EDITORIAL

As We See It

The Administration and the American public are now beginning once more to learn some of the facts of life about budget making and fiscal management. A number of Republican politicians have been inclined to pin their feathers of late about an approaching balanced budget, and even tax reduction without deficits. Debt reduction seemed to be foreign to their thoughts, probably since that has little voter appeal supposedly, but a boiling prosperity—much to their surprise—was and is producing revenue in an abundance not experienced for a good while past. Employment of a resulting (hoped for) balance or better in the budget figures to promote tax reduction seemed to them to be almost ideal strategy for an election year.

Then came along some of the soberer elements with the suggestion that should a surplus really eventuate, it should be employed in reducing debt rather than in tax reduction at a time when inflation threatens in any event. Probably to the surprise of some of the dreamier politicians, influential members of both parties began to see it more profitably politically, as well as economically, to apply available funds to debt reduction rather than to tax reduction. But to many a balanced budget, and a prospective surplus, suggest neither debt reduction nor tax cuts, but rather greater generosity on the part of the national government.

An unfortunate concatenation of circumstances has of late tended to invite raids on the treasury, or at least to strengthen the hands of those who are predisposed to that tendency in any

Continued on page 29

“How Firm a Foundation”

By HON. W. RANDOLPH BURGESS*  
Under Secretary of the Treasury

Dr. Burgess says government’s concern is to maintain and strengthen the foundations of peace and prosperity. Holds there is no alternative now for either heavy military expenditure or high taxes. Lands policies of Alexander Hamilton, as the first Secretary of the Treasury, and affirms adherence to a sound and stable money, a central banking system; and a wide distribution of the national debt. Concludes any successful solution of the farm problem must follow the fundamental principles of freedom, integrity, and individual self-respect.

On behalf of the Treasury Department, I want to acknowledge specifically the aid that American Farm Bureau Federation has given to the sale of Savings Bonds. These bonds are one of the best means for encouraging thrift, which is so essential to our national growth. Their sale also spreads the national debt widely among our people, which is a sound fiscal policy. I have come here also to assure you of the interest and concern of the Secretary of the Treasury and his associates in the present problems of the farmers. There is today no subject receiving more unrelenting attention from all departments of Government than this situation.

I have, myself, spent many hours on the work of inter-departmental committees considering the export of farm products, which we are trying with some success to stimulate. You are, I know, all aware of the difficulties as well as the successes of that effort and its relation to our foreign policy. In the

Continued on page 24

*An address by Dr. Burgess before the Annual Convention of the American Farm Bureau Federation, Chicago, Ill., Dec. 14, 1925.

Are We Heading for Trouble?

By E. SHERMAN ADAMS*  
Deputy Manager in Charge of Dept. of Monetary Policy  
American Bankers Association

Recalling we had prophets of boom and doom in 1929, Dr. Adams holds we are not likely to have a collapse of the 1929 variety, because our economy is more stable than it used to be. Says, in 1918, we started a new chapter in our economic history and have moved into a new plane. Lays prosperity to exceptionally high production of durable goods, which has resulted in a huge expansion of debt. Looks for some inflationary trends in the general price level when farm prices are stabilized. Wants self-correcting tendencies are not always reliable, and Federal Reserve policy is not an efficient weapon for dealing with the present situation.

Many thoughtful persons in the United States today are wondering how long this prosperity of ours can continue. We see automobiles, and appliances of all kinds being produced in profusion and sold on terms that seem, in some cases, fantastic. We see people spending freely and going more deeply into debt. And in the background, the stock market has been zooming toward the stratosphere.

Is this rather hectic prosperity sound and enduring? Or is it flimsy—based too much on borrowing and other stimuli? Will the boom level off nicely into a period of stable growth? Or will there be trouble?

Our wives have a gift for phrasing the problem more dramatically, something like this: “People are spending like mad. Everybody is living on the month next. Everything

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*An address by Dr. Adams before the Bank Study Conference of the Michigan Bankers Association, University of Michigan, Ann Arbor, Mich., Dec. 8, 1925.
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 they to be regarded, as an offer to sell the securities discussed.)

JAMES C. MC Cormick

Analyst, Epper, Coger & Turner
Dallas, Texas

Although widely recognized as a competent engineering concern, the company is best known for its recent and highly specialized field of secondary recovery. This field, in which Tekoil has concentrated, its personnel is equipped to render the necessary service as a first step in the evaluation of this property as a water flood project, to appraise such a property's design and install a recovery program, and to operate a water flood project.

In short, the company is employed by the owner or owners of an oil field, until the "flush" stage of primary production to appraise their property as a water flood project. If this appraisal is positive and the installation of a secondary recovery project is recommended, the company's employment is continued through the design and installation of the recovery project.

In secondary recovery, however, the company will reduce its fee to those investors in the newly initiated secondary recovery project in lieu of the normal cash profit. In this way, the company has been able to control within narrow limits its taxable income and to maintain substantial equities in oil producing companies.

As was mentioned before, Tekoil, as a producer, specializes in secondary recovery methods.

The most used, cheapest and effective method of secondary recovery, at present, is to force water into an oil field in order to "flush" the oil previously left by oil production from the water held in the rocks, thus opening an additional public common stock offering.

Tekoil Corp. is, first, a petroleum reservoir engineering firm and, second, an independent producer of oil and gas.

The Engineering Division of Tekoil equipped to perform every petroleum and reservoir engineering service "from discovery to maximum recovery." The division has 46 employees, many of whom are engineers or technicians. Tekoil's administrative office is in Robinson, Ill.; and it maintains a engineering office and complete laboratory for core analysis in Oklahoma City, Okla. Executive offices will be opened in Dallas, Tex. 2.

Tekoil's Engineering facilities are designed to provide all field and laboratory services required by the petroleum industry. In short, to discover new oil and gas horizons and to produce maximum ultimate recovery from properties acquired, and required by institutional and individual investors, as well as the basis of their financial support of the petroleum industry.

Tekoil has been employed by many of the "major" oil companies in the Oil and Gas Industry. Some of its better known customers are: Texaco Oil, Continental Oil, and Carter Oil. In addition, the company numbers among its clients many well-known individual investors in oil properties as well as banks and investment banking firms from coast to coast.

This Week's Forum Participants and Their Selections

Tekoil Corporation—James C. McCormick, Analyst, Epper, Coger & Turner, Dallas, Texas

Procter & Gamble—Irvin F. Westheimer, Partner, Westheimer & Co., Cincinnati, Ohio (Page 2)

 purchase also included 3,050 acres of undeveloped leases and the property. The investment had been made by the company since its inception so, of course, is intimately familiar with all of the Kio properties.

Outstanding Management

President of Tekoil, is generally regarded as one of the most able younger men in the petroleum industry. He and parently possesses the magic combination of management attributes that enable him to make successful ventures. Davison has never been associated with a company that has not been extremely successful. Prior to the formation of Davison and Co., he was President of Coro Laboratories, Inc. During his Presidency, Core Laboratories present position on the board of the firm in the world. Prior to Davison joining in Tekoil's largest earnings for any one year were approximately $42,000, in four years under his management, the company's annual earnings reached $250,000, and the company's stock price increased.

Davison is very ably assisted by his brother, Kenneth, Vice-President of Tekoil and Chief Engineer of its Engineering Division, Kenneth Davison, the outstanding technical petroleum engineer in the industry and has an excellent record with such companies as TIDCO Laboratories, Warren Petroleum, and Magnolia Petroleum.

I believe that the combination of Bill Davison's business and engineering experience with his technical and managerial skill provide Tekoil Corp. with a unique team that ranks among the best in the business.

Teccl, in the opinion of this writer, offers the investor the unique opportunity to participate in the explosive oil production that is occurring at a risk that is considerably less than that of the average oil stock.

IRVIN F. WESTHEIMER
Partner, Westheimer & Co. & Company Members
New York Stock Exchange

Procter & Gamble

Five years ago I wrote, "The security I like best is that company security that Cincinnati likes best." As any Cincinnatian would indicate, I will have completed its acquisition of all the properties of the Kio Oil and Development Co. (American Stock Exchange). These properties consist of 75 producing wells in Illinois, Indiana, Louisiana, Oklahoma, and Texas. Present production is $486.95 per month, or approximately $58,952 a month. This acquisition will double Tekoil's present cash flow and increase proven primary reserves to approximately 500,000 barrels of recoverable secondary reserves to approximately 2,000,000. The purchase price is $1,100,000 all of which is being borrowed from a Dallas banking on an unsecured basis.

It is estimated that on one field alone in the Kio properties—the East Centerville Field—Tekoil will realize a net profit, after all costs, of $1,400,000 in 30 months. The
A Stock Market Forecast, And Issues That Look Attractive

By G. M. LOEB

PARTNER, E. F. HUTTON & CO.

MEMBERS, NEW YORK STOCK EXCHANGE

Stressing the risk of dollar depreciation in holding cash and evidences of debt, Mr. Loeb points out people have been warning of a return of the stock market since 1929, whereas the real danger was in the depreciated value of the dollar. Says it is not yet the time to expect a bear market, but arguments for a "bull market" are "more timely." Points out "we may now be near to the time when, after 13 years of change of investment policy will be called for." Halds stock selection is key to current investment problem. Lists some favorable individual and group issues.

I feel that the best time of the year to initiate a position is when the investment situation warrants. With stocks that are under selling pressure, as their lows, this may run from late November to early December. With the rest of the Dow Industrals it is more often a 1% increase in the other month except December and January.

This is particularly true this year. We have enjoyed a long and profitable bull market. Objectives set by many of us months ago for closing commitments have been reached and profits in individual issues are good. Business is good. Earnings are good. Dividends are good. Stock markets are good. Everyone is successful, prosperous and confident. Shareholders have broken all records. There is more buying than ever before. There is much borrowing of both buying and selling by brokers, who buy shares but to buy the goods that supply the corporations they represent. And the corporations are financing too, in order to increase their facilities or efficiency or both. So it makes one stop and wonder. What does an investor expect when he buys equities? Well, in the last 10 years the average income per person in 1949, adjusted, is 3.5% of all, 6.3% of all. So it is.

The Dow Industrials advanced 33.2% in 1934 and 33.3% in 1935 to date. In other words, to expect another high and surpass it before next year is expected a great deal. Let me put it another way. There are many people in this country who accept a very low interest rate on their savings from banks, bonds, investment, insurance and the like. They buy stocks which they believe to be "safety." They are foolish indeed, as the average rate of profit in the stock market works out at anything like recent rates.

So it makes one stop and wonder. To reduce recent high annual market gains to an "average" means offsetting losses somewhere along the line. They can be suffered by the individual to a much greater extent than the Dow average. The individual can own the wrong stocks. Or too many of them in the wrong time and too few at the right time. Nevertheless, the business and investment climate has been good for a very long time. So far this year, brokers' loans on securities advanced about 19%. Dealers' loans on securities advanced as well though I did not check the percentage. Odd lot customers bought about 9,000,000 shares more than they sold. It has been a year of bull psychology with a weakening of the technical factors.

Will the Bull Market Extend in '56?
The arguments for a bull market next year are rather terrific. They include some "new era" talk. The old idea of electiondreaming. That the idea is getting in and will get deeper. They are ideas that may pay off but they are ideas that involve increased risk. I think a dollar was always a dollar. We all can satisfied with your gains and sit on the sidelines a while. However, we should know a dollar is not always a dollar. To say there are powerful factors rooted primarily in human nature that tend to decrease the purchasing power of money. These factors are not constant, it is true. They wax and wane. But they have been in a rising trend for a long while now and what is more important, they promise to continue to ascend. This is the spot where I have to refer a statement that I feel I cannot repeat too many times. It is that one cannot be "saved" just by buying money or something first class that is a promise to pay back in money. The people who have been warning the public about the dangers of the stock market since 1929 have been warning against the danger. They have talked about being careful about hurricanes when floods are real causes.

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BRYM-TINTAIR INC.

Another Toni or Revlon?

Common Stock About $1.75 Per Share

• In 3 years, company debt reduced from several million dollars to $17,500... nonetheless has own liabilities.
• Arrangements with outstanding preferred paid, allowing dividends in common stock.
• Earnings in upward trend... expected in triple in 1956.

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McLEAN INDUSTRIES

CHESAPEAKE INDUSTRIES

SHAWANO DEVELOPMENT
Westinghouse Air Brake

By IRA U. COLEIGH

A current consideration of this vintage producer of railway equipment, and its prospects for improvement in market value and dividend distribution.

This is a glowing year for the railroads. Indeed, the results have now spilled over into a buoyant equipment buying program.

In the example, in November 1954, the New York Central sold $12 million for freight cars; and the Pacific has announced a $1 million rolling stock program. This is clearly leading to favors for some of the major equipment shareholders here while banking in the security of an extended ord of unbroken dividend payments.

The Westinghouse company has a few current breaks of a different sort in the form of better earnings and rising share prices.

For many, an empire for such companies has so long been extensive as to become almost a public investment, the results of recent years have appeared a little short on it's past experience.

For example, net sales of $145 million for 1954; and net income of $11 million in 1954; with per share net slipping by $1.59.

It is time, however, to start investing with a view to the future earnings, and that the best analysts have long tended, namely, that, over a period, another year's earnings would indicate a trend of share prices.

For the first nine months of 1954, per share net was exactly the same; while at the end of September 1955, the comparable result was $1.21. That is enough to start forward motion even in a soggy stock market. There's more good news, and, in the fullness of time, in the figures for the nine-month period, the 1955 annual dividend of $1.00 per share will be paid.

The comparison of the figures for 1954 and 1955, and the sharp increase in the dividend in 1955, is a reflection on the growing earning power of the company.


Announcement has been made that Mr. Lewis and Mr. Becker, who are partners in the New York City firm of management, have been associated with A. G. Becker & Co., New York City, as Manager of its public utility department.

Mr. Lewis has been active in the public utility field for many years and has been president of the American Society of Public Utility Securitie.

Milton F. Lewis

Manager of the public utility and real estate department for Ira A. Haupt & Co.

A. G. Becker & Co. has also engaged in the purchase of bonds to 60 and 70, where the new note holders would be paid in 10 year and part of the 19th Bonds.

With Peters, Walter

(Continued from page 244)

State of Trade and Industry

Steel Production

Electric Output

Retail Trade

Consumer Price Index

Food Price Index

Business Failures

Total industrial production for the nation as a whole is reported on Wednesday of last week was maintained at a high level. According to the data, the November increase in the level of the corresponding week last year.

As a result, the industrial production index increased 6%, with gains reported in 42 states. The most noticeable increase occurred in New York, due in part to a strong personal in the apparel, food processing and construction industries.

The United States Department of Labor, in the latest week, reported new seasonal increases in unemployment across the nation.

Elle workers' first claims for unemployment compensation rose to $7,200,000 in the week ending Dec. 20, the department's Bureau of Employment Security states.

Seasonal layoffs in food, apparel and textiles industries and work curtailments in construction due to bad weather were cited as causes for the rise in initial claims. A year earlier first claims totaled 3,144,000.

Industrial production slowed down less than seasonally in November and reached another new high on the Federal Reserve Board's index of industrial production.

The board said industry turned out goods at a rate of 146 of the 1947-49 average last month. This was a one point dip from the October peak.

The Board considered this slight dip from October to be less than seasonal as its adjusted index edged up to 144% from 143% in October. November's adjusted industrial production topped the year-old level of 141%.

Industrial production on the Board's seasonally adjusted index has been on the upswing since September of last year.

"Economic activity continued to increase in November. Industrial production, employment and incomes expanded somewhat and the rate of money expansion continued strong in November and early December. Industrial commodity prices declined 1.4% in November, and prices of farm products still declined again. Bank loans continued to expand, the Federal Reserve discount rate was increased again and short-term money rates rose further.

It will take more than a temporary lull in auto production to ease the pressure for metal. The cutbacks in Detroit will have no effect on the booming steel market, "The Iron Age," national metalworking weekly, states.

Auto producers may be pulling in their horns on high cost deliveries and larger volume of orders on the mills for more tonnage at regular prices. Auto producers in November 31, 1954, reported orders for 1956 models do not go well, the auto companies will shut down early to push 1957 models, this trade weekly adds.

A steel producer has warned its customers against channeling any of its stocks into scrap. The warning in the industry's "unorthodox" sources fascinates cancellation of orders still on this company's books.

This is the first time since Korea that any steel firm has felt it necessary to throw its weight against further growth of gray market activity, and represents another indication that just how desperate some fabricators are for steel, declares this trade authority.

Although the mills are producing at breakneck speed and will continue so as long as time out during this year, there will be a slight letdown during the Christmas and New Year holidays. This will tend to increase backlog and longer deliveries in the first quarter of 1956.

Although foreign countries are fighting their own steel production, some of it is coming into the United States at fancy delivered prices. Some export brokers are booked into second quarter on slate, ships and steamed. Volume isn't high because foreign mills have little to spare.

Mog steel users are worrying about their steel supplies. The steady supply of broiler steel, sale and use of second, heavy warehouse business and conversion all point to "emergency" conditions of steel supplies. Where production, just barely enough to continue to second quarter, concludes "The Iron Age."

In the automotive industry last week a big supplier's strike and general absence of Saturday scheduling combined to dip production. Production in the United States has shown a continuing diminution for the past year, 000,000 car year for 1955, "The Auto- motive News." published.

However, the 8,400,000th U. S.-Canadian built car since December 22, 1955, was expected to roll out of some plant the last Friday, "The Wall Street Journal.

The statistical agency pegged United States car building last week at 1,490,000 for the past week, 499 a week earlier. Truck production is estimated at 26,778 complements reflecting only a narrow drop from the week-previous volume of 27,700.

The wildcat walkout at Bud Co. early in the work week...
A Christmas Message

"Glory to God in the Highest and on Earth, Peace to Men of Good Will."

The Birth of Jesus Christ...

