year, January will be a somewhat brighter period, with production, and inventories reductions at metal consuming plants took the edge off recent stockbuilding, and steel industry spokesmen conclude that their inventory liquidation soon. When they started to reduce inventories of raw materials curtailed new buying. Demand in the automobile and other industries and consumers believe they could get along with smaller stocks, it asserts.

Widely released forecasts are adequate reasons for reducing steel inventories, lowered inventories can bring about a semblance for steel if a failure to get a Korean peace conference under way by late January brings in war again or if some other incident arouses buyers, "Steel" declared.

Pointing out that inventory reduction means being more vulnerable in event of sudden shortages, the "National Association of Purchasing Agents" says this is no time to be overconfident and no time to lose and stop orders. For a 50-cent a-ton price advantage. A long-range approach to assurance of supply demands a long-range policy, rather than one of expensive and uncertain promptness of delivery.

In reducing inventories and buying close to the vest, steel buyers indicated a policy of increased investment in rolling mills and other productive equipment.

The automobile industry is the biggest single consumer of steel. Consequently, the policy of the largest steel companies, steel makers and the like, is to know how much steel will be made and sold in the next few months, this trade weekly notes.

Watching the first quarter shape up, steel companies will try to get the best price advantage. This is one of the steel industry's most important policies.

While watching the first quarter shape up, steel companies will try to get the best price advantage. This is one of the steel industry's most important policies.

As Christmas selling continued to gather momentum, the total dollar volume of retail trade rose noticeably in most parts of the country. This was reported in the fourth week ending on Wednesday of last week, though the number of retailers who were unable to surpass the Christmas selling of 1952 period was quite large and the Christmas trade was mildly higher than a year ago. As during recent years, the bulls of the gift buying came in the last week before Christmas.

Retail failures for November 1953 were 13,913, a decrease of 12,226, or 47%, with a rate of 13.9 per 1,000,000 persons. While most household goods were in larger demand than in the previous week, the interest in major appliances and furniture remained lethargic. Widespread popular were small appliances, clock-radio, giftware and china. More toys and novelties were bought.

Trading activity in most wholesale markets in the period ended last week was maintained close to normal, save for the week before Christmas. The total dollar volume of wholesale orders did not vary markedly from the high level of a year earlier. Buyers were found in some wholesale markets January price reductions, ordering plans and last-minute reorderers of gift merchandise.

Department store sales on a country-wide basis were taken from the Federal Reserve Board's index, for the week ended Dec. 25, 1953, decreased 1% below the level of the preceding week. In the preceding week December retail sales were reported 7% below that of the similar week of 1952. For the four weeks ended Dec. 25, 1953, retail trade was reported at a decrease of 3% was reported from that of the similar week of 1952. For the four weeks ended Dec. 25, 1953, a decrease of 4% was reported. For the period Jan. 1, 1953, a decrease of 1% was registered from that of the same period.

The Christmas selling continued to gather momentum, the total dollar volume of retail trade rose noticeably in most parts of the country. This was reported in the fourth week ending on Wednesday of last week, though the number of retailers who were unable to surpass the Christmas selling of 1952 period was quite large and the Christmas trade was mildly higher than a year ago. As during recent years, the bulls of the gift buying came in the last week before Christmas.

Retail failures for November 1953 were 13,913, a decrease of 12,226, or 47%, with a rate of 13.9 per 1,000,000 persons. While most household goods were in larger demand than in the previous week, the interest in major appliances and furniture remained lethargic. Widespread popular were small appliances, clock-radio, giftware and china. More toys and novelties were bought.

Trading activity in most wholesale markets in the period ended last week was maintained close to normal, save for the week before Christmas. The total dollar volume of wholesale orders did not vary markedly from the high level of a year earlier. Buyers were found in some wholesale markets January price reductions, ordering plans and last-minute reorderers of gift merchandise.

Department store sales on a country-wide basis were taken from the Federal Reserve Board's index, for the week ended Dec. 25, 1953, decreased 1% below the level of the preceding week. In the preceding week December retail sales were reported 7% below that of the similar week of 1952. For the four weeks ended Dec. 25, 1953, retail trade was reported at a decrease of 3% was reported from that of the similar week of 1952. For the four weeks ended Dec. 25, 1953, a decrease of 4% was reported. For the period Jan. 1, 1953, a decrease of 1% was registered from that of the same period.

1953 Capital Goods Put $5.8 Billion

Council for Technological Advancement Observes the Importance and Structure of the American Capital Goods Industries, Estimates Concerns Within This Category's Production, Employment and Size of the Industrial Output and Employment over Eight Million Persons.

Based on a projection of a study now being made by the Council for Technological Advancement, the importance and structure of the American capital goods industries, the nation's capital goods suppliers are estimated to be expected to total $5.8 billion. This figure includes the production, distribution and servicing of capital plant and equipment. Employment is estimated to reach 8.2 million people.

This study strikingly documents the keystone role of capital goods in the American economy and highlights the vast productive activity of this sector of the country's steel and allied industries and the large employment these industries create.

For the year 1952 capital goods accounted for $5.3 billion in machinery and other equipment, $12 billion of durable goods, $4 billion of motor vehicles and $12 billion of coal, natural gas and oil. This capital goods expenditures reached 15.2% of the nation's industrial production. Total capital goods employment in 1952 totaled 8.1 million, or 19.2% of the industrial labor force. This 12.8 million were engaged in manufacturing equipment, 19 million in construction activities, 10.8 million in wholesaling and 15.8 million in retailing. Thus, about one out of every five of the 42 million workers employed in this country in private, industrial enterprises is engaged in some form of capital goods activity.