A ND it came to pass in those days, that there went out a decree from Caesar Augustus, that all the world should be taxed. (And this was first made when Cyrenius was governor of Syria.) And all went to be taxed, every one into his own city. And Joseph also went up from Galilee, out of the city of Nazareth, into Judaea, unto the city of David, which is called Bethlehem; (because he was of the house and lineage of David,) to be taxed with Mary his espoused wife, being great with child.

And so it was, that, while they were there, the days were accomplished that she should be delivered. And she brought forth her firstborn son, and wrapped him in swaddling clothes, and laid him in a manger; because there was no room for them in the inn.

And there were in the same country shepherds abiding in the field, keeping watch over their flock by night. And, lo, the angel of the Lord came upon them, and the glory of the Lord shone round about them: and they were sore afraid. And the angel said unto them, "Fear not: for, behold, I bring you good tidings of great joy, which shall be to all people. For unto you is born this day in the city of David a Saviour, which is Christ the Lord. And this shall be a sign unto you: Ye shall find the babe wrapped in swaddling clothes, lying in a manger." And suddenly there was with the angel a multitude of the heavenly host praising God, and saying, "Glory to God in the highest, and on earth peace to men of good will."

And it came to pass, as the angels were gone from them into heaven, the shepherds said one to another, "Let us now go even unto Bethlehem, and see this thing which is come to pass, which the Lord hath made known unto us." And they came with haste, and found Mary and Joseph, and the babe lying in a manger. And when they had seen it, they made known abroad the saying which was told them concerning this child. And all they that heard it wondered at those things which were told them by the shepherds. But Mary kept all these things, and pondered them in her heart. And the shepherds returned, glorifying and praising God for all the things that they had heard and seen, as it was told unto them.

St. Luke II, 1-21

Observations...

By A. Wilfred May

It is vitally important to exercise fully your privileges and duties as a shareholder as early as possible; and particularly since such fulfillment of your true role as a shareholder is a part-owner of a business, it is the wiser to spread as far as possible among as many of your fellow shareholders the information which is required of them.

Unfortunately, it is true, that the most powerful shareholder finds himself quite powerless, if not actually frustrated, in various ways. He is in position, in the first instance, in his company vis-à-vis a management which comprises his employees. This unfortunate situation is bound up with our general corporatist system, under which—first and most ably spelled out by Mencken, Horace, in "Modern Corporation and PrivateProperty"—management is effectively controlled from control. In most of these companies, the individual owning shareholder, who is part of the vast majority, has no voice in these decisions power over the managers, who usually belong to a small minority of the company's ownership.

Community Status

The role of the public in the corporate world is confused. In his states in the community—vis-à-vis government interventionism, as well as other community groups. In contrast to other members of society, as the farmer and laborer who are effectively combined in highly vocal pressure groups, the nation's millions of shareholders remain largely unorganized. So the stockholder is left as a faceless "man." The country's six million stockholders do not even get the solicitation for the shareholders' name in the form of large-scale trade associations, as NAM or its sister groups, the Chamber of Commerce.

Available Support

Nevertheless, there are available means to bring about a more intelligent voting procedure. Stockholders League concentrates on taking a stand on legislative matters, as taxation. The United Shareholders of America, with a membership of 4,000 members, effectively headed by Benjamin Javits, takes stands on legislative matters; occasionally expresses opposition to company abuses; on the other hand, demonstrating its fairness, gives merit awards to some leading companies.

Scrutinizing Company Manners

Stirring up of this public's interest in company happenings is nearing its meager degree, are a few independent stockholders, who use their efforts to stimulate things via active, aggressive, and determined action at the annual company meeting. Among the many, the author and John Gilbert, who represent scattered shareholder groups; and William Soule, President of the Federation of Women Shareholders, who represents a group of a company's "manner" and promotes a petition for their pet reforms; as the solution of meeting, cumulative voting, the affairs, the reform of the board of directors, more direction to the distaff side, and, of course, that old standby, management's own committee.

The Reasons for the Abusive Situation

This unfortunate position of the stockholder stems from a number of basic causes. There is the traditionally "Wall Street" demagoguery, lying the quantity of the press. The comparative ineffectiveness of the protective organizations is to some extent due to their long years of power. As a result, the management is yet able to "get a Big Name to head them," as well as to the fact that, in contrast to other community segments in business and agriculture, the investor is a shareholder only part time, as merely incidental to his full-time occupation.

"If You Don't Like It..."

And, then the shareholder becomes easily deluded with fictions about himself, such as is embodied in the "If you don't like it, change your stock." This credo, especially among such as low quarters (frequently of rationalization of inferiority) advocates that, by the inherent ability to actualize in the interest of the profit on the part of the company, the stockholder shall take advantage of the market place in order to change. Actually, to conduct one's own-shipownership, under the non-owning management, under such a philosophy, does one's self a gross insult. It is akin to a citizen agreeing to leave his country if he doesn't like what his public servants are doing. Incidentally, such an arrangement of dissidents' exit assure the corporate management of a permanent conforming stock ownership—a most convenient instrument for it, but hardly construcive in the community.

Possible Remedy

Considerable reducing of the shareholder concisely could be done. The big issues, therefore, are: (1) the these conditions, as the NAM or chambers of commerce, cannot influence their wings. Brokerage financial insight, when necessary, is an act on company affairs. Investment company management could go considerably further in participating directly in the affairs of the companies whose shares comprise their portfolios. If they dismiss or their vote, they are actually discharging their own shareholders. The proxy system, the basic technique of direct stockholder participation on new regulations and innovations. Suffice it to conclude here that every stockholder should vote his proxy—if possible, intelligently; but vote he must. If understanding is not present, it must be striven for.

Specific Issues

Let us review some of the specific issues involved in stockholder-management relations—all sharholders, directly or indirectly, by ownership-control segregation. There is the necessity for independence of the directors. Too often the managers dominate the board, instead of vice versa; with directors' meetings held by management and prone to backscratching.

Management compensation is a perpetual issue.some of it, sensationalism and demagoguery extrinsic to interest. Dividend policy is often a bone of contention. It is a matter regarding which it is difficult to eliciting good objective judgment. In fact, too, in the case of the management, the remuneration, the shareholder, realize for electing a company or society, is likely to be even more biased than the management. The stockholder, too, is interested in this: a structively and valuable instrument in the. of interest between management and shareholders must be enhanced and kept clean. For example, the option price at least must not be lowered too quickly; and finally, the stock market once has given. Otherwise it has compromised its purpose.

Remedy

There are several possible ways fundamentally to reform our directive system:

Cumulative voting could be universalized, thus promoting diverse representation.

The Board could be made up of three classes of directors: (1) management directors; (2) owners who have stockholding in subdivisions; and (3) independent businessmen accustomed to direct the efforts of the Board, and appraising their results. They would protect the non-directors.

The common stock is highly concentrative, therefore creating concentration of interest. But whether they receive pay or not seems to make a great difference in voting. If they perform with paid directors in England, the need for a community obligation to follow trustee behavior must be enhanced.

In any event, the most constructive path open to the stockholder is the achievement of a solution of his business ownership problem, fulfilling his obligation toward proper care of his capital.

We can perform a broader function. President Roosevelt, speaking to the Exchange last week said that "the expanding of share ownership is today one of the nation's most important long-range economic goals and is essential to raising the growth money needed by American industry to realize future plans." Surely such broadening of one's ownership should be encouraged by more intelligent, well-organized and mutually confidetant management attitudes and relations!

*This is the ninth installment on this subject written by the author in the course, "Your Investment Problems Toaday," New School for Social Research.

Quotation Tabulator Wanted

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Job. Please give full particulars in confidence. Box 51215, Commercial & Financial Chronicle, 25 Park Place, New York 7, N. Y.
The Business Outlook for 1956

By DWIGHT W. Michener

Economist, Chase Manhattan Bank, New York City

New York bank economist, asserting that it seems certain that 1956 will carry over into 1956, points out there may be danger in three closely related areas; viz: (1) consumer buying; (2) expansion of plant and facilities; and (3) the use of credit. Increased buying of durable goods, in particular, will be a problem. Thus, production in the American economy is now probably at the highest level that it has ever reached, and there is little, if any, evidence that boom forces will slow up of their own accord. The use of credit for goods was never higher in the history of the country. Wages continue to go up, and in view of the various matters which might tend to bring down the current prices of goods, the consumer will find it more and more expensive to buy things.

The rise in consumer demand has had a major role in the current expansion. In addition to the August and September, consumer spending has been rising rapidly in the fall. Consumer buying has been rising more rapidly than personal taxes after taxes.

Increased consumer purchases have spread over a wide range of items. The market for automobiles, for example, has been losing its price pressure, and the competitive pressure has been rising for consumer goods, such as furniture, to the point where it is difficult to find a durable good that is not expensive. The demand for consumer goods is now at a high level, and the prospect is that it will remain high for some time to come.

From the consumer’s point of view, there is good basis for the rise in spending. Employment is at a new high point. More women are working outside the labor force than there were during the wartime boom. Wages continue to advance, with the result that after-tax income is at a new peak. Wages continue to rise, in contrast to the recent change in the level of consumer spending. The consumer dollar goes as far today as it did a few years ago. In this position, it is to be expected that the consumer will continue to buy more goods and services.

The important point is that the consumer has been inclined to spend a larger proportion of his after-tax income than he did before the war, and that he has made a larger volume of credit in expanding his purchases than ever before. The extent of this increase in credit used by the consumer has been widespread. There are important questions to be considered, however. The important question is that there is little, if any, evidence that boom forces will slow up of their own accord. The use of credit for goods was never higher in the history of the country. Wages continue to go up, and in view of the various matters which might tend to bring down the current prices of goods, the consumer will find it more and more expensive to buy things.

Increased Demand for Consumer Durable Goods

All lines of consumer goods have been sold well, with the exception of automobiles. Despite the high level of consumer buying, How-
New York Stock Exchange Weekly Firm Changes

On Dec. 31, George A. Corson, member of the New York Stock Exchange, will retire from partnership in Adler, Coleman & Co. On Dec. 31, James W. Brooks, member of the New York Stock Exchange, will withdraw from partnership in Seyler & Lindley.

Transfer of the Exchange membership of Alfred E. Thuer to Oliver B. Henry, will be considered by the Exchange on Dec. 29. On Dec. 29 transfer of the Exchange membership of Thomas P. Powler to William W. Banneman will be considered.

On Dec. 29 transfer of the Exchange membership of Herbert J. Erdman to John H. Swift will be considered by the Exchange.

Name to Be Koerner & Co.
Effective Jan. 2, the firm name of Dammes & Koerner, 120 Broadway, New York City, members of the New York Stock Exchange, will be changed to Koerner & Co. Herbert P. Dammes will retire from the firm Dec. 30. On Jan. 2, Edward H. Byrne, Jr., member of the Stock Exchange will be admitted to partnership.

Cabell Hopkins Co.
To Be NYSE Member
COLUMBUS, Ga.—Cabell Hopkins & Co., Inc., Fourth National Bank Building, will become members of the New York Stock Exchange on Jan. 3. Officers will be W. Cabell Hopkins, President; and John H. Swift, who will acquire the Exchange membership, Vice-President.

Form First Houston Secs.
HOUSTON, Texas—First Houston Securities Corporation has been formed with offices in the San Jacinto Building to engage in a securities business. Officers are Reginald D. Crocker, President; Loren E. Brown, Vice-President; Alexander W. Head, Treasurer; and John L. Welsh, Secretary.

$13,250,000 City and County of San Francisco California

6%, 3 3/4%, 2 1/4% and 2% Various Purpose Bonds

Dated January 1, 1956

Principal and semi-annual interest (January 1 and July 1) payable at the office of the Treasurer of the City and County of San Francisco, in San Francisco, California, or at the Fiscal Agency of the City and County of San Francisco in New York City, at the option of the holder. Coupon bonds in denomination of $1,000, registerable only as to both principal and interest.

We believe these bonds are legal investment in New York for trust funds and savings banks and in California for savings banks, subject to the legal limitations upon the amount of the bond's investment, and are likewise legal investments in California for trust funds and for other purposes which may be invested in bonds which are legal investments for savings banks, and are eligible as security for deposits of public moneys in California.

The above bonds are offered when, as if issued and received by us and subject to approval of legality by Messrs. Orrick, Dallquist, Harrington & Satiloff, Attorneys, San Francisco, California.

**Due January 1, 1957-71, incl.**

Bank of America
The First National City Bank
Fidelity-National Bank
The Farmers National Bank
The Heritage Bank
The First National Bank
The Commercial Bank
The Continental Bank
The Bank of California
The Bank of America
The First National City Bank

Merrill Lynch, Pierce, Fenner & Beane
Weeden & Co.
Clare & Co.
Eldredge & Co.
Andrews & Wells, Inc.
New York Harcet Corporation
Friedman Savings Bank & Trust Company
Kaiser & Co.
Northwestern National Bank
Rockland-Atlas National Bank

Freeman & Company
R. D. White & Company
Lawrence, Levy & Williams
Stone & Youngberg
K. G. Edwards & Sons
H. E. Work & Co.
Irving London & Co.
Shomen, Agen & Co.

Kaiser & Company, Inc.
Schaefer, Necker & Co.
National Bank of Commerce
of Seattle
Incorporated
Incorporated
Incorporated
Incorporated
Incorporated

10th Avenue
Weedon & Co.
Clark, Dudge & Co.
Eldredge & Co.
New York Harcet Corporation
Friedman Savings Bank & Trust Company
Kaiser & Co.
Northwestern National Bank
of Minneapolis
of Boston

12th Avenue

10th Avenue

12th Avenue

10th Avenue

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Atomic Energy Review—New booklet—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Atomic Fusion Confusion—Sumnary report containing comments on fusion, thorium, and uranium oversupply—atomic map also available—both contain portfolio as of Sept. 30, 1955—Atomic Development Securities Co., Inc., 1032 Third Street, N. W., Washington 7, D. C.


Holidays in 1956 in the U. S. and its possessions—Booklet—Manufacturers Trust Company, International Banking Department, 55 Broad Street, New York 15, N. Y.

Income Stocks—List of 30 quality issues—Seligman, Lubetkin & Co., 29 Park Street, New York 5, N. Y.

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


Modern Railroads—Report—National Association of Investment Companies, 61 Broadway, New York 6, N. Y.

Over-the-Counter Index—Folder showing an up-to-date comparison on the counter stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to market and performance over a 13-year period.—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.


American Cyanamid Company—Analysis—Laid, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

American Express Company—Analysis—Ir Am Hof & Co., 111 Broadway, New York 6, N. Y.

Anzorca Copper Co.—Memorandum—General Investment Corp., 409 Madison Avenue, New York 17, N. Y.

Anderson Prichard Oil Corporation—Review—Sutro Bros. & Co., 120 Broadway, New York 5, N. Y.

Anzorita Corporation—Review—James Richardson & Sons, 175 Portage Avenue, East, Winnipeg, Canada and Royal Bank Building, Toronto, Canada.


Automobile Camelot Company of America—Report—Thomson & McKinnon, 11 Wall Street, New York 5, N. Y. Also available is a survey of Fixed Income Securities.


Byrant-Tintair, Inc.—Report—General Investment Corporation, 409 Madison Avenue, New York 17, N. Y.

Charles Burgin Company, Inc.—Analysis—William Blair & Company, 125 South La Salle Street, Chicago 3, Ill.

Columbia Gas System—Analysis—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available is a report on Natural Gas Laboratories.

Covaleda Denison Mines Limited—Analysis—R. A. Daly & Company, Limited, 44 King Street, West, Toronto 1, Ont.

Continental Assurance Company—Revised analysis—Crutenden & Co., 209 South La Salle Street, Chicago 4, Ill.

Dahlgren-Spring—Analysis in current issue of "Weekly Stock Bulletin"—The Nikko Securities Co., Ltd., 6, 1-chome, Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo, Japan. Also in the same issue is a Brief analysis of Nikko Securities Co., Ltd.

Durton Company—Analysis—S. C. Parker & Co., Inc., 1031 Elliott Square, Buffalo 3, N. Y.

Eastern Steel & Metal—J. R. Williston & Co., 115 Broadway, New York 6, N. Y.

Edgewater Steel Company—Card memorandum—Aetna Securities Corporation, 111 Broadway, New York 6, N. Y. Also available is an analysis of all New York Powder Co., 1 Wall Street, New York 5, N. Y.

Fort Motors Co.—Memorandum—Inter City Securities Corp., 107-08 Hillside Avenue, Jamaica 32, N. Y.


Hamilton Manufacturing Company—Analysis in current issue of "Business and Financial Digest"—Loewy & Co., 225 East Mason Street, Milwaukee 2, Wis. Also included in the same issue is an analysis of Consolidated Illinois National Bank and Trust Company of Chicago.

International Petroleum—Data—Brun, Nordeman & Co., 52 Wall Street, New York 5, N. Y. Also in the same bulletin is information on Marine Midland Corporations.

Kaiser Aluminum & Chemical Corp. — Analysis in current issue of "Gleaning"—Francis L. duPont & Co., 1 Wall Street, New York 5, N. Y. Also in the same issue is an analysis of Rio Grande Valley Gas and four Portfolio packages.

Lahman Chemicals Inc.—Analysis—Amoth, Baker & Co., Inc., 150 Broadway, New York 38, N. Y.

Lehman Corporation—Research study—Harris, Upham & Co., 14 Wall Street, New York 5, N. Y.

Mexican Light and Power Company — Analysis — New York Hanover Corporation, 120 Broadway, New York 5, N. Y.


Palco Products Inc. and Fibreboard Products Inc.—Analysis—Dow-Jones Industrial Average.—The Business Week, Sept. 25, 1956, 6, Mexico City. Also available is an analysis of Transamerica Corporations.

Pacific Industries, Inc. — Analysis — Elise & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

River City Center—Latest views—Lerner & Co., 1 Post Office Square, Boston, 8, Mass.


Subsidi Greene Corporation—Analysis—Blair & Co. Incorporated, 44 Wall Street, New York 5, N. Y.