The number of capital goods producing industries manufacturing equipment and machinery as well as those that employ more workers than any other similar groups of manufacturing industries, the study shows that no one industry dominates.

In fact, no single major group of commodities accounts for more than 15% of the total purchases of productive equipment.

Bliss & Co. Forming

Declarative Jan. 7 Bliss & Co. will be established at 120 Broadway, New York City. The partners in the new firm, which will carry on the business of Asphaltic and New York Stock Exchange, are Frank C. Bliss, W. H. Grous, Bliss & Co. general partner, and William W. Galsworthy, limited partner. Mr. Bliss was formerly a partner in Gilchrist, Bliss & Co.

Bruce King Opens

Bruce King is engaging in a securties business from offices at 33 West 60th Street, New York City.

Leavitt Opens Office

LAS VEGAS, Nev. — Elwin C. Leavitt, a member of the New York Stock Exchange, has opened an office at 416 Western Pacific bldg., and is employed by Las Vegas Underwriters, a group that intervenes in insurance that business from offices at 425 Fremont.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following changes:

Bendix & Co. is dissolving Dec. 31.

Sethner & Company is dissolving Dec. 31.

The Landry company retires from limited partnership in Baker, Pruett, Landry & Co.

### Indications of Current Business Activity

#### AMERICAN IRON AND STEEL INDUSTRY

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active</td>
<td>217,410</td>
<td>213,410</td>
<td>2,210,810</td>
<td>2,186,610</td>
</tr>
<tr>
<td>Percent of capacity</td>
<td>79.3</td>
<td>78.3</td>
<td>176.5</td>
<td>173.1</td>
</tr>
</tbody>
</table>

#### AMERICAN PETROLEUM INSTITUTE

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude production for domestic consumption (thousand barrels)</td>
<td>21,340,000</td>
<td>20,950,000</td>
<td>223,360,000</td>
<td>217,480,000</td>
</tr>
<tr>
<td>Crude production for export (thousand barrels)</td>
<td>3,640,000</td>
<td>3,350,000</td>
<td>40,740,000</td>
<td>38,750,000</td>
</tr>
<tr>
<td>Crude production for consumption of refineries (thousand barrels)</td>
<td>24,980,000</td>
<td>24,300,000</td>
<td>264,100,000</td>
<td>256,230,000</td>
</tr>
</tbody>
</table>

#### CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWSPapers

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total U. S. construction</td>
<td>728,920,000</td>
<td>716,920,000</td>
<td>7,289,200,000</td>
<td>7,169,200,000</td>
</tr>
</tbody>
</table>

#### COAL OUTPUT (U. S. BUREAU OF MINES)

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bituminous coal—domestic output (short tons)</td>
<td>201,060,000</td>
<td>198,060,000</td>
<td>2,912,000,000</td>
<td>2,888,000,000</td>
</tr>
</tbody>
</table>

#### DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE BANKS

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>128,000,000</td>
<td>125,000,000</td>
<td>1,280,000,000</td>
<td>1,250,000,000</td>
</tr>
</tbody>
</table>

#### Edison Electric Institute:

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (thousand KWh)</td>
<td>431,000,000</td>
<td>428,000,000</td>
<td>4,310,000,000</td>
<td>4,280,000,000</td>
</tr>
</tbody>
</table>

#### Failures—Commercial and Industrial—Dun & Bradstreet Inc.

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total failures</td>
<td>162</td>
<td>157</td>
<td>173</td>
<td>168</td>
</tr>
</tbody>
</table>

#### Iron Age Composite Prices:

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>438,000</td>
<td>435,000</td>
<td>43,800,000</td>
<td>43,500,000</td>
</tr>
</tbody>
</table>

#### Metal Prices (E. & M. J. Quotations):

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead—Wholesale price (m. t.)</td>
<td>21.00</td>
<td>20.00</td>
<td>2,100,000</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

#### MoDElS’S BOND YIELD DAILY AVERAGES

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>U. S. 5% Bond</td>
<td>3.72</td>
<td>3.71</td>
<td>3.72</td>
<td>3.71</td>
</tr>
<tr>
<td>Average corporate</td>
<td>4.75</td>
<td>4.74</td>
<td>4.75</td>
<td>4.74</td>
</tr>
<tr>
<td>Average mortgage</td>
<td>4.50</td>
<td>4.49</td>
<td>4.50</td>
<td>4.49</td>
</tr>
</tbody>
</table>

#### National Paper Board Association:

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grades received (thousand sq. ft.)</td>
<td>213,325</td>
<td>210,425</td>
<td>2,133,250</td>
<td>2,104,250</td>
</tr>
</tbody>
</table>

#### Stock Transactions—Round Lot Account of Order

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total round lots</td>
<td>1,021,000</td>
<td>1,011,000</td>
<td>1,021,000</td>
<td>1,011,000</td>
</tr>
</tbody>
</table>

#### Total ROUND-Lot Stock Sales on the New York Exchange and Round-Lot Stock Transactions for Account of Members (Thousands of Shares)

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total round-lot sales</td>
<td>1,021,000</td>
<td>1,011,000</td>
<td>1,021,000</td>
<td>1,011,000</td>
</tr>
</tbody>
</table>

#### Trade and Traffic:

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car loadings—Total tons</td>
<td>8,750,000</td>
<td>8,650,000</td>
<td>87,500,000</td>
<td>86,500,000</td>
</tr>
</tbody>
</table>

#### BALANCE SHEET OF U. S. BANKS—As at Jan. 19, 1932

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets—Reserve—Total deposits—All other liabilities</td>
<td>3,410,000,000</td>
<td>3,390,000,000</td>
<td>34,100,000,000</td>
<td>33,900,000,000</td>
</tr>
</tbody>
</table>

### The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

#### Total Round-Lot Stock Sales on the New York Exchange and Round-Lot Stock Transactions for Account of Members (Thousands of Shares)

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total round-lot sales</td>
<td>1,021,000</td>
<td>1,011,000</td>
<td>1,021,000</td>
<td>1,011,000</td>
</tr>
</tbody>
</table>

#### Ring-Bell Stock Transactions—For Account of Members, Except Order-Only Dealers and Specialists:

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total purchases</td>
<td>450,000</td>
<td>440,000</td>
<td>450,000</td>
<td>440,000</td>
</tr>
</tbody>
</table>

#### Wholesale Prices, New Series—U. S. Dept. of Labor

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average price index</td>
<td>100.5</td>
<td>100.5</td>
<td>100.5</td>
<td>100.5</td>
</tr>
</tbody>
</table>
Continued from first page

The Changing Stock Market

redistribution of our national income, and the Rea's top 5% has been whittled away until its share of the middle class has been created. In Wall Street terminology, this is referred to as the "adoption" of the segment of our population which, in the past, has held the most of the best gains in business. The present is being called the "carriage trade"-economy—which means a new stabilizing force has come into being for Wall Street. Now we have more home owners than for many years, and the trend has opened up tremendous new markets for everyday goods and services. The shorter work-week has meant new leisure for the masses—which has led to a boom in recreation, sports equipment, etc.

There's no need for me to emphasize the other factors which make this a New Era—one the historian will term the "Futuristic Fifty." For example, you're well aware of the implications of the "refashioning of our population centers,

... the decentralization of population and the necessity to off-set higher and higher housing costs... which contains evidence of the new mass psychology of the so-called "concentrated genius. For example, aluminum foil in kitchens now... a concept which was unknown six years ago... to the extent that it's now widely used to wrap cigarettes. Further, another characteristic of the future is that all types of aluminum products, have been accelerated through family... with the wrapping mat.

Another Side of the Coin

Consumerism in the physical realizations in their implication of a new and higher "floor" to the buying power of the owners of real estate in that less reassuring... America's 6.5 million shareholders.

For one thing, the securities markets have changed—witness the fact that the average amount of trading the owners of common stock of the market which is less reassuring... the average of 6.5 million shareholders.

Furthermore, the market of tomorrow's children will be customers in high schools rather than school seats. Indirectly, they will force their way and mine to many more houses today, as the population statistics indicate... in the future... for a tripling labor market is in prospect. This means a stimulus... even new section devices—and the redistribution of our national income should... be able to finance the market. Thus, the appliance market has the benefit of a new, and "normal.

Incidently, people mostly make the mistake of thinking refrigerators... and vacuum cleaners are synonymous of the entire... in actuality, however, the trend is... the revolution in American living's habits is... to capture a tremendous... for many products. More babies, more automobiles, more houses... house more expensive... as the cost of bare... old age that a good insurance policy does... assumption and speculation. After all, this nation has grown to its present stature as a result of the Cold War calculation risk—which means influence... average security buyer seems to recognize... illusion of the future, whether it be immaterial, or fanning—which is ridiculous. It has been achieved, however.

The net result of the foregoing picture is that the type of stock market—one where the security's... the concentration of... that the market potential threat. You and I... individuals would be able to come up with a calculated risk—are not con... by the fact that the appearance of the analysts most represent smaller companies. We know that risk is... is, in fact, being capitalized by the average investor... that the principal and the investment in industrial... it is sufficient to cover costs with coal.

Then began research for the purpose... by means that might be to long-range for those who currently must produce—no matter what the competitive development at work. The new approaches we expect to use as compared to the old are not... a reactor for... reactor, the output... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

Research to Reduce Costs

As explained before, we found that one of the reasons of not being obliged to do something to improve the conversion... to clear to produce power at an... to the basic determination... of interruptions and the investment cost reduction... it is possible to lower... at costs competitive with coal.

Then began research for the purpose... by means that might be to long-range for those who currently must produce—no matter what the competitive development at work. The new approaches we expect to use as compared to the old are not... a reactor for... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

Continued from page 12

Industrial Atomic Energy

of direct conversion and solar energy, we were ready to treat with... other development problem that deals with... extreme toxic... is in... to a self-regulating reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.

We must close the nation's competitive position. We are not nearly as far as the breeder reactor. Such a reactor multiplies... reactor with a breeder... reactor is... reactor, the output... a factor in the uranium... available... only that 1/10 part of natural... the fuel to attain a higher... reason it can hardly be found on the map.
blocks of power (2,000,000 kw) for the purpose of producing enriching high grade fuel. There would be a large demand for power. As a result of putting power long distance costs much more to produce the power at the point of use.

Wants No Government Subsidy

Adding up all these new approaches to power, it is obvious that a plant should arrive at a plant that will not receive government subsidy, but, instead, will pay taxes on profits.

If the proposed reactor developments, all we can say is that we plan to produce reactor development and refinement into much more difficult but also more simple and economically rewarding.

All that can be said about the future is that the three years for a plutonium-producing plant, and the next first, and step to one based on the last step of development in the second place, ... if nothing interferes.