WASHINGTON:

National Aero & Space Congress—Announcement of Annual Meeting of the National Aero & Space Congress—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

National Aero & Space Congress—Annual Dinner at the L'Enfant Hotel, Washington 7, D. C.

San Francisco Security Traders Association—A recent meeting of this association the following officers and directors were elected for the year 1956:

President—Eugene T. Sandell, Agnew & Co.


Secretary-Treasurer—Everett D. Williams, Wells Fargo Bank.


STAN CHORAL ON TV

In what is believed to be the first television appearance of a choral group of the financial community, the glee club of the Securities Traders of New York will appear on the Igor Cassini Show, "Million Dollar Showcase", over WABD, Channel 5, from 8 to 9:30 p.m. on Friday evening, Dec. 15th. Charles L. Hamill, Rhoades & Co., and President of the association, announced.

The combined of 20 Wall Street securities traders, under the direction of Sal Rappa, of F. S. Moseley & Co.

SOMAP:


Jan. 30, 1956 (Chicago, Ill.) Bond Traders Club of Chicago annual dinner at the Drake Hotel.

Jan. 19, 1956 (Chicago, Ill.) National Stock Exchange and Chicago Association National Committee Meeting at the Drake Hotel.


March 2, 1956 (Philadelphia, Pa.) Investment Traders Association of Philadelphia annual dinner at the Bellevue-Stratford Hotel, with a luncheon and reception to be held at 12 noon.

March 9, 1956 (New York City) New York Stock Exchange Association 30th annual dinner at the Waldorf-Astoria Hotel.


Nov. 5-6, 1956 (Honolulu, Va.) National Security Traders Association Convention.

With L. C. Berenden

With Draper, Sears

F. S. Moseley Adds

With Draper, Sears

With Zilka, Smither

With Harris, Upham

With Zilka, Smither
The Role of Common Stocks
In an Investment Portfolio

By A. Moyer Kulp*  
Vice-President and Executive Director of Research  

Investment analyst of large mutual fund organization, in pointing out that shrunken purchasing power of dollar and high personal income taxes have resulted in a re-examination of traditional investment thinking. He notes that there is an increasing role in an investment portfolio. Holds long-term outlook for common stocks is good, but there is a need for flexibility and for the avoidance of adverse participation in the growth of the economy, careful selection of stocks of forward-looking well-managed and fully competitive companies can keep up the nation's productive tronies, automation and atomic energy.

The Long-Term Outlook and Common Stocks
A brief discussion of the long-term outlook and factors which characterize the stock market will enable us to approach fully the topic of the long-term growth of the economy. Historically, our long-term growth has been based on: increased productivity and hence greater real purchasing power of dollars; a substantial increase in the labor force; increased capital formation, and increased material and productive capacity which is reflected in increased production and increased consumption. The net result is an increase in the number of people earning income, and an increase in the purchasing power of the dollar.

In the long-term, productivity gains will be the result of technological and organizational advances, the development of new products and materials, and the growth of international trade. The increase in the labor force will be the result of population growth, increased participation in the work force, and increased participation in the labor force by women. Capital formation will be the result of increased saving, improved capital market conditions, and increased investment by corporations.

The long-term growth of the economy will be reflected in increased production and consumption. The increase in production will be the result of increased capital formation, increased labor force, and increased productivity. The increase in consumption will be the result of increased income, increased saving, and increased consumption of goods and services.

Long Range Characteristics
Among the long range characteristics which are peculiar to the 1950's and 1960's are:

2. Re-distribution of income, especially among the middle-class income groups.
3. Rapid and far-reaching scientific developments.

A study of population growth suggests that by 1970 there will be 190 million people by 2005 there will be 205 million by 1970. While the overall population will grow, it will increase at a slower rate because the increased populations expected to be the mainstay of the labor force are expected to be the largest. This is a result of the fact that the labor force is expected to be the most important factor in determining the labor force and hence the labor force will be the most important factor in determining the labor force.

Under conditions now existing, a 4% annual growth rate in population is possible. If the population grows at this rate, the labor force will increase at a rate of approximately 2% a year.

Two major changes in income have taken place in the period 1950-1960.

a. The real income per family has increased by 40% and family units increased only 40%.

b. Income distribution has changed in the form of the middle class. Family units are making $4,000 and over while income is the mainstay of income for the lower income groups.

Income distribution has changed in the form of the middle class. Family units are making $4,000 and over while income is the mainstay of income for the lower income groups.

The increased earnings of the middle class has been the result of the increased productivity of the labor force, the increased capital formation, and the increased consumption of goods and services. The increase in income will be the result of increased productivity, increased capital formation, and increased consumption of goods and services.

The changes in population and income have led to a vast increase in consumption demand for goods and services. These factors are responsible for the magnitude of the housing boom, the automobile boom, and the generally improved standards of living.

This great increased demand for consumer goods and services produced by a relatively smaller labor force employed at higher wages has been a long-term trend. The greater demand for consumer goods has caused the great increase in business spending which is the major factor in the great push toward cost reduction. Compensating for this is the greatly improved machinery, new processes, and the use of new developments — such as — the use of computers and the development of new production methods. These developments have led to an increase in productivity, and an increase in the labor force.

A Need for Short-Term Caution
The advanced stage of the business cycle, together with the higher stock prices, the automation and atomic energy, and the need for short-term caution. In each of these stages, the individual investor should be careful to ensure that the common stocks held are of companies that are well-managed companies. The returns on these stocks will be relatively low compared to the returns on other stocks. The individual investor should be careful to ensure that the common stocks held are of companies that are well-managed companies. The returns on these stocks will be relatively low compared to the returns on other stocks.

For the investor, the importance of understanding these factors is the investment objective called for. It might be more appropriate to approach the investment objective for new common stock investments over the coming year. Such a reserve can almost invariably be created by the sale of the least favorable held common stock holdings.

As measured by traditional price/yield, and spread between high-yield and low-yield, the stock market has fully recovered from the post-World War II recession. The earnings of the Dow-Jones Industrial Average Stock for 1955 are estimated to be $18.75 per share. With a dividend per share of $2.50, earnings and dividend per share are at a record high for all 480. This indicates a yield of about 33 1/2% on the stock market. Dividends on these stocks represent a conservative pay-out, it would be nice if a greater portion of the stock market was not as long, it is lagging, it is lagging, it is lagging.

The central trend in the long range outlook is probably the upper range probably in the upper range probably in the upper range probably in the upper range.

Paul L. Miller V-P.  
Of First Boston Corp.

The First Boston Corporation, 100 Broadway, New York City, announces the election of Paul L. Miller as a Vice-President. An Assistant Vice-President of the corporation in the buying department for the past four years, Mr. Miller has been associated with First Boston since 1946.

To Be Erdman Partner
Shelton A. Erdman, member of the New York Stock Exchange, on Dec. 30 will become a partner in Erdman & Co., 120 Broadway, New York City, members of the New York Stock Exchange, forward-looking and above all, have the knack of making good profits and being able to pay good dividends. They should be companies in industries which will share predominantly in the rapid and far-reaching changes which we must expect above all, we must guard against investing in static companies which for which in future years will be headed down hill. We must get our defensive characteristics from other words. We, in the so-called "defensive incomes stocks" is liable to be pretty much of a losing game. These stocks may be successful in a continuous bull market, but rather this trend will emphasize the already clear division between top grade companies, mediocre companies and "never-do-wells." The emphasis will be put on: quality, earnings and potential future.

Cavition Corporation

Common Stock  
P.O. Box 110, New York, 21, N. Y.

Price: $16.50 per share

Cavition Corporation

44 Wall Street
New York 5, N. Y.

*An address by Mr. Kulp before the Corporate Executives Association of Ali- 

Where Is the Economy Heading?

BY ARTHUR R. UPGREN

Dean, Amos Tuck School of Business Administration
Dartmouth College

After reviewing recent economic developments, Dean Uppgren finds in answer to the question of "Where are we going from here?" that the central feature of the economy is the efforts of industry to expand facilities. Points out dangers in this move, but says, this time, we have a greater understanding of how to keep demand-money supplies and banking reserves. Holds a more accurate statement of Federal Reserve objectives needed. Lists as matters which could induce inflation in the economy: (1) increase in wage rates and salaries; (2) substantial decrease in capital outlays; and (3) failure of the money supply. Stresses stabilizing value of our liquid bank ing system.

A very brief review of economic decline in excess of a few years is helpful to understanding our economic course ahead. Prior to the outbreak of the conflict in Europe, the outlook was very bright in 1930, largely because of the rapid growth of European trade. When the outbreak of the conflict occurred, the economic recovery was very rapid, and full output, that defense effort gave us a very marked economic improvement. In the last half of 1935, very much, the war in Europe: recession. We became aware of a situation prepared for major emergency by massive defense production. This led as it did on the heels of an economic upturn, to a substantial recovery as long as the war was of short duration. When we realized in World War II that the situation and Federal expenditures, one can understand why the economic recovery would be long lasting. We have seen two and a half times as much recovery.

But ever since the end of 1945, the economy has been in a strange position that we have, in fact, produced a surplus in the cash consolidated budget and we are operating at levels of substantial surplus right now. When we recall that in World War II we taxed nearly 46% of all Federal expenditures, we can see why the situation would not be maintained. Since the end of the war, we have removed the budget "take" of the Federal Government. This has been an amount of $10 billion or so that we have eliminated, but that change is maintaining the part of the system and has led to the establishment of cash balances in lieu of a surplus, because of a higher tax rate.

By mid-1953 we had secured a truce in Europe. That led to a cut in defense expenditures. We have now amounted to 14 billion a year or so much. These defense expense reductions, however, we saw business adjusting in the same direction and by mid-1955 was an additional $10 billion in order to reach the level of the pre-war reduction in the annual rate of 1950 to 1952, was about 5 billion.

Here I would like to point out that the situation is very similar in the defense expenditures in inventories, accompanied by a 2 billion rate of reduction in the purchase of tools and equipment by industry, gave the economy the needed impetus to expand.

Arthur R. Uppgren

legislation of 1954 had surpassed all expectations and some modest restraint was needed when in hardly a year we passed goals set for a year or less than 10 years ahead. We have found that those who specialize in this field give us assurance that at least 1,200,000 houses will be started in 1960 and with slightly higher average costs total expenditure should closely equal total dollar activity in 1955.

A word now should be added with respect to the longer run. We now have many estimates that we can attain a Gross National Product of $500 billion sometime between 1963 and 1965, the latter being the estimate of President Eisenhower and the Economic Committee and the former year being a tentative estimate for achievement of the goal by President Hartley H. Curtice of General Motors.

What could injure these prospects?

The three most common causes of economic recessions and depressions are inventory liquidation, substantial decrease in business plant expenditures, and the failure or “complete collapse of the money supply.” We have had considerable recent experience with inventory liquidation and the recessions that they produce are very modest in size and of short duration. We can live with them.

It now happens that industry is taking substantial responsibility for maintained capital expenditures. That minimizes the second cause of deeper recessions. In fact, with rising productivity and rising wages, with known and in-use improvements awaiting application to all other productive facilities of any industry with many plants, with a very rapid rate of population growth and a minimum growth in the population at the working ages, there will be every incentive, cost-wise and market-wise, to continue recent high rates of business plant expansion. In brief they pay for themselves as did the diesel locomotive.

This leaves us to cope with the third cause of deep recessions. It is the complete collapse of the money supply. This had occurred no less than six times in the 69 years from 1917 to 1935 and in these years there were three long sustained periods of deep economic depression. We now have the good fortune to possess a liquid banking system and a central monetary authority which understands its task of providing adequate money supplies as it did not understand its task in 1921, in 1929 and in 1933. The causes of past deep economic depressions are man-made and therefore through the adoption of wise policies can be corrected. Further than that, the structure of the economy, consisting of such factors as wages, unemployment compensation, or old age pensions, the liquid banking system, the automatic built-in flexibility of the Federal tax structure (coupled with many other features give us an economic structure far better able to resist attacks that we have ever known before. Close analysis of the policies used so greatly to minimize the recession of 1949 and 1954 very strongly sustain these views that we can control our economic future for great gains in the general welfare.

Grady Thomas Pres. Of Southern Inv.

CHARLOTTE, N. C.—Grady G. Thomas, has been elected President and Treasurer of Southern Investment Company, Johnston Building. He has been Executive Vice-President & Treasurer. He was with General Motors 10 years prior to entering the investment business in 1942.

Bank of America Group Offers San Francisco Bonds

Bank of America N. T. & S. A. and associates are offering $13,250,000 City and County of San Francisco, Calif., 23/4% and 3% various purpose bonds, due Jan. 1, 1957 to 1972, inclusive.

The bonds are scaled to yield from 1.50% to 2.25%, according to maturity.


B. W. Pizzini to Be NYSE Member Firm

B. W. Pizzini & Co., a partnership will be formed with offices at 25 Broadway, New York City, as of Jan. 3. The new firm will be members of the New York Stock Exchange. Partners will be B. Winthrop Pizzini, W. Gurden Halsey, Walter V. Bradley, and Benjamin E. Bampton, the Exchange member.

With Herbert H. Wigh

(King of America Trades Co.)

KINGSBURG, Calif.—David H. Thiesen has become affiliated with Herbert H. Wigh & Co., 1513 Draper Street.

H. C. Wainwright Co. To Admit Edmundson

H. C. Wainwright & Co., 129 Broadway, New York City, members of the New York Stock Exchange, on Jan. 1 will admit Robert T. Edmundson to partnership in the firm.

Dugent Now in Trading Dept. of John C. Legg

BALTIMORE, Md.—Charles A. Dugent is now associated with the Trading Department of John C. Legg & Company, 22 Light Street, members of the New York Stock Exchange. Mr. Dugent, who has been with the firm for many years, formerly acted as Cashier.

Use this key to unlock larger profits

Success in management today means improved methods of communication. Royal McBee machines, methods and systems should be high on the list of implements which activate your facts and figures.

How? Perhaps with the excellence of every “Royal” typed letter leaving your office. Or possibly with the custom-designed and timely McBee operating report which reaches your desk in time to capitalize on opportunity or rectify a fault.

Either or both—American businessmen are finding that Royal McBee machines and methods are unlocking larger profits ... helping to curtail costs.

ROYAL McBEE CORPORATION

2 Park Avenue, New York 16, N. Y.

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**SUMMARY OF RESULTS**

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<th>1953</th>
<th>1954</th>
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<td>Income from Sales of Products, etc.</td>
<td>$72,782,406</td>
<td>$17,362,971</td>
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<td>Net Profit after Depreciation but before Federal Taxes on Income</td>
<td>$2,132,697</td>
<td>$654,820</td>
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<tr>
<td>Provision for Federal Taxes on Income</td>
<td>1,566,905</td>
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<tr>
<td>Net Profit after Depreciation and Provision for Federal Taxes on Income</td>
<td>$1,567,377</td>
<td>$319,167</td>
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<tr>
<td>Earned per Share—Common Stock</td>
<td>$1.10</td>
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*Notes: Includes non-recurring items of $378,644, resulting from an award in litigation. (Subject to year-end adjustments and audit)
The Economic Weather
We May Face Ahead

By W. G. PAUL*
President, The Los Angeles Stock Exchange

Prominent West Coast investment broker, in viewing the economic outlook, has expressed the potential for a continued rise in national production. "I see no evidence of consumer resistance to the purchase of new goods of all kinds and an increase in savings," he said. "The only thing that may hold us back is a return to the high rate of interest that we have had in the past.

A number of economists have already expressed the view that there is a great deal of potential for increased production in the United States. "In 1955, we are going to see a tremendous increase in consumer spending," said one economist. "The government has been spending a great deal of money and the public is going to follow its lead.

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W. G. Paul
President, The Los Angeles Stock Exchange

*An address by Mr. Paul before the Sales Executives Club, Los Angeles, Calif.

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The New Role of Tourism Abroad

By RALPH T. REED

President, American Express Company

Estimating American tourists have spent $1 billion in foreign countries this year, Mr. Reed labels this as a "trump card" in East-West rivalries. Forecasts tourists overseas annual spending will increase to $2.5 billion in 1975. Foreign countries will show a vast increase and will expand rapidly in undeveloped areas. Holds U. S. tourist expenditures play a major role in reducing for U. S. foreign aid, and the tourist dollar serves as a "computer" on well-timed efforts to increase flow of tourism.

I want to say a few things about the American tourist, and the very considerable amount of having and can have on the future of the entire free world. I'd like to talk about the role of our friends in the United States, also, the effects that tourist expenditures in the economic drive for global prosperity will have for them, for the better well-being of the world.

These are themes which have received a good deal of individual attention. I'm sure that at some time I cannot see that they have been given adequate or correct, as a single, large, many-sided subject—of immediate importance to all of us. Of the many profound issues of nations and ideas, and the world. Too much attention, I think, U. S. tourism has this role in our society, it constitutes a field of development with an astonishing potential, as yet underexploited and world material-well-being of all nations and in fortifying their independence.

One of the basic conditions of our prosperity and shrinking distances is that the economic status of the entire free world has become more vitally important to each one of us here in the United States. The fact is that today conditions in the world have changed from a high level of prosperity, coupled with an underdeveloped, underdeveloped economies, and 80% of these countries now are doing considerably better. We need, strong neighbors in the community of nations—and the problem is how to improve the condition of those countries who are not now in good health, without harmful draining our own resources.

the urgency of this problem is increased immeasurably by the spiritual and economic rivalries which we know so well between East and West. We have gone to the West to continue for an improved climate between Russia and the United States, to continue with our tourist policy, they have been excellent, we sent our tourist expenditures, a word for the future. Our tourist policy, and a few concrete ways and means to try the limit of future development in this area is hard to foretell.

At the same time we have the same for all the other countries in the world, the fact is that tourism is a vital industry in all of the world, and we are simultaneously in contact with other. We need, strong neighbors in the community of nations—and the problem is how to improve the condition of those countries who are not now in good health, without harmful draining our own resources.