Industry Should Have Greater Share in Nuclear Development

Continued from page 13

This has been the history of reactor development. In fact, the great scientific development. In atomic energy, the last 11 years has shown us so often that what we believed was impossible or long range was, in reality, possible. If this is true, it would be a sad mistake to discourage this kind of development.

Some may say that if only we have enough sodium and other things, the government's apron strings, we will be able to get into the field. But it does not look as if that will be true. The beauty and fascination of valuable material must be considered, but too often because of its top priority role in the government's program, the management simply cannot afford to carry out the program. For example, it is unlikely that we can open up the government completely for a public auction.

Thus, because of its Siamese twin characteristics of spending out of security regulations, are made in the government and industry. And it will mean added expense to industry. It is

IV

Please do not misunderstand our motivating motives in rejecting these administrative costs, and we also use a dumping tax to another country. The industry and in the Commission to get into the field of nuclear power and other applications of atomic energy that promise rewards for industry. We are just trying to present realistic facts that will help this country's future. This main thesis is that, at this time, the government and industry need freedom to manage and work out solutions to the several questions of the state of flux. I hope we have proved that no other reactor has been applied to the question of how to determine the responsibility of the government, for example, for the location of privately owned power plants and how the problem will be carried out. I am confident that the Atomic Energy Commis.

The protection of plant workers is of utmost importance. As long as we are working in plants today is not denied the threat of 2% addi.

We are building some big reactors in South Carolina not too far from the city of Augusta. Private industry faces the problem of a billion dollar bill will not be sustained by a nuclear reactor, but only to be a part of an unnecessary amount of labor.

A single slug of enriched uranium ready for insertion in a reactor will take more than a fourth of the world's supply of natural uranium. We hope the Department of Energy is fully aware of the situation.

The safety in a reactor is a fundamental individual right, now that the world has passed the age of the written constitution. The safety record in reactor plants is phenomenal. But it has cost a lot of time and money to get to that point. Can we afford a reactor with safety standards?

We can carry out the work in close cooperation with the insurance companies and industry.

What about the pricing of goods and services? We cannot have a safely based on what we believe is right or wrong. We cannot have a safety regulation that will assure us of a properly and reliable reactor? Can the industry ask the government to protect them and private companies? That is the job of the government. The industry will not just have to hold of some of ours to study their own safety, to put together, to cladding we use, etc., to make these slugs perform most efficiently and productively.

The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records.

The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records.

The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records.

The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records.

The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records. The people who handle these slugs must have special knowledge or property of the storage and accountable records.


Investors Mutual, Inc., Minneapolis, Minn.
Dec. 23 (letter of notification) 10,000 shares of cumulative preferred stock (par $100). Price—At par ($100 per share). Proceeds—To pay expenses of organization. Underwriter—None.

Lowrider Gas & Electric Co., Inc.
Dec. 14 (letter of notification) 40,000 shares of cumulative preferred stock (par $100). Price—To repay bank loans and for working capital. Underwriters—To be determined by competitive bidding. Probable bidders—Piper, Jaffray & Co., Inc.; Lehman Bros. & Co.; Wells, Barlow & Co. (jointly); Harbison Ripley & Co. Inc.; Solomon W. Tetlow & Co. Proceeds—To be received not later than 10 a.m. (CST) on Jan. 19.

Kaye Jewelry Stores, Inc., Washington, D. C.
Sept. 28 filed 672,746 shares of capital stock (par $1) to be offered for subscription by holders of 71 stock corporations which operate 83 retail credit jewelry stores. Underwriter—None.

Key Corp., Miami, Fla.
Dec. 22 (letter of notification) 300,000 shares of class B common stock (par $1) for $100,000. Price—To be fixed by directors. Proceeds—For working capital. Underwriter—None.

Kaye Keytrust Co., Miami, Fla.
Dec. 22 (letter of notification) 300,000 shares of class B convertible preferred stock (par $1) for $100,000. Price—To be fixed by directors. Proceeds—For working capital. Underwriters—Blyth & Co., Inc. and The First Boston Corp., New York. Underwriter—None.

Kaye Keytrust Co., Miami, Fla.
Dec. 22 (letter of notification) 300,000 shares of class B convertible preferred stock (par $1) for $100,000. Price—To be fixed by directors. Proceeds—For working capital. Underwriters—Blyth & Co., Inc. and The First Boston Corp., New York. Underwriter—None.
American Louisiana Pipe Line Co.
Nov. 10, company, a subsidiary of American Natural Gas Co., and Western Power Co., to authorize construction of a 130,000,000 pipe line, to be financed by issuance of $75,000,000 first mortgage bonds, $2,000,000 of which will be sold to underwriters, at a price of $100 per bond, the latter to be sold to public.

Atlantic Electric Co.
Nov. 9, company is planning to issue $50,000,000 of new common stock at par or higher, to be offered to underwriters, at a price of $10 per share, for work in drilling, surveys and working capital.

Underwriters

United Merchants & Manufacturers, Inc.
Oct. 7 filed $74,521 shares of common stock (par $1). Price—At $22 per share. Proceeds—For working capital.


Wallace Container Co. (1/6)

West Coast Pipe Line Co., Dallas, Tex.
Nov. 20 filed 1,132,000 shares of common stock (par 50 cents). Price—To be supplied by underwriters. Proceeds—For working capital. Office—Dallas, Tex. Underwriter—None.

Western Casualty & Surety Co. (1/19)
Dec. 18, company offered 30,000 shares of common stock (par $5) to be offered for subscription by stockholders on or about Dec. 19, 1955, to be sold to one new investor. Proceeds—To be used for working capital. Price—To be supplied by underwriters. Office—Fort Scott, Kansas. Underwriters—Kidd, Peoples & Co., New York, and Prescott, Wright, Snider Co. Kansas City, Mo.

Western Empire Petroleum Co., Ogdens, Utah

Wilson Organic Chemicals, Inc. (N. J.)

Wyoming Oil Co., Denver, Colo.
Co.: Union Securities Corp., Salomon Bros. & Hutzler and Merrill Lynch, Pierce, Fenner & Beane (jointly);

Dec. 16 It was reported company may issue and sell $12,000,000 of first mortgage bonds due 1984. Proceeds,—For construction program. Underwriters,—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Lehman Brothers and Blyth & Co., Inc. (jointly); Kuhn, Loeb & Co.; Gore, Foreman & Van Tine; The First Boston Corporation; Harriman, Rogers & Co., Inc. Bid.—Tentatively expected to be received in Feb.

Metropolitan Edison Co. Dec. 16 It was reported company may sell in about 1984 about $100,000,000 of industrial development bonds for new construction program. Underwriters,—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Lehman Brothers and Blyth & Co., Inc. (jointly); Kuhn, Loeb & Co.; Gore, Foreman & Van Tine; The First Boston Corporation; Harriman, Rogers & Co., Inc. Bid.—Tentatively expected to be received in Feb.

*Missouri Pacific RR. (1/7) Bids will be received by the company at its main office, St. Louis, Mo., up to noon, Thursday, Jan. 10, 1955, for $5,000,000 equipment trust certificates, series WW, Probationary holders: Halsey, Stuart & Co.; Salomon Bros. & Hutzler.

+ Missouri Public Service Co. Dec. 16 It was announced company plans to issue and sell $14,000,000 of common stock and borrow $18,000,000 in connection with proposed acquisition of 1,500,000 shares of common stock of Gas Service Co. of Kansas City, Mo., at a total cost of $22,000,000. Follow¬ing the acquisition of the Kansas City, Mo., company, it is planned to sell $18,000,000 in bonds and debentures of the Kansas City, Mo., company. Underwriter,—For stock: Kidder, Peabody & Co.

* Missouri Valley Gas Co. (2/10) Exhibits.—For the purpose of tentatively plan issue and sell $5,500,000 of 20-year first mortgage bonds. Under¬writer,—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Beane; Union Securities Corp. (jointly). Bid.—Tentatively expected to be received on or about Feb. 10.

New Jersey Power & Light Co. Dec. 16 According to the company, it is planning to issue and sell $16,000,000 electric generating plant to be constructed in Delaware, Colo. Underwriters,—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Beane; Union Securities Corp. (jointly). Bid.—Tentatively expected to be received on or about March 15.

Public Service Co. of Colorado Dec. 16 It was reported company plans to issue and sell an issue of $15,000,000 first mortgage bonds due 1984, early April. Proceeds,—For construction program. Under¬writer,—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Beane; Union Securities Corp. (jointly). Bid.—Tentatively expected to be received on or about March 14.

Southern California Edison Co. Dec. 16 It was announced company plans to sell to its stockholders a first mortgage bond maturing January 1984. Proceeds,—For reacquiring First National Bank of Los Angeles, Calif. Underwriter,—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Beane and Union Securities Corp. (jointly). Bid.—Tentatively expected to be received on or about March 15.

North Shore Gas Co. (Mass.) Dec. 16 It was announced company plans to sell in about six months about $3,500,000 of mortgage bonds which have been planned. Underwriter,—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Beane and Union Securities Corp. (jointly).

Northern Illinois Gas Co. See Commonwealth Edison Co. above.


Pacific Telephone & Telegraph Co. Dec. 16 It was announced company plans to issue and sell to its stockholders $1,000,000 additional shares of capital stock on a 1-for-7 basis. Price.—At par (100 per $). Proceeds,—To repay bank loans. Underwriter.—None. American Telephone & Telegraph Co., parent, owns 81.25% of outstanding stock. Bid.—Offering not expected until the early part of 1954.


Commercial Securities Co. Dec. 16 It was announced the company plans to sell about $3,000,000 of common stock of the company. Proceeds,—For the purpose of acquiring a certain type of bonds which the company would calculate to repay bonds of the company. Underwriters,—For debentures to be determined by Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; White, Weld, & Co. and Stone & Webster, Inc.; Brothers, Harriman and Co., Inc.; Lehman Brothers; Blyth & Co., Inc. and Smith, Barney, & Co. (jointly). Bid.—Tentatively expected to be received on or about March 14.

Southern Power & Light Co. Dec. 23 It was reported company plans to offer in March, 1955, about $200,000,000 of common stock and in May, 1954, approximately $25,000,000 of first mortgage bonds. Underwriters,—For debentures to be determined by Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; White, Weld, & Co. and Stone & Webster, Inc.; Brothers, Harriman and Co., Inc.; Lehman Brothers; Blyth & Co., Inc. and Smith, Barney, & Co. (jointly). Bid.—Tentatively expected to be received on or about March 15.

Building Up the Roster With the filing before the Consolidated Gas Co. of registration to cover some $20,000,000 of new preferred shares, the number of companies ready for whatever business issue faces is growing.

Already Consolidated Gas of New York has $35,000,000 of first mortgage bonds due up for bids on Jan. 6 and Atlantic Electric Co. has $35,000,000 of 13-year debentures due on the market the same day.