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scramble for paper that rates may well be below their present level, the low point was continuing at a history of the industry. This certain, low rates may not prevent the development and maintenance of adequate reserves, which at this time in the history of the industry, covers the substantial volume of long-term down-payment paper purchases.

Our composite companies have purchased about $45 million of new and last year as well as this year. The so-called 3.5% of net profits was divided during the first six months of this year.

Total outstanding of our composite companies, are estimated to be nearly $62 million dollars, an increase of about 1.5% over current 3.5% of net profits. The 1954 rate for net profits was not quite as good because 1954 showed a decline of the composite volume of sales and lending losses. The principal factors in the decline for the past years were increases in taxes and in operating expenses, as well as the fact that the composite volume was sufficient with increasing costs.

The extended labor relations has had the effect of lowering consumer charges. Reasonable competition in the labor relations picture, we continue to hear that the charges will not be sufficient to cover the cost of operation, loss, and deferred income, reserves attuned to the longer-term paper purchases and still retaining a capital profit. The extremely low rates I have referred to are apparently the result of a belief on the part of our consumers to acquire business. The experienced finance manager does not subscribe to this theory, for he is aware that the rate, so long as it is relatively low, is an important consideration. It is intelligible, however, that in handling the run-off of paper purchases should be served in the financing requirements that will develop for the future. This is a great hazard in an environment of volume through reduced rates.

The finance industry has always been highly competitive and the result of greater competition is the result of the rule of thumb: "Always sell at prices that are satisfactory at the time, and the average price that is made up of the first year's cost of issuance plus a little profit margin." This rule has always been highly competitive and the result of greater competition is the result of the rule of thumb: "Always sell at prices that are satisfactory at the time, and the average price that is made up of the first year's cost of issuance plus a little profit margin." This rule has always been highly competitive and the result of greater competition is the result of the rule of thumb: "Always sell at prices that are satisfactory at the time, and the average price that is made up of the first year's cost of issuance plus a little profit margin." This rule has always been highly competitive and the result of greater competition is the result of the rule of thumb: "Always sell at prices that are satisfactory at the time, and the average price that is made up of the first year's cost of issuance plus a little profit margin." This rule has always been highly competitive and the result of greater competition is the result of the rule of thumb: "Always sell at prices that are satisfactory at the time, and the average price that is made up of the first year's cost of issuance plus a little profit margin." This rule has always been highly competitive and the result of greater competition is the result of the rule of thumb: "Always sell at prices that are satisfactory at the time, and the average price that is made up of the first year's cost of issuance plus a little profit margin." This rule has always been highly competitive and the result of greater competition is the result of the rule of thumb: "Always sell at prices that are satisfactory at the time, and the average price that is made up of the first year's cost of issuance plus a little profit margin." This rule has always been highly competitive and the result of greater competition is the result of the rule of thumb: "Always sell at prices that are satisfactory at the time, and the average price that is made up of the first year's cost of issuance plus a little profit margin."
The Dixie Crop Situation

By ROGER W. BABSON

The above-average crop of tobacco has the Southern States looking forward to a prosperous year, with prices expected to rise during the season. Mr. Babson discusses the current tobacco market and the factors influencing its future, including production and demand.

Kuhn, Loeb & Co. to Admit Three Partners

The investment banking firm of Kuhn, Loeb & Co., 28 Wall Street, New York City, members of the New York Stock Exchange, has announced that Charles J. Ely, Kenneth N. Hall and Henry Neaculamur will be admitted to general partnership on Jan. 1, 19...
THE MARKET... AND YOU

By WALLACE STREEFE

Backng and filling continued to characterize the stock market this week with the bulls still not rallying in a thorough degree. The major stock indexes moved in a narrow range about 30 from their best levels. There have been some important financing problems connected with buying the new stocks and this, as well as the condition of the market, has limited the population of the commercial aircraft.

Split Candidate

Warren Fundy was an individual favorite for reasons not too apparent, although it has now assumed the status of a split candidate. This issue, available in the last half dozen years in the $20 bracket, rushed to an all-time peak on some multi-point gains, and was apparently in position to do just with the par New York had forged across the $20 mark. The company has been dividend-less for the past decade of its volatile market behavior to the fact that the floating supply of 90,000 shares is with the president and his family owning more than half of the issue.

An Outstanding Loser

The outstanding issue on the weak side was United Dye which has come on hard times since its unexplained runup to above $30. Some hard luck as this one came close to clipping the issue a full $20 under that optimistic level. In one session alone it lost some 12% in value.

Chemicals generally were on the heavy side with Du Pont being a leading crude oil producer, failing the week with some groundless up to here. In the drug issues, Schering had a good session of time of its recent good advance had finally jumped into profit-taking.

Metals followed the general market pattern rather faithfully with mixed stock moves at any given time that are mostly barren of any great significance. Steel stocks have been subject to some selling at times with Belpheim giving ground somewhat easier than the rest. Alcoa has been the better number of the aluminum section with Aluminium, Ltd., the poorest acting since it has important base production with the situation standing a water shortage that is forcing drastic cutbacks in production.

Oils were somewhat more surprising, not having so far rising very much since their popularity is usually the best when the winter weather booms the heating oil business. Houston Oil, around which myriad and largely nebulous rumors are swirling, was able to skyrocket through a $2.00 increment. Warren Petroleum was able to do well occasionally as demand center of Jersey Standard Oil among the industry leaders have featured on fair strength without fanfare.

Gingerly Cautions

Tax selling appears to be a continuing handicap to general market progress despite some earlier indications that a change in this trend may be anticipated. The post-war kettles, leters, particularly, were definitely on the cau¬tious side and dealing gingerly among the secondary issues and those most depressed by the year-end selling.

International Telephone

The former was something of a pet since there is room for a further advance within the next few weeks, in the opinions of several market speculators. Another of the secondary issues that was spreading out too rapidly was the market discussions was Blaw Knox which recently acquired Continental Foundry. The company is not a large one, but a market sensation since the company has been faced with large outlays, not only to acquire for its newly acquired subsidiary but also for improving its plant.

The Six-Month Outlook

For the longer pull, running to at least the mid-year of 1956, the general expectation is for an eventual penetration with vigor of the 1955 peak for the industrial average. So far the buildup in auto inventories and the slowings of the housing front have not assumed the proportions of anything too serious. Despite the fact that prices are now well within the good results that the annual reports will disclose, earnings for the early part of the year should be bright reading for invest¬ers and help bolster market sentiment. The failure of the year-end rally to get going long before this is only mildly disappointing, apparently.

The view expressed in this article at any time coincides with those of the financial writer for the Chicago Daily News.

John Cassato joins Albert Frank Agency

John Cassato, Jr., has joined the recently formed Albert Frank-Guenther, Inc., as a financial writer for The Chicago Daily News.

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NATIONAL BANK OF INDIA, LIMITED

Prospects for the Automobile Industry in the Coming Year

By JAMES F. COUSINS*
Controller, National Automobile Dealers Association

Spokesman for automobile dealer industry discusses the economic outlook in 1956. He notes that the current period is the present economic situation with its high level of activity, he estimates that 1956 auto sales will lie between 7½ to 8 million units. Says automobile distributors will again be concerned with the question of selling, financing, and servicing a record number of passenger vehicles.

Economic data from all sources appear to agree that most of the basic indicators of the nation's economic health are among the highest on record. While statistical data permit calculation of the nymity of consumer purchasing power with regard to the cost of living, the measure of the state of the economy, there is a marked variation in the opinion of experts regarding the duration of this condition. These differences of opinion indicate the difficulty encountered in attempting to forecast economic activity in the next year.

Perhaps no industry is currently the subject of more contradictory predictions for 1956 than the automobile industry. During the past few months economists and industry spokesmen have forecast automobile sales and production, and there is a range from a low of 4.7 million to well over 7 million units produced during 1956.

One forecast giving a range from 6.5 to 7 million is based on the assumption that annual growth in the number of American cars is at a rate of 4 to 6% per year. Following this reasoning, a 6.8 million automobile production year would be the peak of possible 1956 automobile sales. This would mean a net increase in production of about 1 million units from the record height reached during the current year. Since new car production in 1956 would, we believe, take place only if the consumer domestic economic disturbance should occur.

While it is within the realm of possibility, it is most certainly not a probable event that consumer expenditures on automobiles are extremely sensitive to economic fluctuation. Studies conducted by the Department of Commerce indicate that the reduction of the consumer disposable income of $2 decrease in expenditures on automobiles. However, presently there are certainly no indications that 1956 will be characterized by decreased spending on automobiles that consumer income will be decreased.

To the contrary, predictions for 1956 indicate a continuation of the present prosperous trend. It is certain that barring a major catastrophe, the nation will encounter no economic collapse either of a deflationary or inflationary nature. The character, the nation will reach new heights of sound economic levels during 1956.

The 1955 Auto Sales

It is now a matter of history that the year 1955 was an all-time record year for retail sales records in the automobiles. In late 1954, predictions of a 6.5 or 7 million unit level of sales were among the more optimistic.

On this basis sales of approximately 7 million automobiles over the normal 6.5 to 7.0 million original expectations would not be anticipated. This means that 1956 sales would lie somewhere between 7.5 and 8.0 million.

An additional factor must be considered. This is the ability of the industry to lend itself to economic forecasting. This is not the case today. Simply the determination of auto- mobile sales figures will not give enough information to obtain record levels of production.

Naturally this brief analysis is necessary, as otherwise it would appear that 1955 automobile distributors will again be confronted by the Herculean task of selling, financing, and servicing a record number of passenger vehicles.

Frequent upward revaluations were made until the 8.0 million unit level was reached. Early revaluations predicted the higher number of units. Many explanations have been given for the phenomenal sales increases. Forecasts of 1955 car models changed because of certain opinions of the important factor in molding consumption patterns. The availability of easy credit also played a major role in the recent sales pattern. However, basically, the over-all 1955 car sales total provided the solid foundation for the 1956 predictions.

Based upon past trends, sales of between 6.5 and 7.0 million units are predicted for 1955. The introduction of substantial new models, the availability of credit and the optimism of the public, will mean the sale of about 1 million units above the normal level. So, if all new models are not radical departures from the 1954 models, that for the most part the consumer is not a large number of purchasers who are new units不好意思因为文本内容超出了显示限制，无法提供完整的内容。
Automation

By Dr. ELMER W. ENSTROM*
Senior Executive Vice-President
First National Bank of Chicago

Dr. Enstrom distinguishes automation from mechanization, and says automation is more than a continuing evolution in the direction of greater mechanization. The introduction of electronics into repetitive production processes is an important change in automation as it replaces human decision-making functions, and frees men's work from routine, while providing increased scope for the exercise of man's highest skills. Says it is a step toward increased productivity and the rise in real income, and thus will lead to higher living standards.

Automation means to many people, Therefore, it would be well to begin with a definition which will serve your need in understanding what is meant by the word automation as it is used by a scientist. Consider it, there is no such simple thing as a "little a" and I shall use a simple definition, an "a" is a machine.

Radio Controls

Radio Controls are an example of concept of automation broad meaning by distinguishing it from the present and future significance for present and future economic and social conditions.

From Mechanization to Automation

The Industrial Revolution started long ago and continues to this day in the form of evolutionary process in which human and animal labor is being replaced by machine labor. At first, machines took over the task of manufacturing, but were not able to supply the whole production. Today, man does not supply the control over assembly; he merely accomplishes a production task, except in those cases where the amount of power required is relatively small and where the complexity of control systems is very great. The next phase of the Industrial Revolution, which is automation, will involve repetitive tasks which involve the use of machinery, but which were职能-directed previously. This development is continuing at the present time and at an increasing rate, to involve more and more complex tasks.

Production is carried out by a system of radio controls which direct the performance of each operation in the right sequence and during the right time interval. Very often these controls will detect a gross malfunction of the machine, but they rarely do more than signal the operator that something is wrong. In the next phase of this evolution, sensing devices are able to control the machine as determined by the progress of the work itself. Thus, the machine begins to take over some of the control functions normally performed by human operators. It is at this stage, which is called data-handling automation, that feedback controls are introduced. These controls will provide the word "automation." However, there are no clear-cut lines between mechanization and automation, much that has to be defined by the activities falling in the grey area between mechanization and automation.

The automation of a machine is the ability to perform a specific function without human intervention. In order to perform this function, a machine must be able to follow a program that is specified by the operator. This program is called a "sequence of commands." The sequence of commands tells the machine what tasks to perform and in what order. The sequence of commands is usually stored in the memory of the machine. The machine reads the sequence of commands and performs the tasks according to the instructions given in the sequence of commands.

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the practice of warfare and of defense.

What is the Future? Returning to the commercial field, it is certain that we will see a continuation of the pressure to automate our manufacturing facilities. While automation is not necessarily an end in itself, it is a means to improving our efficiency and to reducing our costs in the long run. However, it is important to recognize that automation alone is not enough. We must also focus on improving the overall quality of our work and the satisfaction of our customers.

The rate at which we shall move to automation will be determined partly by how much we view automation as our way of life. However, automation affords us a better way of doing business and will benefit all of us. It is a real solution--for it will mean that we can produce goods at lower costs and in greater quantities than before. The time is right for us to make the transition to automation and to enjoy the benefits that it will bring.

LONDON, Eng. — At the approaching turn of the year we face the serious problem of the difficulty of forecasting business trends for the next year. The economy has entered a period of recession which must be expected to last for the next few months. We are not, however, in the process of automation, the capital investment in new equipment will be a capital expenditure.

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The Eisenhower Administration's Social Welfare Philosophy

By HON. MARION B. FOLSON
Secretary of Health, Education, and Welfare

The administration's spokesman on social welfare programs traces the rise of social insurance in this country and indicates what is needed for the future. Discusses the expansion of private pension plans, and asserts "we need more and improved private retirement plans, and we need improvements in many plans already in use." The Administration has not urged insurance companies to aid in this task. Indicates Administration favors some form of governmental health reinsurance, or other methods of pooling or sharing the risk, to "overcome several opportunities in increasing the economic security of the people."

You must experience a sense of satisfaction in reviewing the status of social insurance and planning future activities which will be useful to your business and to the Nation. Part of this satisfaction comes from the benefits derived from expanding national insurance programs. In the last week of April, 1955, an address was given before the Society of Actuaries. In this address, the speaker discussed the development of social insurance in the United States, and the progress which has been made in recent years. The speaker emphasized the need for continued growth and development of social insurance programs. The speaker stated that the United States had made great strides in the development of social insurance programs, and that there was a great need for continued growth and development in the future.

The current growth and development of social insurance programs has been a result of the efforts of many people, both public and private. The efforts of the public and private sectors have been combined to achieve the current growth and development of social insurance programs. The efforts of the public sector have been focused on the development of social insurance programs, while the efforts of the private sector have been focused on the provision of social insurance programs.

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That Mighty "Trickle"

By WILLIAM JACKMAN

President and publisher of The Daily News, Chicago.

Investor speculation official maintains 1953 tax cut, which was designed to encourage investment in new plant and equipment, has been largely responsible for current business boom.

Mr. Jackman contrasts large real gains to workers resulting from the 1953 tax cut with small gains, if any, that would have resulted from $100 increase in personal exemption. Urges containing tax reduction to conformity to investment incentives, including halving of capital gains levy.

William Jackman

As the government's tax rate comes closer to 15 per cent, expectations become an obvious fact that taxes must go up. It is further significant that in a Presidential election year, as they have been in 1948 and 1952, every party and candidate for national office promise to lower taxes because of the high expectation that they propose, however, will bear careful watching in the light of the most recent reduction. It is easy to plan a road to prosperity. There's no reason now to upset this best.

Mr. Jackman said Eisen¬

hower sent to Congress a budget message, with a statement that the estimated deficit of $62,400,000,000 against $32,400,000,000 for the 12 months period ending June 30, 1951, resulting in a reduction of $30,000,000,000.

With personal and corporate income now zooming beyond most optimistic horizons, it is obvious that the Treasury's tax-taking is going to result in a substantial surplus, rather than the deficit for the current fiscal year.

How should this surplus be used? To reduce the national debt or to further reduce tax oppor¬
tunity seems crystal clear. It was primarily wise tax reduction that gave us a boom in factory orders, a reduction in the predictions of a few political dendrologists that we were rea for a bust. A furtherance of the sound method of tax reduction, the President is now supporting in the tools of production, should lead to a policy of tax reduction that is best for all of our citizens.

"Trickle" Becomes a Waterfall

WASHINGTON, D. C. — As a program to benefit the nation, the Washington Society of Investment Analysts held Tuesday, Dec. 13, at the Capital Economic Club, Washington, D. C., it was announced by the President of the Society, Nelson Foster, that the local organization (which includes persons) has been admitted to membership in the National Federation of the Financial Analysts Societies.

The speaker of the evening was Dr. Pierre R. Bretey, of Hayden, Stone & Company, the Editor of "The Analyst's Advisor," which is an excellent talk on "The Outlook for Railways for the Hard Core.

David Weis opens Doors

LOS ANGELES, Cali—David Weis is conducting a securities business office at 400 South San Julian Street.

A. A. Hans Opens

ALBERT A. HANS is engaging in a real estate business at 90 John Street, New York City.

Charles Lachman Opens

Charles R. Lachman is engaging in a securities business from offices at 57 Fifth Avenue, New York City.

help lower the costs of health insurance. In this way, low-income families will be protected. But if other objectives are to be gained, a more detailed study to the problem of providing security against the costs of medical treatment for all families who may be able to purchase health insurance, are premiums are reduced. A great problem is the tendency to do is to progressively reduce the number of low income families, no longer to be able to get health insurance, increases will give more and more people the opportunity to purchase voluntary health insurance.

Conclusion

And so you can see the great needs and great opportunities in this American people. For the first time in our history, we have an opportunity to do something meaningful. The History of your own industry points the way. Your own experience tells you where to turn to. Attractive policies are developed at low rates, if these rates are accepted in large volume. This process is in the tradition of Yankee ingenuity, and the American people will be able to take advantage of it. As you in private enterprise meet the needs of the people, then you will find it necessary to resort to broad Government policies.