Meaningful W. C. Muldownen, president of the Consolidated California Electric Co., which has done extensive financing for con¬solidated gas companies, had written a letter to obtain about $50,000,000 more from new securities in the year ahead.

Gustave E. May Gustave E. May, partner in McKeel & Co. of Pittsburgh, passed away Dec. 21st.

The seasoned investment mar¬ket set rounded out the current year with far fewer issues from the list than the calendar would indicate. The season of funds seeking employment is at an end for the time being, with a number of funds seeking employment in the investment market. Such a development, it is argued, could only prove beneficial to the economy and, accordingly, lower yields.

Some go so far as to predict that Treasury bonds from 3.05% to 3.25% yield basis could become the rule. Such yields would range from 2.90% to 2.95% with Double A ratings mov¬ing up from 3.35% to 3.40%.

Clean Slate for 1954 Gustave E. May, president of Consolidated Gas, wrote with that in mind. There is nothing in the way of inventory left over from new underlings which the company expects will hinder their preparation for whatever business issue faces.

Judging from reports of clearing houses and brokers, the market is ready for whatever business issue faces.

Building Up the Roster With the filing before the Consolidated Gas Co. of registration to cover some $20,000,000 of new preferred shares, the number of companies ready for whatever business issue faces is growing.

Already Consolidated Gas of New York has $35,000,000 of first mortgage bonds due up for bids on Jan. 6 and Atlantic Electric Co. has $35,000,000 of 13-year debentures due on the market the same day.

Meaningful W. C. Muldownen, president of the Consolidated California Electric Co., which has done extensive financing for con¬solidated gas companies, had written a letter to obtain about $50,000,000 more from new securities in the year ahead.

Gustave E. May Gustave E. May, partner in McKeel & Co. of Pittsburgh, passed away Dec. 21st.

The seasoned investment mar¬ket set rounded out the current year with far fewer issues from the list than the calendar would indicate. The season of funds seeking employment is at an end for the time being, with a number of funds seeking employment in the investment market. Such a development, it is argued, could only prove beneficial to the economy and, accordingly, lower yields.

Some go so far as to predict that Treasury bonds from 3.05% to 3.25% yield basis could become the rule. Such yields would range from 2.90% to 2.95% with Double A ratings mov¬ing up from 3.35% to 3.40%.
A More Varied Pattern in the Canadian Landscape

provisions and "a progressively, vig¬
orous and constant relaxation of its
pruning." To this canadians would add
the prayer that these and similar au-
thoritative foundations will bear fruit in
action.

Canada's Responsibilities
May I again quickly add that in mak¬
ing our case for the value of "Canada's
own respon¬
sibility," we are not a great creditor na¬
tion. Our imports of goods and services have been sizable, and indeed this year have somewhat ex¬
ceded our exports. canada has done a
great deal. I consider, too, that the proviso demands we  inaugurate for the products of other na¬
tions by reducing impediments to the freer flow of goods and currencies and I am confident that we can see our way to this end Without delay.

But we must do more. We must see to it that a "Canada" continue to be, as they have become in stature, a great and good value. This is much more than a matter of policy. It is a charge on Canadians in general, and on labor and management in particular. It is an im¬
cency and to exercise moderate rest¬
raiment of price levels. It is a price task. It is clear in the context of both home and abroad, and at home, the test will be the price tag.

Constrictive Banking
Finally, perhaps it would not be amiss to recall briefly the role of a Canadian bank to say some¬
ting about banking. Banking in Canada has not been constrictive for a very long time. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for pro ducts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod¬
ucts of constrictive character. In a growing country the demand for prod comforting...
ECONOMIC ANALYSIS

Interested in connection with financial institution, investment banker or broker, or industrial corporation.

Varied experience includes writing for top financial and brokerage firms, as well as serving as a university teacher, and chairing of commerce service.

No marital ties to interfere with relocation and/or employment.

Please write Box S-1112 Commerical and Financial Chronicle, 25 Park Place, New York 8, N. Y.

Mitchell Whitmer Admits

Mitchell, Whitmer, Watiz & Co., 14 Wall Street, New York City, members of the New York Stock Exchange, on January 14 will admit legalization of the tax structuring into line with what now is instead of allowing to remain in force the tax reductions schedule for early next year. Somebody might deviate a better tax treatment than we now have, but the experience of recent years has shown that the controversies and the attendant effects will not distract us from more important problems.

However, I think that the Excess Profits Tax should be utilized for further productive effort. To obtain more revenues if defense expenditures should be increased, renewed, and more vigorous efforts should be made to reduce the gap between the view of the likely situation over the next year, unless defense expenditures were to be increased by many millions of dollars, we would get nothing in return.

Somebody might deviate a better tax treatment than we now have, but the experience of recent years has shown that the controversies and the attendant effects will not distract us from more important problems.

In the perspective of this consideration, we have to turn to the broad out the open market financial policy. I shall deal only with these lines, partly because I am not in the details of this matter, and partly because I believe that the facts are far less important than the more basic economic considerations which I have already brought to the fore. I have said that a rise in the national and the people's standard of living is now a matter of controversy tax matters next year as to become distracted from the underlying, important issues of national security and economic policy. A national budget must come as the by-product of national and economic progress. If we do nothing but try to balance the budget, we shall not balance anything.

On the expenditure side, it is my belief that expenditures for purposes other than national defense are now an inevitable minimum, and that some types of prime resource development might even be increased somewhat to provide a more ample base for national growth. With respect to the defense side, I have been an expert and have never claimed to be adept in this field, but it is my opinion that it should be done. With the present tax structure, we have to pay out the tax reduction schedule, and even if this tax structure, our basic economic policies have to be directed toward maintaining the balance of employment and production, for only by the contraction in every way we can with increasing case a check on the economic burdens of this situation and then insist that we have the economic strength to do this and maintain the present and prosper at the same time.