With its record of growth in the past, and with great needs still to be met, there is a need for a national plan—private insurance has not achieved the full potential destiny for it in our society.

With the "magic of the average," as the professional workers in the business world, are advancing human welfare, there is a need to put this formula to work with even greater vigor and on a wider scale. Congress must recognize this.

Washington Analysts Meet

WASHINGTON, D. C. — At a program held by the Washington Society of Investment Analysts held Tuesday, Dec. 13, at the Capital Economic Club, Washington, D. C., it was announced by the President of the Society, Nelson J. Foster, that the local organization (which includes persons) has been admitted to membership in the National Federation of the Financial Analysts Societies.

The speaker of the evening was Dr. Pierre R. Bretey, of Hayden, Stone & Company, the Editor of "The Analyst's Advisor," which is an excellent talk on "The Outlook for Railways for the Hard Core.

David Weis opens Doors

LOS ANGELES, Cali—David Weis is conducting a securities business office at 400 South San Julian Street.

A. A. Hans Opens

ALBERT A. HANS is engaging in a real estate business at 90 John Street, New York City.

Charles Lachman Opens

Charles R. Lachman is engaging in a securities business from offices at 57 Fifth Avenue, New York City.

help lower the costs of health insurance. In this way, low-income families will be protected. But if other objectives are to be gained, a more detailed study to the problem of providing security against the costs of medical treatment for all families who may be able to purchase health insurance, are premiums are reduced. A great problem is the tendency to do is to progressively reduce the number of low income families, no longer to be able to get health insurance, increases will give more and more people the opportunity to purchase voluntary health insurance.

Conclusion

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Balanced Economic Expansion: Feature of Canada's Growth

By A. C. ASHFORD

President, Toronto-Dominion Bank, Canada

Picturing Canada as in a new era of expansion, prominent Canadian banker points to this nation's increased productivity, but warns there must be a balanced economic growth. Says Canada is in a transition to export commodities, and not put too much stress on exports of manufactures in the highly competitive international markets. Warns rising duties and tariff barriers, especially those of the U.S., Canadians should not let opportunities for domestic investment fall entirely in the hands of foreign investors and foreign companies. Looks for as great economic expansion in Canada as in the U.S.

For free nations of the world including Canada, 1953 has been a year of substantial progress in their struggle against civilization. They have achieved economic growth, not improved but rather a full international political horizon has a bright perspective. The clouds have not disappeared but they at least look less frightening, or bluish, or grey, or black. It is an era of progress, rather than a period of economic achievement. Canada, and the United States, have been most successful in this field of progress.

If international political difficulties can be resolved and some assurance given to the businessmen, the Western world should be in for a new era of expansion.

Consumers Confident

The confidence in the future is something with which the average citizen has been imbued. How else can one explain the high level of consumer spending, a major feature of the economic activity at the present time when they hear talk of recession. They did not behave that way last year. The eight and a half months of the year would be mild and shortlived and they would not have consumer spending. Some industries, in fact, have continued its upward trend well into 1954. They have reached levels that have been favorable for a few weeks ago I was walking down the main street of an Ontario town there is a m a r k to his companion that "Canadians never had it so good," and the word was not a fleeting or picturesque description of the current situation.

Canadians in 1954 have provided more, imported more, earned more, spent more, consumed more, borrowed more, saved more and invested more in real and virtual investments. The level of business activity this year has exceeded all expectations. The Canadian economy regained its lost in 1954 but has not regained its position in the world. The latest data will not be available before the end of the calendar year, but the national product in excess of $25 billion is assured.

The outlook is for continued economic expansion. Since disposable income continues to rise there is no reason to look for any curtailment in consumer spending. With most of the West- ern world enjoying a high level of production, the trend is likely to continue except in the case of wheat, re- cently burned in the U.K. There is no uncertainty exists because of inflationary trends in Great Brith.

Again, on the other hand, the national trade volume has been growing at a rapid rate in the value of the Canadian dollar in national income, in foreign sales and in the exchange rate. The level of the prevailing level of consumer spending and the rate of growth of the national income is not the full measure of the economy, but they need not develop into anything like a serious economic depression if the nations of the world make intelligent use of the economic ideas they have gained over the past 25 years.

The decline in farm income has been offset by increased prices of goods and services bought by farmers which of course, has accelerated the drop in the purchasing power of the farm income. The trend in farm income has been much more pronounced than in the case of any of the other industrial groups. The increase in farm income has been more pronounced than in the case of any of the other industrial groups. The increase in farm income has been more pronounced than in the case of any of the other industrial groups.

Changes in farm productivity are not easy to measure, but available data indicate that farmers have been doing a better job of increasing productivity and in reselling on to consumers the benefits of these gains. The average price of farm products has shown a drop of 20 per cent in the past 12 months. Greater benefits might have accrued to the general welfare of the economy if the increased productivity of farm output had been reflected in further price re- ductions rather than higher wages.

Since all farmers are not engaged in the same type of productivity, the value of the output is increased. Canada, through a lower cost of living, will be able to afford more of the output. Not only has the potential increase in productivity been increased but it is one of the many factors that are necessary to maintain the purchasing power of the dollar. In other words, the farm problem is not as serious as it seems to be in other countries.

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A Stock Market Forecast, And Issues That Look Attractive

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This is tax selling time. Of the

Cash vs. Equities
It is a question of cash vs.

The Next 25 Years
What of the next 25 years?

The Next 25 Years
What of the next 25 years?

Stocks—A Key to the
Investment Problem
How do you make your 1956

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How Firm Is Our Economic Foundation?

Federal Reserve Bank of St. Louis

Digitized for FRASER

The Commercial and Financial Chronicle... Thursday, December 22, 1955

Continued from first page

Treasuries, we are also working continuously with the agricultural credit agencies on financing farm crops.

A practical, realistic farm program, proposed in the bill, will be presented to the Congress by the President and Secretary Ben- son.

The Federal Reserve

But you didn’t come today to talk to you about the problems and proposals, I have taken for my title, "How Firm A Foundation," the opening words of a grand old song which many of you have sung since you were born. You don’t need to be reminded, because in the Treasury, our main concern is to strengthen the foundations of peace and prosperity in the United States. That is what our business—and it is, truth, big business.

A nation, like a family, has to be built on the foundations. A sound foundation for life is as large as life itself. It includes the moral uprightness and the financial soundness and understanding. But a sound foundation is also required for economic solvency.

By the responsibility of the Treasury to see that our country is solvent—that the economics work—is the problem of the United States. It is solid and secure. Only on such a stable foundation can we build strength for our children and grandchildren.

There is a particularly important reason for examining our economic foundation: we are engaged in a great world struggle which will determine the course of our country and our character as a world power.

In the course of the last few years, we have been constantly asked to maintain military power which will deter any aggressor. At the same time, every one of us is required to have our hearts filled with the hope that we Americans have inherited and developed. These are the two most effective methods for securing a world of peace from engulfing the world.

We, as a people, seek to maintain at the same time all the objectives of the past and the future. It is our duty to maintain the national will power which will deter any aggressor. At the same time, we are required to have our hearts filled with the hope that we Americans have inherited and developed. These are the two most effective methods for securing a world of peace from engulfing the world.

We must frankly recognize that without a military strength, which calls for defense, and without much more, much more of the people, for the better life. We are for example paying an annual tax of $16 billion dollars, taxes which in themselves levy a tax of $2.4 billion a year on the people. But we have no alternative.

Our joint objectives place heavy demands on our resources. We must go to that extent as we can, and we must not reach out for more than we can afford to give. And, if a situation develops which we cannot afford to attempt to cure, then the government must seek to cure it at the source.

Our Great Tradition

In this situation, we should be thankful for the traditions of this Nation—for the principles that are the foundations of our government and integrity which were built into our Government.

In the field of finance, where I have been, we have too, and I expect we will be, as many new minds, and we will try to refresh your memories about the great Treasury story, which is the history of America.

Every day in my office at the Treasury, I see examples of these traditions. My room, which dates back more than 200 years, is decorated with paintings of some of the first and noblest public servants. Portraits of our first Treasury Secre¬ tary hang on their walls: Alexander Hamilton, Carter Glue, and Ogg.

These, and other former Secretaries, are in a position to look at us without an indulgence. But the sense of being a part of the history that we developed the great financial traditions which have shaped the course of our history as surely as we have the Declaration of Independence.

It was in the year 1789, im¬ mediately after the adoption of the Constitution, that Alex¬ ander Hamilton, the first Secretary of the Treasury, was the first Cabinet officer to serve in the Government. He was, incidentally, as you all know, was 26 years old. He was in the primary of his life.

One of the first and most challenging problems was the country had no money. We had no capital to start with. There were various kinds of national and international problems that were caused by the States and the Continental Congress. By 1791, the common phrase which characterized the value of that day, had come down to us today—and still means what it said. "Our country has no money, or no soundness or integrity.

Our leaders of that day realized that a political independent and permanent nation was impossible without a national financial staility. To achieve this in a raw, and new, nation, the Treasury was strengthened to taxation by a Federal Government, a Secretary, and an administration to taxation by a Federal Government, a Secretary, and an administration.

Hamilton’s bold plan for reneging the national debt, and managing the public debt, was opposed by the Congress. But the Secretary of the Treasury, who, incidentally, as you all know, was 26 years old. He was in the primary of his life.

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The Outlook for Disarmament and Peace

BY HAROLD E. STASSEN*  
Special Assistant to the President for Disarmament

Ascertering more people throughout the free world are now employed in disarmament activities, Dr. Stassen ascribed this achievement to President Eisenhower, "a durable and honorable peace with freedom and justice. Extols work of top Cabinet officials, and denies nation's defense has been weakened. His strength is by far more powerful than in 1952."

The year 1955 which is now drawing to a close is the first full year for the United States in which the entire world has been at peace. The world has been a year that included many tense situations, serious continuing dangers, and new threats for violent outbreak, but nevertheless, a year in which no war was waged anywhere around the world.

Yet for the first time in all of our history, our economic situation is very much like a new life.

What has been the result? We have prosperity undreamed of, a Gross National Product of close to $690 billion, more than 65% of our population gainfully employed, a national income of over $300 billion for only the second time in our economic history.

I remember, just a year ago, President Eisenhower, as President of NAM, I made a little prediction, that the American newspapers, I said, that alternate years, as much as 20% of the population sometimes wondered if that had come to pass. It has passed, and it is not.

Well I think that, by the end of this year, we will have the world ever had, but 1956 can be even bigger. NAM numbers companies, large and small, of billions of dollars that are finding their way into new industries, new technologies, and new equipment. The NAM people are striving to create something new and different, and more and better jobs, more and better new industries, and more Americans. That's the saving of the nation. That's the individual initiative and private enterprise at work so people may prosper.

That must not become so stressed in the material evidences of our prosperity, or in the apparent lack of awareness of the real causes, that we lose sight of the principal, which is the material and prosperity possible, and which is, if not the only, assurance of the future that is realized.

Almost a century ago, Macaulay wrote: The Americans will prosper for they have been taught to work and to toil, because they have not the means to mount a war, and because they are not prevented by the lack of a fair share of the public credit. They are not prevented from working hard, and they have a willingness to work hard, favoriteVirg.

To tax away willingness to risk, and to let the private enterprise system work, and to believe in the fair levies, and to penalize success and enterprise, is to work against the American tradition, that of the American people being born into and the way we get through life, the American way of life, and that the American people are capable of being the kind of people, we are bound to suffer. These results are not fan
dituation, they are not imaginary, they are grimly actual and real, reach into every household in the land."

Nowadays the most modern and efficient countries are employed in examples of a half-million dollars' worth of goods and services by the New Deal cartel.

NAM is for a free America—
and as a country "So People May Prosper."
Lehigh Valley Railroad Co.

There is considerable evidence of the easing of the pressure on Lehigh Valley stock. This stock held quite steadily in the 21-28 3/4 area for some weeks after the news of the August floods which dealt relatively lightly with the Lehigh Valley and no real pressure on the price of the stock until the latter part of September. Then and for some two months thereafter it hovered in the 19-29 area for no particular reason. The close of last month, which saw the start of a new movement, was the price of 17 3/4, and today's 17 31/32 is at 17 3/4 shares at 12 1/2 per share on Lehigh Valley stock to the 25 area where it was at this year's high.

It is expected that 1956 earnings may be even a little better than the $4 per share that is estimated for the current year, and therefore, the result of the sale looks pretty good. It may be fairly questioned what stands in the way of the recovery of Lehigh Valley stock at this time. In the current year, although it is also to be recognized that some 5% of this advantage was offset by flood damage costs of about $1,600,000.

The estimate of $4 per share or a little more for 1956 is a sound figure. It is without benefit of any such large tax credit that is projected for 1956, and the estimate of $4 per share allows for a dividend of 25%. This dividend is estimated at $1,731,000 tax credit received in the current year, and also to be recognized that some 15% of this advantage was offset by flood damage costs of about $1,600,000.

The community stock is expected to be a better carrier for the better part of the last three decades. Although another 10 years of prosperity are not likely to have the Lehigh Valley is highly sensitive to general industrial conditions, and particularly the long-term rate operations sharply affected. Lehigh and Atlantic, Bethlehem, and other revenues suffered the sharp drop to 64.6 million in 1934 as against the $1,31,333,000 of 1928. Throughout recent years, shown by the $1,500,000 consolidated 6s of 1989 which the road called for payment for September at 117. This deduction is to be carried over into 1956.

Once a consistently prosperous road when anthracite coal was the mainstay, the Lehigh Valley is finding it even a more promising carrier for the better part of the next three decades. Although anthracite has lost something of its importance, the Lehigh Valley is highly sensitive to general industrial conditions, and particularly the long-term rate operations sharply affected. The Lehigh and Atlantic, Bethlehem, and other revenues suffered the sharp drop to 64.6 million in 1934 as against the $1,31,333,000 of 1928. Throughout recent years, shown by the revenue trend of the Lehigh Valley has made a fairly good showing, and is still to both the Class I total as well as that of the Great Lakes roads. The Lehigh falls into this ICC regional grouping although it describes the road's territory only vaguely. The main lines are connected with those of the Pennsylvania, Jersey Central, and Wilkes-Barre, Pa., and Geneva, N.Y., with principal service extending into some of the most industrialized states of the East, N.Y., a network serving the Wilkes-Barre-Hazleton area, and a branch to Beltzville.

Are We Heading for Trouble?

Continued from first page

seems to be on paper. How long can this thing go on?

With Start With 1959

This was the question we posed to ourselves when the Treasury Department's report on the government's financial condition was issued last week. The Treasury's estimate of $4 per share or a little more for 1956 is a sound figure. It is without benefit of any such large tax credit that is projected for 1956, and the estimate of $4 per share allows for a dividend of 25%. This dividend is estimated at $1,731,000 tax credit received in the current year, and also to be recognized that some 15% of this advantage was offset by flood damage costs of about $1,600,000.

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The Lehigh Valley is in good financial shape. The 1949 debt adjustment, among other things, extended the maturities of division loans, reduced the debt service charge on the debt adjustment, and reduced the rate of return on their assumption by the Lehigh as part of the plan, and it placed half of the bonds of the road's general mortgage issue on the contingent interest basis. The plan also set up two sinking funds—the prior lien sinking fund of not more than $680,000 annually and the general sinking fund of $50% of net income plus dividends, which paid until total interest charges were reduced to $1,400,000, with the fraction of $50% of net income plus dividends on contingent interest basis. The plan also set up two sinking funds—the prior lien sinking fund of not more than $680,000 annually and the general sinking fund of $50% of net income plus dividends, which paid until total interest charges were reduced to $1,400,000, with the fraction of $50% of net income plus dividends paid within the year.

This showing is the more creditable since the debt service charge is stepped down in proportion to any condition. During the 1951-54 period $30,135,000 was spent on additions and modernization, and of this amount $1,300,000 was placed, operations having become fully dieselized in September 1951. All of the road's current finances were well maintained through this period, and the road was able to build up higher levels. With the help of proceeds from the sale of its flood claim for $9,000,000 to the Lehigh Valley Authority, cash totals topped $14,500,000 on August 31 this year, while the amount of the company's maintenance of way was shown to have increased to $12,489,000 as against $7,383,000 on Aug. 31, 1951. This comfortable position was undoubtably a factor in our views on the 1956 earnings of the Lehigh Valley.

On the other hand, we know that the mere existence of a big dividend, even one which may be theoretically sustained indefinitely, does not necessarily mean that the rate of earnings or of earning stability. After all, we had big growth potential in 1960 and 1961, and indeed, our entire history has been one of remarkable expansion. The condition that we are now facing is one of setting limits to this growth. The change in the operating policies of the Lehigh Valley, from a 25% to 30% dividend rate, is one of the most significant features of the company's recent history. It is expected that 1956 earnings may be just a little better than the $4 per share that is estimated for the current year, and therefore, the result of the sale looks pretty good. It may be fairly questioned what stands in the way of the recovery of Lehigh Valley stock at this time. In the current year, although it is also to be recognized that some 5% of this advantage was offset by flood damage costs of about $1,600,000.

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per dollar of cash on hand than they have in recent years.

Significance of Velocity

All this suggests that too much attention may have been given to the velocity of money in the past, because the fact that the situation in bank

For instance, some observers see the velocity of money as an

If these points seem rather acad-

However, some of the govern-

Whatever Account

•

The crucial point is this: regard-

To put it another way, the pres-

This, in turn, will depend on three

We will Adjust Smoothly

As to the first of these, factors, the

We will achieve a fairly orderly transi-

If the boom does continue for a while, various excesses could de-

Excesses Can Develop

The velocity of money reflects the

Inflation at Work

Over the past half-century, since 1933

Inflationary pressures have

Otherwise, more prices would have

The price level since 1951 has
tended to be well below the

In conclusion, we must

The Federal Reserve System...
of the Grace National Bank of New York announced on Dec. 13 by Ralph S. Stillman, President, Mr. Stillman announced the appointment of Mr. Blyth as Assistant Vice-President and Harvey V. Delapena as a Director.

The First National Bank of New York announced on Jan. 1 that it has been elected to serve as the bank’s Director.

The Federal Reserve Bank of St. Louis announced that it has approved the merger of Manufacturers Trust Company in New York, with its own firm, C. E. Mitchell, Inc. The merger is expected to take place on March 1, 1955.

The Bank of New York announced on Dec. 21 that it has been elected President of the National City Bank and in its own capacity, and in the capacity of the New York Stock Exchange, has been elected President of the New York Stock Exchange.

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Penn Square, the bank’s new loca-
tion places it at an important in-
tersection in the business district.
Opening day will feature the fol-
lowing activities: 11 a.m. Regular-
service church service. Remarks
have been planned by Philadelphia
Swedes. 2 p.m. A 30-minute trip through
the six floors and their exhibits.

On Dec. 3 a consolidation was ef-
forced in the affairs of the Na-
tional Bank of McKeesport, Pa., with the Penn Bank and the Citizens Deposit & Trust
Company of Sharpsburg, Pa., with contributions of $20,000 and $40,000. The
consolidation was effected under the authority of the National Bank of McKeesport,
whose president, J. H. Calhoun, Jr., was chairman of the committee. The me-
merger had a capital stock of $2-
193,750, in 218,375 shares of com-
mon stock, valued at $1,000, and un-
divided profits and reserves of less
than $1,400.

Directors of Harris Trust and
& Savings Bank of Chicago on Dec.
14, increased their capital stock by
$2,000,000, in 80,000 shares of $250
par value. The directors also voted to pay the stockholders a 25\% stock dividend, increasing the capital stock from $12,000,000 to $25,000,000 by transfer of $3,000,000 of undivided profits. The dividend will be paid to the stock-
holders of record at the close of busi-
ness on Jan. 11. In announcing these
steps, President Kenneth V. Zeller
said: "This dividend is paid in order to
favorable action by stockhold-
ernow in the stock’s full value. The dividend will be continued on the increased number of shares at the present 12\% annual rate."

Hord W. Hardin, an attorney and
partner in the law firm of Slaughter & Mc-
Carty, has been elected a Vice-
President of the St. Louis Union
Trust Company of St. Louis, Mo., it
was announced on Dec. 15 by David
B. Colburn, Jr., President. His
election becomes effective Jan.
1. He will act as the Senior vice
trust department of the Trust
Company upon the retirement next
year of the present Vice-President,
who is now in charge of that depart-
ment.

Wilbur R. Reynolds, Jr., Presi-
dent of the National Bank in Palm
Beach, Fla., has announced that his board of directors will declare a dividend of 75 cents per share, plus a stock dividend of $300,000. The
division was declared by the board of
Directors at their regular monthly meet-
ing held Dec. 8. This cash
dividend of $90,000 makes a total of
$180,000 paid to more than 340 stockholders. The
division is the first paid on Dec.
20 to stockholders of record as of Dec.
23. The Directors voted a transfer of $500,000 to $1,000,000 of un-
dividided profits to the surplus account, and a distribution of $2,000,000 leaving an excess of
$1,000,000 in undivided profits. The
capital stock of the bank is valued at $1,000,000. It was also an-
ounced that the bank will offer a
new year-end bonus was declared.

The Security National Bank of
Alexandria, La., increased its capital stock from $1,500,000 to $2,000,000.
A stock dividend of $500,000 was declared, part of the increase which was
further realized by the sale of $100,000 in new capital stock.

Election of James W. Aston, Vice-
Chairman of the New York National
Bank of Dallas, Texas, to the directorate of the bank was
announced Dec. 23 by Karl Hob-
litzelle, Chairman of the Board, and
Fred F. Florence, President of the
bank. He was elected to the newly-created office at the regular monthly meeting of the
Board of Directors. As Chairman of the board, Mr. Aston will work closely with the President. In
his new position Mr. Aston joined the official staff of Republic Dec. 1, 1945, as a Vice-
President. As an officer in charge of
construction of the bank’s new building, dedicated Dec. 1, 1945.

As of Nov. 30 the First National
Bank of Evansville, Ind., increased its capital stock to $500,000, by transfer of
$400,000,000 of undivided profits. The
increase resulted from a stock dividend.

The Walker Bank & Trust Co.
of Salt Lake City, Utah, merged
on Nov. 1, under its charter and
title with the Farmers & Mer-
chants’ Bank of Provo, Utah, both
sites in the area of the Federal Re-
serves System. A branch was es-
abled at the former location of the
Provo bank.

Frank L. Kenney, President of
California Bank of Los Angeles,
has announced that the directors on Dec. 12, elected Vice-President G. J. Carter and John
J. Shreve, of First California Hills
Hill, Jones, Norton, Jr., Sixth and Grand Office; and A. D. Jennings, Vernon Office. Elected
Vice President was J. S. Delee. R.
Van der Zeer, Beverly Hills
Head Office; W. J. Thomas, Head Office; D.
C. Ready, Assistant Office; R. W.
Wagars, San Gabriel Office; J. J.
Lovett, Sixth and Grand Office; and A. D. Aston, Van Nuys Office.

G. H. B. Kane, Head Office, was
elected Trust Director and G. C.
Combs, Edward E. Gregg, and Lawrence Baehler, Head Office, Assistant Cercets.

As We See It

event. First of all, a national election is in the offing and the po-

tically powerful farmer feels aggrieved at his lot.

Under stimulation from a fatherly Federal Government, he has come to the country’s plow and
will be paid by him a profit, and the large manpower supplied at the expense of the taxpayer fail to make up the dif-
ference, or at least fall to the farmer with the income he feels he needs and presumes to be entitled to.
The Democratic party, which has long boasted of its friendship for the farmer has been having a good deal to say about what it would do for him if it is returned to power next year.

Growing Restive

The Administration and the Republican party in general have been growing increasingly restive in these circumstances, or at least fail to be preparing plans for
using guineas to heal the hurt the farmer feels. The public has not been told the details of their plans, but it is
a safe guess that it would require many guineas. Washing-

ton observers seem more and more to be taking it for

granted that "in this political year, the howls of the farmer will be heard above the cries for debt reduction and
even above the clamor for tax cuts. How all this works itself out in actual practice, the future must disclose but there can be no question at all that the budget makers in
Washington and members of Congress who must place their seal of approval upon whatever is done are finding this situation definitely demand-

Then there are the claims of the world situation, in particular the requests of the military forces which are
charged with keeping us in a defensible position in these troublous times. For some time past the Secretary of
Defense has been struggling with rising costs, and intim-
ating that one result of higher wages, higher prices and
higher taxes would be a rising defense budget even if programs were in no way changed. At present it
seems fairly well-assured that our defense forces will re-
quire appreciably more money than they had last year, to
say the least. And, there have always been those who decry such economy as has been instituted, and who
presumably would be more than ready to enlarge appropria-
tion for the tax armies estabishment.

To add to the stresses and strains of the situation, the
Kremlin has now begun to snarl through its smiles. Per-
haps it would be more accurate to say that they are
stepping up their efforts to make trouble and win friends.
At the same time, reports emanate here and there suggest-
ning that the Soviets have made more progress in arming
their modern warfare than had been supposed and that despite all their talk about disarmament, they have
no intention of reducing their efforts in this direc-
tion. Of course, we have always had those amongst us who believed that we were not doing all that is required to
protect ourselves against their advance.

Whether reports that have been emanating from Washington to the effect that the Administration will presently ask for several billion more for foreign aid will
presently prove to be well founded in full or not, we, of
course, have no way of knowing. Certain it is that influ-
ential politicians and self-styled statesmen are quite ready to support such a program. In point of fact they have long been advocating conditions under which there is evidently some strong force behind such a move which is even now preparing the public for its impact. Here is at least another threat to either tax reduction or a retirement of debt.

Always With Us

Of course, the poor, the underprivileged, and the
do-gooders we always have with us. They are now clamor-
ing for more Federal funds as they are usually doing. It is not easy to see "war against welfare" outlays are war-

anted in larger amounts than they have been in recent
years. In point of fact, employment is so full and prosperity so widespread that one would suppose that less
funds would be required for such purposes. But of course, the better financial position of the Federal Government which has been so sedulously publicized of late — is always a better safety valve for those who always want money.

Greater health, education, and social security demands on the budget are now being pressed with extra-
ordinary vigor. We shall have to wait to see what success these demands will enjoy, but they are certainly another of the problems of the budget makers in this pre-election time.

Already it is being said that these demands, even if met, would impose no great new burden upon outlays during the next fiscal year—as if adding to the burden of the next few years is now less to be regretted! The fact that so often programs of this sort are launched with support of just such claims, and later prove virtually irreconcilable, is one of the most dangerous and insidious attacks upon the fiscal policies. There is no reason, of course, to expect the fiscal situation this year will be any better than last year. In any case, the lack of progression toward solving these problems is even more to be regretted than the fiscal policies.

"MERRY CHRISTMAS!"

Political War Against Poverty

"It is a shocking thing that over one out of every five families in our country have incomes less than
$2,000 a year. In our own State, one of the richest in the Union, one out of every seven families has an income of less than $2,000 a year, and all too many have less than $1,000 a year."

The general state of business has the most influence on in-
comes. Executive action could be done to improve them and many ways to fight poverty could be found "if we get the Federal, state and local govern-
ments together with fine civic institutions, churches, labor
unions, business organizations and n d clubs working together."

—Governor Harriman of New York State.

The Governor's advisors should have warned him of such easy use of duteseous statistical materials. But, by and large, the low income groups, what-
ther their status, are in the low income brackets because they are low producers. The problems they present are not what the Governor seems to suppose.
The Economic Weather: We May Face Ahead

The economy, with its dilemmas of the fifties, I have always been afraid that in the one of the twenty-first century will far overshadow the first half of the century, for which the electronics and atomic energy developments and the continued rapid development of scientific development will bring into reality products and services which today seem fantastic. Whi

We hazard their effect on the industrial development of the world of living? All I can say is that none of the economic developments that may be realized will produce the rapid progress we experience. We condition and develop great expectations that the economy has always been and should continue to be as. How in the face of this growth, the economy, the majority although like kind, the demands exceed the supply.

Consumer Markets Are Not Satiated

I agree with the economists who maintain consumer markets are far from saturated. Let's take a look at several aspects of consumer demand and see if we can believe every housewife has all the clothes she wants—perhaps needs—and can afford them. As an indication of the amount of goods and services that are demanded, the demand exceeds the supply.

At the end of the week, we face a selling season. Government and business will be the most important department of the market for second cars in families with one or more cars. In my car dealers, I have talked with and listened to the salesmen and business must continue to develop. In the following lines, I will discuss the main elements of the dynamic fifties. These elements are true for all the jobs in all lines of products and services. As a Klotzher, I can say that the salesmen have always been a help to the customer—the customer is always the customer—of course.

We predict their production, I mentioned the Fifties, the year—1956. As the year progressed, their production the results of the production of cars and other automobiles we have expected. The number of new cars and goods sold in the future will not be less than the number of new cars sold in the past. But I mention the number of cars sold in the past.

One class of automobiles, the millions of new cars and products, we have expected to be made by the staff of McCoombe's, B. Poole, director, and Security Building.

DuPasquier Landeau Inc.

The DuPasquier Landeau & Son will be dissolved Dec. 31 and a new corporation, DuPasquier Landeau & Son, will be formed with offices at 116 Broad- way, New York City. Officers of the firm, which will be members of the firm, will be Pierre Du Pasquier, President; Serge Landeau, Manager, B. Poole, Treasurer; and Beatrice Landeau, Secretary.

McCombie Co. Adds

McCombie Co., 165 King St., Long Beach, Calif., Cyrus R. Bishop, president, E. R. Klingen- smith and J. B. Robinson, have added to the staff of McCombie & Company, Security Building.

P. L. Meaders Opens

AUSTIN, Tex.—Paul L. Meaders, Jr. is engaging in a securities business from offices at 1010 Brannon.

Tom Morris Opens

New York, Dec. 19, 1956.—(Special to The Financial Chronicle)—Robert C. Morris has opened offices at 3544 Greenwich Place to conduct a securities business.

Oriol Securities Corporation

Oriol Securities Corporation is engaging in a securities business from offices at 120 Wall Street, New York City.

Market Report

Market Report is engaging in a securities business from offices at 745 Avenue, New York City.

State Bond & Mfg.

State Bond & Mfg. (Special to The Financial Chronicle) New ULIM, Minn.—John W. Cooper, the general sales manager, has been added to the staff of State Bond & Mortgage Co., 28 North Minnesota Street.

Two with Shahan Inc.

Two with Shahan Inc. (Special to The Financial Chronicle) New York City.

The State of Trade and Industry

caused one to one-and-a-half days of lost at Chrysler D.V.&O, and Buick, as Dodge, for the four weeks elements to these producers. Saturday assembly was on tap at American Motors Corporation, however, so other producers indicated "extra" day activities.

Mercury lost a full day at its Metuchen, 1.7, assembly plant, while Ford's River Rouge plant was closed for the four weeks to below the 97,716 cars built in the preceding week. Ford Motor Co., American Motors and Studebaker-Packard scheduling ro

As a consequence, "Ward's," the industry will by some 318,690 cars be cannibalized, or will be sold with only nine work days remaining. Even at full load, operations, 35,000 cars per day is hardly possible and only a few producers are currently operating at this rate.

Across the border, Canadian car making on Thursday of last week was slowed by a three-day strike for an eight-year-to-date production topped 366,355, the previous peak set in 1953. This despite the still unresolved 83-day strike. Total production for the weeks ended Jan. 27 this year.

November new business incorporations declined for the second straight month. This brought the total for nine months to 135,100, from 135,100 in October, or a drop of 3.13, Eun & Bradstreet, Inc., reported. It was the smallest monthly total since November, 1954, and the lowest for the nine months ending that month.

A total of 128,112 new corporate formations were listed during the first 11 months of 1955. This represented a gain of 21.8% above the 153,100 for the comparable period last year.

Steel Output This Week Set at 97.5% of Capacity

Steel output this week set at 97.5% of capacity compared with the all-time high of 101.4% last week.

Upward pressure on steel prices is near a bursting point, "steel" magazine, the metalworking weekly stated on Monday of this week, "it is evident that the market is breaking loose and scattered, mostly in price extra.

Once the steel materials backed up are ferretted away. New prices will become effective Jan. 1 for contract users and immediately for spot buyers. Increases average 3.6% on migwana alloys and as much as 5.5% on the 10W18-10M18 and other carbon steels.

Meanwhile, steel prices hold firm, so that "Steel" price com- position on finished steel remains at $121.14 a ton net.

The news of the week in steel trade is contained in this magazine. The automobile industry expects its first-quarter production to push 16.8% over the 1954 fourth quarter. Projected are 5,792,750 passenger cars. Shortages of material for the construction industry are forcing delays on a number of structural projects under way. Demand for plates and structural iron will be heightened by the new needs of steel plants themselves.

The steel industry produced 1,767,763 tons and castings at 100.5% of capacity in the week ended Dec. 19. That's an increase of one point over the preceding week, setting an all-time high record.

In the steel and iron scrap market users contend this week that the jump in exports plays a major role in the weekly production of 1,747,216. "Steel" s price com- postion on steelmaking scrap was at an unprecedented $30.17 a gross ton this week. The equivalent was $11.87 a gross ton in 1910. This marks the seventh consecutive week of hikes.

The American Iron and Steel Institute announced that the operating rate of steel companies had 56.1% of the steelmaking capacity operating this week. The equivalent for the week was 55.9%.

The output rate for the week is based on annual capacity of 352,230,210 tons as of Jan. 1, 1955. For the like week a year ago rate was 101.4%. A year ago the actual weekly produc- tion was placed at 1,726,990 tons or 72.4%. The operating rate for the like week a year ago was 94.5% as of Jan. 1, 1955. The percentage figures for 1954 are based on annual capacity of 193,230,100 tons as of Jan. 1, 1954.

Electric Utility Sets a New All-Time High Record

December 17, 1956

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Dec. 17, 117,445,000 kw.hr, was recorded as the industry record for the industry. The previous all-time high record was 117,353,000 kw.hr, recorded for the week ended Dec. 17, 1953, when 11,400,000 kw.hr were produced, according to the R.B. Electric Institute.

This week's output increased 176,000,000 kw.hr above that of the previous all-time high, which was recorded in the comparable week in 1952, and 2,700,000,000 kw.hr above the like week in 1955.

Car Loadings Showed a Slight Contraction in the Week

Loadings of revenue freight for the week ended Dec. 10, 1955, decreased 983 cars or 0.1% below the preceding week, the Associ- ated Press for an all-commodity rate.

Loadings for the week ended Dec. 10, 1955, totaled 727,223
The Security I Like Best

A purchase of 100 shares of Procter & Gamble in 1890 would have required only a $10,000 investment; today, after it had been exercised, the shares would have increased to $5,960. In the steel industry, where the stock of U.S. Steel in 1890 sold for $200,000, with much of this value recent.

The growth and development of Procter & Gamble is planned and executed with precise coordination and smoothness which can only be achieved by the complete lack of any term automation. With such coordination and efficient management, it is not surprising that the corporation traditionally sells at approximately 6% in the market. And when a shareholder requests a dividend check, he knows that he can look P & G's customers, employees and the common stockholders in the eye.

Procter & Gamble has literally accomplished miracles in the soap industry. With wages and taxes equivalent to over 40 times the wages of 1890, with raw material prices 100 times what they were, a cake of Procter & Gamble soap sold for 15 cents. In the 1890's, costs around a dime were considered great. The company has mastered the field of advertising and sales promotion. On soap products it has become absolute giant—now P & G is moving into the fields of foodstuffs and chemicals with new ideas.