If defense expenditures should be substantially increased, and if we do not seem to me desirable to adopt any legislation changing the tax structuring into line with what now is instead of allowing to remain in force the tax reductions schedule, for early next year. Somebody might deviate a better tax treatment than we now have, but the experience of recent years has shown that the controversies and the attendant effects will not distract us from more important problems.

In the perspective of this consideration, we have to turn to the broad out the open market financial policy. I shall deal only with these lines, partly because I am not in the details of this matter, and partly because I believe that the facts are far less important than the more basic economic considerations which I have already brought to the fore. I have said that a rise in the national and the people's standard of living is now a matter of controversy tax matters next year as to become distracted from the underlying, important issues of national security and economic policy. A national budget must come as the by-product of national and economic progress. If we do nothing but try to balance the budget, we shall not balance anything.

On the expenditure side, it is my belief that expenditures for purposes other than national defense are now an inevitable minimum, and that some types of prime resource development might even be increased somewhat to provide a more ample base for national growth. With respect to the defense side, I have been an expert and have never claimed to be adept in this field, but it is my opinion that it should be done. With the present tax structure, we have to pay out the tax reduction schedule, for early next year. Somebody might deviate a better tax treatment than we now have, but the experience of recent years has shown that the controversies and the attendant effects will not distract us from more important problems.

In the perspective of this consideration, we have to turn to the broad out the open market financial policy. I shall deal only with these lines, partly because I am not in the details of this matter, and partly because I believe that the facts are far less important than the more basic economic considerations which I have already brought to the fore. I have said that a rise in the national and the people's standard of living is now a matter of controversy tax matters next year as to become distracted from the underlying, important issues of national security and economic policy. A national budget must come as the by-product of national and economic progress. If we do nothing but try to balance the budget, we shall not balance anything.

On the expenditure side, it is my belief that expenditures for purposes other than national defense are now an inevitable minimum, and that some types of prime resource development might even be increased somewhat to provide a more ample base for national growth. With respect to the defense side, I have been an expert and have never claimed to be adept in this field, but it is my opinion that it should be done. With the present tax structure, we have to pay out the tax reduction schedule, for early next year. Somebody might deviate a better tax treatment than we now have, but the experience of recent years has shown that the controversies and the attendant effects will not distract us from more important problems.
WASHINGTON... ... Behind-the-Scene Interpretations from the Nation's Capital

WASHINGTON, D.C. — The President's housing advisory committee report of a week or so ago is rated as worth a long and careful study.

This is not because the report as such is a policy-making document. It is neither the program of the President nor of its chairman, M. Cole, No. 1 man in the Federal housing setup, Some of Al Cole obviously does go for, and Mr. Eisenhower probably wasn't wild over.

In a few days they will begin to look at the report and to come out with the unofficial "State of the Union" fireside chat by the President' next Wednesday. Maybe more will come out at the official fection of the "State of the Nation" Monday. It will come a week from today.

Some of the ideas in the report may be adopted by the Congress in the new session. Congress may well modify the report's ideas will be ignored. Nevertheless, this report is expected to have a vast long-term significance not merely to home builders and mortgage lenders, but to the entire investment structure.

This is because the report, even if it doesn't quite mean to present an immediate solution. That direction is a vast, almost limitless housing development program by the Federal governments. It would mean no housing except for perhaps the filthy rich. Its significance is that it would mean an increase in the amount of mortgage money that can be lent even more than would be lent today. The Federal subsidy, direct and indirect, would be extended. Its further long-term significance is that the housing industries—wheat, butter, tobacco, etc., augmented by the economic law of supply and demand, the market says there is a housing boom on the way.

Government Is Deep in the Heart of Housing

Almost from the beginning, Government is deep in the housing business. The Veterans Administration guarantees 95% of mortgages on small homes more than $1,000, home mortgages of $11,300, home mortgages of $11,300, home mortgages up to $21,500. The guaranteed portion of this sum is a tidy little $11 billion or so.

Then FHA is in the housing business with $17.5 billion of insured loans outstanding. Already some 357,000 units of public housing have been built, like the money, is on their way to the Treasury for refund. These are "low cost" (meaning that the return to the beneficiary) units costing about $16,000 per unit, or an aggregate of around $3.3 billion, of which the Treasury pays 90% through an accepting and loan guarantee agency. Another 200,000 public housing units are waiting at the gate for the money.

This is forgetting about a couple of hundred thousand units, more or less, of War III housing built by the government, and 13,000 units of "slum clearance" building, building, or to be built.

There are also 100,000 "sweat" "sweat" units of the "sweat" housing, which will probably entail a government guarantee of some $800 million of mortgage credit. Under the Slum Clearance and Urban Rehabilitation programs of 1949 there is another complicated skein of loans and grants to disguise the fact that the Federal Treasury pays for most of all slum clearance. There is another very minor aspect of this matter of the nature of the book for about $20 million.

"Making It a Better Program"

So when the Eisenhowe...r Administration came in, the President set up this housing advisory study to try to organize all these manifold activities into a "better" and "integrated." Testing program. They came up with some recommendations which literally are pleasing to private-enterprises, lend...r, and conservatives, to wit:

One of these is a declaration that in effect, private enterprise should replace subsidized housing, 5% to 15% of the capitalization. This is the reason why FHA be given authority to insure 100% loans for 40 years to construct low-cost housing. This is the reason why FHA should be released from the unpleasant task of putting the Federal government in a mortgage, under conditions on cost per unit, that FHA would have to bid the very poor man's market. Maybe this could replace public housing.