There are people that have the statistics on the last 20 years. I always wonder how many of those people realize the result of the company's way of doing business. And when the company's time was taken the time to make an analysis of the statistics of the officers in P & G's example, that is building a new head office building in Cincinnati. It is being measured against the striking and lavish design of Park Avenue, for the building is to be here from conception and conservativeness in design. Now also it should be remembered that P & G is one of the largest spenders of money in advertising in the country. Clearly P & G is no less skilled at saving dollars and in expenditures now than 70 years ago.

The annual report contains many well guarded sentences of information which demonstrate a unique enunciation of the facts and the generally unprecedented decline in the original crop production, natural or otherwise.

The report declined in 1955 yield of oats at 14,660,000 bushels and the U.S. total of 12,602,000 bushels, CCC loan entries were reported at 456,000 bushels, bringing the total entries for the season through that date to 33,500 bushels, a 1955 private estimate.

Trade Volume Continued to Rise Last Week With the Near Approach of Christmas.

Consumer spending rose noticeably in the period ended Wednesday with the seasonal total dollar volume was slightly above the level of the similar week last year. Considerable gains were in accounted for in household goods, toys and children's clothing.

Trade Week South California.

The total dollar volume of retail trade in the week was 1 to 5% higher than the year ago, according to estimates by Dun & Bradstreet, Inc. Regional estimates varied considerably from the 1031 level by the following percentages: New England—2 to 2; East North Central—1 to 5; South—3 to 7; Middle West; Northwest—2 to 1 to 6.

The retail volume in children's clothing, with principal gains in boys' suits and sport shirts. There was an increased interest for men's furnishings, while volume in women's dresses continued to advance. Particularly, women's jewelry was best-selling women's accessories and interest in women's jewelry and accessories. Volume boomed noticeably, and equalled the level of the corresponding week last year.

Consumers boosted their purchasing of household furnishings last week.

The market was an expansion in volume in china, glassware and gifts, while linens and towels were extremely popular. Furniture stores reported increased interest in end tables, dinette sets and lounge chairs; volume in bedding and bedroom suites dropped somewhat. The call for lamps, lighting fixtures, and mirrors was at a higher level than that of the previous week. There was a rising interest in floor coverings and draperies.

A high level of food buying at retail was sustained the past week and the dollar volume was slightly higher than that of a year ago. Housewives boosted their purchases of poultry, while volume in fresh vegetables was high and steady. Eggs and butter were popular dairy products, but interest in cheese declined somewhat.

Wholesale orders expanded moderately a week ago, and the total dollar volume was notable higher than that of a year ago. Housewives boosted their purchases of poultry, while volume in fresh vegetables was high and steady. Eggs and butter were popular dairy products, but interest in cheese declined somewhat.

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Crabb Ends Thirty-Year Career With Investors Diversified Services

The resignation of Earl E. Crabb, Chairman of Investors Diversified Services Inc., today marks the end of a long and remarkable career of a financial leader in the upper Midwest. Mr. Crabb has served as an officer and director of the company since the establishment of the company about two years ago. Mr. Crabb has continued his association with IDS since it first went into business.

Mr. and Mrs. Crabb now reside in Bellevue, Washington, but will be frequent visitors to Minneapolis, where they live.

Raymond J. Koonz, President of Diedahl Incorporated of Canton, Ohio, manufacturers of sales, bank vault doors and bank security equipment, business record systems and microfilm equipment, will succeed Mr. Crabb on the IDS boards of directors. In the five years he had been with Diedahl before becoming President of the company on April 7, 1963, Mr. Koonz had held the position of Vice-President and Executive Vice-President. Before joining the company, the competitive experience of Mr. Koonz was as President and General Manager of Maguire Industries of Greenfield, Massachusetts. He is a member of the board of directors of the Easy Washing Machine Company. Born in Asheville, North Carolina, he has been a frequent visitor to Canton and the Shenandoah Valley of Virginia. He now resides in Canton with his wife and son.

IDS November Sales
Set All-Time Record

Total sales of four mutual investment in-stallement investment certificates and AIBs, during November, broke all previous records and will continue to grow during those years of my life when I ought to be re¬tired and not doing any activity, not adding to them.”

Earl E. Crabb’s career is a typi¬cal American success story, with a minor position in the sugar industry, a career as a railroad executive, and a career in real estate. He rose through successive promotions in the business, and has now reached the highest position in the company. He was appointed President in 1940; in 1947 he was appointed as an officer of the company. He has served as President of the company ever since.

He is a member of the board of directors of the Easy Washing Machine Company. Born in Asheville, North Carolina, he has been a frequent visitor to Canton and the Shenandoah Valley of Virginia. He now resides in Canton with his wife and son.

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Hugh W. Long
Study Citations
Stock Registrations

There are advantages and dis-
advantages in each of the several ways of registering stock, the
authors of this study point out in a paper which will be published in
the March issue of The Commercial and Financial Chronicle. The paper
is titled "Advantages and Disadvantages of Various Methods of Registering
Stock." The study is based on an analysis of 50 companies, and it
concludes that the most advantageous method is the registered
method, followed by the unregistered method.

Christmas Spirit
Mutual Fund

Wayne E. Bevington, Vice-Presi-
dent and Treasurer of the Mutual Fund, reports that "Christmas Spirit Mutual Fund" will have a
Christmas program for shareholders. The program will include a
Christmas concert, a performance by the Nutcracker Ballet, and a
Christmas dinner. The program will be held on December 21, 1955,
from 7:00 p.m. to 10:00 p.m.

Group Funds Show
Gains

Group Securities, Inc., sponsors of the "Growth Fund" and "Income Fund," announced that both
funds have experienced a significant increase in assets during the
last quarter. This is the result of strong performance during the
quarter, as well as increased inflow of new capital.

Our Report on Governments

BY JOHN T. CHIPPENDALE, JR.

The Government market is very much in the business of making year-end tax adjustments because time is running out for
the filing of these adjustments. Volume, according to advisors,
advise that individual taxpayers should be on the lookout for
changes in the intermediate and long-term Government obligations, and
this is likely to be the case for the next few weeks.

The two segments of the market continue to operate pretty much as separate entities, with the buyers of short-term
Government securities, such as Treasury bills, being primarily
motivated by the interest rate policy in the form of favorable yields,
even though some temporary

The more distant Government issues continue to fluctuate within the rather limited range which has been in effect recently.
Buyers of long-term Treasury bonds have been little disturbed, and
they would be too much bothered by the tight money policy of the authorities.

Reduced Credit Demand Expected

It is believed in some quarters that the money market has
peaked for the year, for it is expected that the demand for funds will tend to lessen somewhat in the near future.
It is reported that there has been some decrease noted in the
demand for future loan commitments. Also seasonal repayments
on inventory and agricultural loans is expected to get under way
at the start of the New Year. Likewise, the return flow of cur-
rency from circulation, which usually takes place with the advent
of the New Year, will have an ebbing effect upon the money market.

The pattern of business, on the other hand, will have a marked influence upon the demand for money. The pressures and
destress in the money market are expected to continue until the
seasonal influences start to materialize. It is expected that there
will be very little or no change, for the time being at least, in the needs
of business for financing its operations.

Monetary Authorities Will Maintain Pressure

Since the forecasts are, that the year 1956 will bring with it a continuation of the economic growth that already
exists, it is believed that the authorities will continue to maintain the
pressure on the money market.

The Reserve Banks have recently altered their policy and bought cer-
tifices as well as Treasury bills in order to ease the market.

While With White & Co.

BLOOMINGTON, Ill.—Clifford C.
Wick is now with White & Co., 216 West Washington Street.

Massachusetts Life Fund

DIVIDEND

Massachusetts Life Fund is paying a dividend of 42 cents per share quarterly, effective for the quarter ending
December 31, 1955. This is a 67 cents per share increase over the previous dividend.

F I F Increases Rail Investments

Realizing that the railroad industry has played an important part in the development of our country and our economy and
that it is likely to continue to play an important role in the future,
the F.I.F. has decided to invest in the railroad industry. The
F.I.F. will invest in the common stock of several railroads, including
the Chicago, Rock Island & Pacific Railroad Company.

Templeton Growth Fund Assets Up

Templeton Growth Fund has increased its assets for the quarter ending September 30, 1955, by $3,200,180. The
fund's investments in securities have increased by $2,949,751 and 30.2% of this increase is attributed to equity
in investments in the railroad industry.

Our Reporter on Government

John T. Chippendale, Jr., in his report on governmental agencies, points out that the Federal Reserve Bank of St. Louis
is likely to be issuing a report on governmental organizations in the near future.

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With the pressure of the tight money being felt most in short-term yields, it is believed by not a few money market specialists that the relief which is looked for in some quarters will only be of a temporary nature as far as the near-term Government market is concerned. This is the sector of the money market which has been receiving most of the pressure because, as the words imply, short-term (of too long duration), means it is subject to quick adjustment in either direction. However, as long as tight money is the policy, near-term rates can move higher. On the other hand, if and when there should be a downturn in interest rates, the short-term rate will be the first to reflect such a development, which will, in turn, lead to a revaluation of the yields of these funds will have to be made at declining rates of return.

Why Long Bond Yields Continue at Low Level

This brings up once again the question as to why the long-term sector of the Government market has not been much disturbed by the current monetary policy, and it is for the fact that this kind of money does seek out short-term issues, because these funds have to be put to work at a set or assured rate for an extended period of time. Therefore, most of the public debt is floated to raise revenue or to make commitments in the most distant Treasury obligation in order to get the needed rate of return for many years in the future. This buoying up of the long-term yields, has kept the market for these issues on a fairly even keel, in spite of the tight money conditions.

"MERRY CHRISTMAS"
Securities Salesman's Corner

BY JOHN DUTTON

Simplify Your Sales Presentation

People today are in a rush and a hurry. They are pressed with those who are making decisions about buying securities. All indications point that your attention and unless you can show them how much money they are going to make or save or lose, they are not going to waste their time. They are going to judge your sales pitch by the value of the income they will get from taxes, or the saving of taxes, and all indications point that you will find that your attention will be divided attention of your customers, and if they get only one chance to sell their securities, that will be seriously impaired.

The other day I was clearing out some old letters that had been in my files for a long time. You know how it is, when people write you and you can't seem to find the time to do anything about their business, they write you again, and after several of these letters you throw them away. But one in particular caught my eye. It said:

"Your earlier letter, dated December 22, 1955, is still in my files, and I have been thinking about it ever since. I have been trying to figure out how I could make use of the information you provided, and I think I have come up with a good idea. I am going to write a series of letters to my customers, outlining the benefits of what you have suggested. I hope that this will help me to sell more securities."

I was impressed by this letter, because it showed that the person who wrote it had really thought about what I had said. And it also made me realize that what I had said was worth saying again. We need to build up the public's confidence in the securities market, and this is a good way to do it.

Cold Facts Must Be Faced

When you talk to people about investing, they are likely to ask you about the current condition of the securities market. They are not going to believe you if you tell them that everything is rosy. They are going to want to know the facts. Here are some cold facts that you should be prepared to face:

1. The average investor is at a disadvantage in the securities market. He does not have the time or the knowledge to make informed decisions. He needs your help.

2. The government is participating in the securities market. It has invested billions of dollars in securities, and it is making a profit on them. You should be able to make a profit too.

3. The securities market is not a perfect market. There are always going to be changes in supply and demand, and these changes will affect the prices of securities.

4. You cannot predict the future. The market will move up and down, and you cannot predict which way it will go.

5. You cannot control the market. You can only react to it.

6. You cannot make a guaranteed profit. You can only try to make a good profit.

7. You cannot avoid risk. You can only try to minimize it.

8. You cannot avoid taxes. You can only try to minimize them.

9. You cannot avoid inflation. You can only try to minimize its effects.

10. You cannot avoid government intervention. You can only try to minimize its effects.

People Need to Know These Facts

When you talk to people about investing, you need to be honest with them. You need to tell them the truth. They need to know that the securities market is not a perfect market, and that they cannot make a guaranteed profit. They need to know that they cannot avoid risk, and that they cannot avoid taxes. They need to know that they cannot avoid inflation, and that they cannot avoid government intervention.

You need to explain to them that the best you can do is to try to make a good profit, and to try to minimize the risk, the taxes, and the inflation. You need to explain to them that the government is participating in the securities market, and that they need your help.

People Need to Be Encouraged

You need to encourage people to invest. You need to show them that investing is a good way to build their future. You need to show them that investing is a way to build their wealth. You need to show them that investing is a way to build their security.

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Progress and Problems of Consumer Credit Financ ing

The problem of accessing credit has been a recurring topic in America's financial history. The Federal Reserve Bank of St. Louis, as well as other financial institutions, have been crucial in shaping the landscape of credit and finance in the United States. This page from the Commercial and Financial Chronicle highlights some of the key issues and developments in the consumer credit market, such as the importance of credit, the legal implications of borrowing, and the role of financial institutions in managing credit risks. The text discusses the need for careful consideration of credit agreements and the potential for abuse in credit practices. It also touches on the broader implications of credit on the economy, including its role in stimulating economic activity and its potential for financial instability. The page is a snapshot of the evolving landscape of consumer credit, reflecting the ongoing struggle to balance access to credit with responsible borrowing practices.
Securities Now in Registration

Allied-Mission Oil, Inc., Tulsa, Okla.
Oct. 3 (letter of notification) 598,000 shares of common stock ($1 par) at par (or 42 cents per share). Proceeds—For acquisition, exploration, drilling and development of oil properties.
Address—Box 1603, Tulsa, Okla. Underwriter—United Securities Co., same address.

Aloha, Inc., Las Vegas, Nev.
Nov. 7 filed 3,000,000 shares of preferred common stock ($1 par) at $1 per share. Proceeds—For issuance of senior notes, interest on which is payable to the underwriters. Address—Broadway Bldg., Los Angeles, Calif. Underwriter—None. Statement filed Nov. 29.

Aluminum Corp. of America, New York
Nov. 9 (letter of notification) 300,000 shares of class A stock ($10 par) at $10 per share. Proceeds—To redeem the preferred stock ($18,000) and to pay financing costs. Address—30 Rockefeller Plaza, New York, N. Y. Underwriter—Eliot Greenberg Co., 1016 Carroll St., Brooklyn, N. Y.

Big Chief Uranium Co., Pueblo, Colo.

Black Diamond Mining Co., New York
Oct. 19 (letter of notification) 9,000,000 shares of common stock (par $1) at $1 par. Price—$40 cents per share. Proceeds—For exploration and development costs. Address—206 North Virginia St., Reno, Nev. Underwriter—Mid-America Securities Corp., New York, N. Y.

Big Ute Uranium Corp., Overton, Nev.

Bonus Uranium, Inc., Denver, Colo.
Oct. 27 (letter of notification) 2,000,000 shares of capital stock (par one cent). Price—10 cents per share. Proceeds—For mining expenses. Address—1154 Bannock St., Denver, Colo. Underwriter—Mid-America Securities Corp., Salt Lake City, Utah.

Burlington, Inc., Miami, Fla.
Nov. 23 (letter of notification) 3,000,000 shares of class A common stock (par $25). Price—$38 per share. Proceeds—To open additional offices and for general corporate purposes. Address—3371 Northeast 37th Ave., Miami, Fla.

California Eastern Aviation Inc., Washington, D. C.
Dec. 13 (letter of notification) 4,521 shares of capital stock (par $10) to be offered to certain individuals in an initial offering at a price per share of $3.81 per share. Address—1744 G Street, N. W., Wash¬ington, D. C.

Canuba Manganese Mines Ltd., Denver, Colo.

Caribou Ranch Corp., Denver, Colo.
July 15 filed 605,000 shares of capital stock (par $1). Price—$10 a share. Proceeds—For construction purposes, equipment and construction of additional facil¬ities, etc. Address—1437 N. Sherman Dr., Denver, Texas. Underwriter—Benjamin & Co., Houston, Texas.

Asseagte Island Bridge Corp. (Md.)
Oct. 7 filed 100,000 shares of 5% cumulative preferred stock (par $100) at $2 per share. Proceeds—For acquisition of mineral, etc., properties for exploitation. Address—222 Park Wall St., New York, N. Y. Underwriter—None.

Atlas Industries Inc., Houston, Texas
Oct. 10 (letter of notification) 5,000,000 shares of com¬mon stock (par one cent). Price—$1.50 per share. Proceeds—To finance diesel and materials and for working capital, etc. Address—1500 Main, Houston, Texas. Underwriter—Benjamin & Co., Houston, Texas.

Nov. 14 filed 100,000 shares of common stock (par $1) to be sold at $11 per share. Proceeds—To finance additional purchases of 600,000 shares of Plywood, Inc. at an exchange rate of $1 for $1.50 and for working capital purposes. Address—1960 Broadway, New York, N. Y. Underwriter—F. S. Deitschler, Inc., 509 Fifth Ave., New York, N. Y.

Atlantic Corporation.
Dec. 19 filed 49,684 shares of common stock (par $1) to be issued upon the exercise of the stock purchase war¬rants, which warrants are to be issued in exchange for warrants to purchase shares of common stock of Ply¬wood, Inc.

Automatic Tool Corp.
Sept. 7 (letter of notification) 20,000 shares of common stock (par $1) at par. Price—$11 per share. Proceeds—To purchase a factory and purchase equipment and machinery for manufacturing tool holding devices. Address—127 West 3rd St., New York, N. Y. Underwriter—E. L. Driver and Co., New York, N. Y.

Citicorp, New York
Nov. 19 issued 5,000,000 shares of common stock ($1 par) at $1 per share. Proceeds—to be used for new bank buildings, etc. Address—1028 Connecticut Ave., N. W., Washington, D. C. Underwriter—Emory S. War¬ren, First Boston, New York, N. Y.

Coastal States Oil & Gas Co. (1/12-16)
Dec. 20 (letter of notification) 7,000,000 shares of common stock (par $1). Price—To be supplied by amendment. Proceeds—to pay off loans incurred for land purchases, for construction of gas and oil rigs, and for other general corporate purposes. Address—1003 14th St., Washington, D. C.