Second, the Committee proposes that the Federal National Mortgage Association, which pumps direct Treasury funds into the market for insured and guaranteed mortgage loans, be abolished. The Committee would set up a private mortgage corporation allegedly capable of existing on the cash flow from the Federal mortgage program.

Third, the Committee would do away with the financial nonsense of a politically pegged interest rate on guaranteed and insured loans.

Fourth, all aid to public housing and for slum clearance would be held down except where cities developed slum clearance programs are not called "a master plan" for dealing with all their entire problems of housing.

Fifth, the presumption is that the Federal Government's local participation financially in slum clearance and urban rehabilitation is now the fact, disregarding the hocus pocus current practiced.

Sixth, and finally, the Committee recommended other restrictions on housing benefits, especially the ending of the Defense Housing Act.

Make It Worse

All this looked wonderful to the lenders and conservat...es. This might have been the way to save the public housing and the substitution of a private enterprise arrangement there. The words about private enterprise are timely to hear. It would be great not to be pilloried for not making mortgage loans at a rate pegged politically below the market.

So they signed. And here is what they also signed:

(1) A declaration, harmless or otherwise according to the mood of politicians (and it isn't meaninglessness) that the government is committed to a large volume of housing construction. This is, of course, only the formal state of what has become an accepted political fact.

(2) An enormous extension of the government guarantee system under FHA, longer terms, easier down payments, and so on.

(3) This is perhaps the outstanding feature of the report. In place of the present Slum Clearance and Urban Rehabilitation program, the Committee proposes a new "Urban Renewal Administration."

It is so much more than a change in the name. At the present time public housing is limited by the fact that 90% of the cost in actuality is Federal. Not so the "new" Mincro-Administration. The cost of slum clearance is Federal, even if additional subsidized "excesses" are removed from Federal cost.

Hence even an inflation-minded, spending Congress is likely to look upon the largesse to a comparatively insignificant, almost negligible, above average. The population for there are competing political objects upon which to expend manufactured credit.

What the Committee proposed was a whole new deal, in effect. The "Urban Renewal Administration" would greatly broaden its loans and grants. These would not merely be for the clearing up of slums. This would be also for aiding municipalities to "revitalize and rehabilitate" areas "worth saving." They would be for loans and decisions! Should we emerge with Backdoggle? Should we increase our dividend? Should I change the heavy underwear?"

FOREIGN SECURITIES

CARL MARKS & CO INC

FOREIGN SECURITIES SPECIALISTS

50 BROAD STREET - NEW YORK, N.Y.

TELEPHONE NY 8-1791

RELACIÓN DE ACTIVIDADES

Oficina de la Dirección General

MANUFACTURER 

20 Post Office Square, Boston, Mass.

Tele. M. 1280-1996

F. W. Archer Openings

Own Offices

IHHINGHAM, Mass.—F. W. Archer has opened offices at 107 Main Street to engage in a securities business. Mr. Archer was former... manager of the domestic securities division for the Keystone Company of Boston.

BUSINESS BUZZ

What Will Happen

What in fact will happen ultimately, if not in 1954, is that this housing report will be cited as an argument for a vast extension of Federal housing, the Federal guarantee of FHA loans, and in case of a business decline.

There is little chance that Congress will approve "flexible" or politically unpegged interest on government-sponsored loans. There is also little chance that the Federal Reserve will, simply on the strength of its having come back in 1953. More liberal FHA loans will only prove feasible if the manufacture of credit is resumed on a large scale.

In other words, Congress will not eat the cake but then eat the spinach. But the report's outline of cake is the recipe for the long-term future, and some of it may be baked in 1954.

HAPPY NEW YEAR TO ALL!

(This column is intended to reflect the "behind the scenes," interpretation from the inside of the Federal Reserve Bank of Dallas, and may or may not coincide with the "Chronicle's" own views.)

Republic of Chile

Dollar Bond Exchange Offer Extended

In accordance with Treasury Department instructions to the government of Chile, dated Dec. 14, 1953, notice has been given that the offer of exchange will be extended, dated Dec. 7, 1948, to holders of dollars bonds and certif...s for acceptance until Dec. 31, 1954. Holders of dollars bonds who desire to accept the offer should deliver their bonds together with the forms of acceptance and transmittal to the Fiscal Agent of the Republic, Schroeder Trust Co., 57 Broadway, New York, N.Y., New York. Copies of the offer and of the form of acceptance and transmittal may be obtained from said Fiscal Agent.

F. W. Archer Openings

Own Offices

IHHINGHAM, Mass.—F. W. Archer has opened offices at 107 Main Street to engage in a securities business. Mr. Archer was former manager of the domestic securities division for the Keystone Company of Boston.

RIVERSIDE CEMENT COMPANY

Glass & (Ozone) Stock

• Selling at about 4½ times 1952 earnings (58%).

• Anticipated 1953 earnings about $6.

• Anticipated 1954 earnings about $7 (because the Company will be a larger unit).

• Selling at about 4 times anticipated 1954 earnings.

• Most stock is now selling at 8-12 times earnings.

Available at around 25.

Send for Report T-31

LETTER & CO.

10 Post Office Square, Boston, Mass.

Tele. M. 1280-1996

Tel. BS 89-00