Colo Engineering Corp.
Nov. 9 (letter of notification) 2,575 shares of preferred stock (par $100) at $100 per share. Proceeds—for development and equipment expenses. Address—Spencer, Zimmerman & Co., Inc., Columbus, Ohio.

Colohoma Uranium, Inc. (2/1)

Comet Uranium Corp., Washington, D. C.

Contemporary Capital Co., Chicago, Ill.
Aug. 17 (letter of notification) 199,999 shares of common stock at $1 par. Price—to be supplied by amendment. Proceeds—to be distributed to stockholders and general development costs. Address—130 W. Jackson Bldg., Salt Lake City, Utah; and Underwriters—Potter Jordan & Co., New York, N. Y. Underwriter—None. Statement filed effective Nov. 8.

Hershey Christi Refining Co.

Danly Machine Specialties, Inc., Cicero, Ill.
Dec. 6 filed 180,000 shares of common stock (par $5). Price—to be supplied by amendment. Proceeds—to be used as working capital. Address—1207 Van Buren St., Chicago, Ill. Underwriter—A. G. Becker & Co., Inc., Chicago, Ill.

Delta Minerals Co., Casper, Wyo.
Nov. 30 (letter of notification) 3,750,000 shares of non-convertible common stock (par five cents). Price—50 cents per share. Proceeds—to be used for new explorations. Address—223 City and County Bldg., Casper, Wyo. Underwriter—The Western Trader & Investor, Salt Lake City, Utah.

Del-Valley Corp., Old Bridge, N. J.

Dennis Run Corp., Oil City, Pa.
Nov. 28 (letter of notification) 46,000 shares of common stock (par $1) at $1 per share. Proceeds—to pay bank loans and debts; and for working capital. Address—40 National Transit Bldg., Oil City, Pa. Underwriter—None. Statement filed Nov. 28.

Dinosaur Uranium Corp., Salt Lake City, Utah

Dix Uranium Corp., Provo, Utah

Domestic Coal & Coke Co., Provo, Utah
Dec. 12 (letter of notification) $125,000 4% second mort¬gage bonds due Feb. 1971. Price—at par (in denomina¬tions of $500 and $1,000). Proceeds—for construction, etc.

* indicates additions since previous issue
* items revised

Citizens Credit Corp., Washington, D. C.
Sept. 27 (letter of notification) 243,000 of 6% subordi¬nated debentures due Dec. 30, 1982. Proceeds—to raise $2,450,000 of class A common and 490 shares of class B common; and for working capital. Proceeds—to be paid to subsidiaries. Address—1028 Connecticut Ave., N. W., Washington, D. C. Underwriter—Emory S. Warren, First Boston, New York, N. Y.

** items revised

New York Chicago St. Louis San Francisco Cleveland
Private Wire to all offices

The Commercial and Financial Chronicle, Thursday, December 22, 1955

* items revised


Insured Circuits, Inc., Belleville, N. J., Nov. 10; filed 100,000 shares of 6% cumulative convertible preferred stock at par ($100 per share). Proceeds—for the benefit of the United States. Underwriter—J. L. Security Corp., 76 Revere St., New York, N. Y.


Israel-Rasco Investment Co., Ltd., Sept. 6; filed 9,000 ordinary shares. Price—at par (100 bonds each, or about $35 in U. S. funds), payable in State of Israel. Underwriter—Te-Avi, Israel. Underwriter—Rasco Israel Corp., New York.


Kemir Corp. of America, Fresno, Calif., Oct. 6; (letter of notification) 20,000 shares of common stock. Price—$1 per share. Proceeds—for inventory, establishment of outlets, working capital, etc. Underwriter—Van Deventer & Co., New York, N. Y.

Kendron Electronics Co., Inc., Oct. 27; (letter of notification) 60,000 shares of common stock at par ($10 per share).—Proceeds—to Nicholas J. Papadakis, the selling stockholder. Underwriter—20th Century Pioneer Securities Co., New York, N. Y.
**North Star Oil & Uranium Corp.**

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**New Alco Corp., Dallas, Texas**

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**Real Estate Clearing House, Inc.**

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**Republic Benefit Insurance Co., Tucson, Ariz.**
Sept. 30, filed 150,000 units in a dividend trust and stock subscription bond for general mem-
bers of the public who are acceptable applicants and who are to become active policyholders in the company. Price—$2 per unit. Proceeds—for general corporate purposes. Underwriter—Mil

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**Ridge Air Lines, Inc., Miami, Fla.**
Dec. 29 filed 167,000 shares of common stock (par 10 cents) to be offered for subscription by stockholders at the rate of $10 per share. Proceeds—For working capital and for general corporate purposes. Underwriter—The Mathewson, Washington, D. C.

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**Rogers Coal Co., Rogers, Conn.**
Oct. 17 (letter of notification) 3,000,000 shares of com-

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**Penn Precision Products, Inc., Reading, Pa.**
Nov. 3 (letter of notification) 3,007 shares of common stock for $500. Proceeds—to pay current account and notes payable; for research and development; and for general corporate purposes. Underwriter—North American Securities Co., Tulsa, Okla.

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**Pittman Drilling Oil & Co., Independence, Kan.**
Nov. 19, (letter of notification) 2,000,000 shares of cumulative preferred stock (par $5) and 60,000 shares of common stock. Price—$5 per share. Proceeds—to non-stockholders who are resi-

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**Reevesville Development Co.**

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**Pipeline Corp., Tulsa, Okla.**
Nov. 29, filed 155,000 shares of common stock (par $1). Price—$4 per share. Proceeds—to pay current account and notes payable; for research and development; and for general corporate purposes. Underwriter—North American Securities Co., Tulsa, Okla.

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**Prudential Loan Corp., Washington, D. C.**
Nov. 22, filed 111,000 shares of 44-cent cumulative prior preferred stock (par $5) at the par value. Proceeds—to purchase 2,000,000 shares of common stock to be offered in units of one share of preferred stock and 200 shares of common stock. Price—$9.75 per unit. Proceeds—for general corporate purposes. Underwriter—Straus, Blomer & McDougall, New York, N. Y. Underwriter.

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**Puerto Rican Jal, Alai, Inc.**
(1-3-4)

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**Silver Creek Precipitation Corp.**

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**Silvery Lighting, Inc.**
(1-16)
Dec. 16, filed 225,000 shares of common stock (par 10) for $125,000. Proceeds—to be used for expansion and working capital. Underwriter—Milton D. Blau & Co., New York, N. Y.

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**South Atlantic Gas Co.**

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**Southern Michigan Cloud Storage Co.**
Dec. 10 (letter of notification) 100,000 shares of common stock. Price—At par ($100 per share). Proceeds—for building and equipment. Office—930 West Broad St., Garden City, Mich. Underwriter—None.

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**Spur Mining Corp.**

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**Stone (E. B.) Finance Co., Inc.**
(12-27-30)
Dec. 8 (letter of notification) 9,000 shares of 6% cumu-
lative preferred stock (par $25) and 6,000 shares of class A common stock (par $5). Price—For preferred, at par; and for common, $12.50 per share. Proceeds—To be used for general corporate purposes. Office—2671 Pennsylvania Ave., N. W., Washington, D. C. Underwriter—R. S. Dickson & Co., Inc., Philadelphia, Pa.

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**Strouse, Inc., Norristown, Pa.**

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**Sulphur Exploration Co., Houston, Texas**
Nov. 21, filed 600,000 shares of 6% convertible cor-
nominal preferred stock to be offered for subscrip-
tion by common stockholders on the basis of one preferred share for each common share held. Price—$3 per share. Proceeds—for general corporate purposes. Underwriter—Carnegie Securities Co., Washington, D. C.

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**Superior Uranium Co., Denver, Colo.**
Nov. 9 (letter of notification) 29,600,000 shares of com-
mon stock at $2 per share. Price—$2 per share. Proceeds—for mining operations. Office—600 Colorado Bldg., Denver, Colo. Underwriter—Securities, Inc., P. O. Box 72, Denver, Colo.

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**Swank Uranium Drilling & Exploration Co.**
Aug. 17 (letter of notification) 2,000,000 shares of com-

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**Sheraton Corp. of America**
Oct. 31, filed $15,000,000 of 6% cumulative income sub-
ordinated debentures due Dec. 15, 1950, at 98% to bear interest initially by the company (a) to its stockholders on the basis of one preferred share for each common share held and (b) to employees of corporation and its subsidiaries. Price—$95 per $100 of debentures. Proceeds—for general corporate purposes. Office—Boston, Mass. Underwriter—Dean Witter & Co., Inc., New York, N. Y. A subsidiary, will handle stock sales.

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**Cowboy's Broken Arrow Uranium Co.**
Nov. 7 (letter of notification) 5,000,000 shares of common stock (par 10 cents). Price—$1 per share. Proceeds—for general corporate purposes. Office—13232 W. 79th St., Kansas City, Mo. Underwriter—Acker-Hackett Investment Co., Salt Lake City, Utah.
Target Uranium Co., Spokane, Wash.

Texas American Oil Corp.
Nor. 3 (letter of notification) 600,000 shares of common stock (par $1). Proceeds—For drilling expenses, etc. Office—216 Central Blvd., Midland, Tex. Underwriter—Kramer, Woods & Co., Inc., Houston, Tex.

Texas Eastern Transmission Corp.
Dec. 12 filed 200,000 shares of cumulative preferred stock (par $100). Price—To be supplied by underwriters. Proceeds—To refund indebtedness outstanding $100,000 shares of 5.5% first preferred stock. Underwriter—Dillon, Read & Co., Inc., New York. Offering—Postponed

Trans-American Development Corp.
Nov. 14 (letter of notification) 80,000 shares of 8% cumulative preferred stock (par $1) and 65,000 shares of class A common stock (par $1) to be offered in units of 500 shares. Office—239 Broadway, New York. Proceeds—For drilling expenses. Price—$3.25

Sept. 29 (letter of notification) $247,000 of 5% convertible preferred stock and 600,000 shares of common stock (par $10) to be offered in units consisting of 1,000 shares of 100% of common stock. Price—$1.90 per unit. Proceeds—For payment of indebtedness, expansion, equipment, management and professional and editorial assistance, and promotion of company. Capital—$200,000. Underwriter—Headley & Co., Philadelphia, Pa. Underwriter—Albert C. Schenck, Wichita, Kansas.

Travelers, Inc., Seattle, Wash.

Tri-Continental Corp., New York
Oct. 27 filed 2,573,508 shares of common stock (par $1), which will be issued upon exercise of the option to purchase 1,275,754 shares of the same stock (par $1 per share) for each one share specified in the warrant certificate.

Triad Brick & Tile Co.
Dec. 1 filed (letter of notification) 800 shares of common stock (par $100) and $75,000 of 6% construction notes due Dec. 1, 1952. Price—$10 per unit. Proceeds—For payment of general and administrative expenses, and for deposit in auxiliary equipment and construction fund. Price—$10 per share. Office—Triad Brick & Tile Co., Fairman, Harris & Co., Inc., Chicago, Ill.

Tunacraft, Inc., Kansas City, Mo.
Aug. 20 (letter of notification) 1,000,000 shares of preferred stock (par $5 per share). Proceeds—For acquisition of the principal amount of $6 12-year registered subordinated sinking fund debentures due Aug. 15, 1958, and stock warrants. Price—At par (in denominations of $100 each or multiples thereof). Proceeds—To redefine and exchange secured obligation. Underwriter—McDonald, Evans & Co., Kansas City, Mo.

Union Securities Factors Corp.
Dec. 7 (letter of notification) 28,500 shares of 6% participating stock (par $10) and 2,500 shares of common stock (par one cent) to be offered in units of 10 shares of preferred stock and one share of common stock. Price—$4 per share. Proceeds—To increase working capital. Office—11 Union Securities Factors Corp., 70 Wall St., New York, N. Y.

Union Corp. of America
Aug. 23 filed 797,000 shares of common stock (no par). Proceeds—For retirement of debt, purchase of property, and working expenses. Price—$1 per share. Proceeds—To acquire one life and one fire insurance company. Office—Los Angeles, Calif. Underwriter—None. Shares to be sold through underwriter’s certificate effective Dec. 31, 1955.

Union Oil Co.
Sept. 7 (letter of notification) 600,000 shares of common stock (par $10) to be offered in units of 10 shares of preferred stock and one share of common stock. Price—$10 per share. Proceeds—To increase working capital. Office—200 Main St., Los Angeles, Calif. Underwriter—State Brokerage Co., Inc., 2523 South State St., Salt Lake City, Utah.

Utah-Uranium, Inc., Salt Lake City, Utah.
Aug. 15 filed 1,000,000 shares of common stock (par $10 cents) to be offered by subscription. Price—$10 per share. Proceeds—For expansion, working capital, compensation of officers and directors. Office—115 South Temple Building, Salt Lake City, Utah. Underwriter—Tri-Western Brokerage Co., Salt Lake City, Utah.

Utah Gran, Inc., Reno, Nev.

Vaco-Dry Co., Oakland, Calif.

Wagon Box Uranium Corp., Provo, Utah

Warrior Mining Co., Birmingham, Ala.

Western Mining Co., Phoenix, Ariz.
Dec. 19 filed 1,950,000 shares of common stock (par one cent). Which 1,800,000 are to be offered publicly. Price—$1 per share. Proceeds—To purchase property and sets of Arizona Kennel Club, and for working capital and other corporate purposes. Underwriter—M. J. Reiter Co., New York.

Western States Refining Co.
Aug. 14 filed 4,000,000 shares of 6% sinking fund debentures due Jan. 1, 1966, and 165,000 shares of common stock (par $35) to be offered in units of 50 shares of debentures and five shares of stock. Price—$52.50 per unit. Proceeds—For construction and installation of a Houdriformer and a refining plant. Price—$10 per share. Payment in cash and notes. Underwriter—J. Barth & Co., San Francisco, Calif.

Wonder Mountain Uranium, Inc., Denver, Colo.

Aug. 29 filed 250,000 shares of common stock (par $5). Proceeds—For retirement of debt. Office—American Securities Co., 99 Wall St., New York, N. Y.


Nov. 19 filed 1,500,125 shares of common stock (par one cent). Proceeds—For working interests in certain oil and gas leases and to the development of a uranium exploration property. Price—$1 per share. Proceeds to be valued at an arbitrary price of $4 per share. Proceeds—For working capital. Office—Jackson, Wyo.

Wyoming-Gulf Sulphur Corp.
July 8 filed 2,000,000 shares of common stock (par 10 cents) of which 700,000 shares are for company's account and 272,000 shares for account of two selling stockholders. Price—$10 per share and prevailing price, but not less than $2 per share. Proceeds—For acquisition of additional size, and related activities.

Wyntek Oil Corp.

Wyntex & Gas Co., Newark, Wyo.
Sept. 28 filed 90,000 shares of common stock (par $1). Price—at the market. Proceeds—To August Buschmann, his mother, and members of his family.

Yellowknife Uranium Corp.
Aug. 15 filed 700,000 shares of common stock (par one cent), of which 700,000 shares are to be sold for account of Stunt Uranium Co. Price—$1.50 per share. Proceeds—For working capital and reserve funds; for development of additional size; and for advances to Canadian Underwriters—Gearhart & Oils, Inc. and F. H. C. Cree & Co., Inc., both of New York City. Offering—In Canada.

Zapata Petroleum Corp., Midland, Tex. (12/28)
Nov. 3 filed 125,000 shares of common stock (par 10 cents). Price—To be supplied by amendment. Proceeds—Together with funds from proposed bank loan of $1,000,000, to be used to redeem presently outstanding 10,000 shares of preferred stock (par $10), $1,000,000 of 4% debentures, 250,000 of 5% registered notes and $18,250 of 4% convertible notes; also for acquisition, development and expansion of oil properties. Underwriter—G. H. Walker, Co., New York.

Zenith-Utah Uranium Corp.
Federal Reserve Bank of St. Louis

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Lincoln Rochester Trust Co. Oct. 19 It is planned that the company will vote Jan. 23 on a plan to issue preferred stock, 100,000 shares, at $10 par value, to be used to pay for further expansion, estimated to cost an additional $6,000,000. Underwriter—Chase Manhattan Bank, New York.

Louisiana Power & Light Co. Sept. 22 It is planned that the company will vote Jan. 23 on a proposal to issue $1,000,000 of debentures due 1959, at $1,000 par value, to be used to pay for further expansion, estimated to cost an additional $1,000,000. Underwriter—The First Boston Corp., New York.

Louisiana Power & Light Co. Oct. 19 It is planned that the company will vote Jan. 23 on a plan to issue preferred stock, 100,000 shares, at $10 par value, to be used to pay for further expansion, estimated to cost an additional $1,000,000. Underwriter—The First Boston Corp., New York.

Lincoln Rochester Trust Co. Oct. 19 It is planned that the company will vote Jan. 23 on a plan to issue preferred stock, 100,000 additional shares, at $10 par value, to be used to pay for further expansion, estimated to cost an additional $1,000,000. Underwriter—Chase Manhattan Bank, New York.

Mercantile National Bank of Dallas Oct. 19 It is planned that the company will vote Jan. 23 on a plan to issue preferred stock, 100,000 shares, at $10 par value, to be used to pay for further expansion, estimated to cost an additional $1,000,000. Underwriter—Rausher, Pierce & Co., Inc., and First Southwest Corp., both of Dallas, Texas.

Northern States Power Co. Dec. 19 It is planned that the company will vote Dec. 21 on a plan to issue preferred stock, 100,000 shares, at $10 par value, to be used to pay for further expansion, estimated to cost an additional $1,000,000. Underwriter—For stocks: Hornblower & Weeks, New York; and common stock: Kidder, Peabody & Co.; and First California Co., San Francisco, Calif. Bonds may be privately placed.

Paciﬁc Electric Sugar Co. Nov. 28 It is planned that the company will vote Dec. 19 on a plan to issue 10,000,000 of new securities (probably $50,000,000 of common stock) due 1966, at $10 par value, to be used to pay for further expansion, estimated to cost an additional $1,000,000. Underwriter—For stocks: Hornblower & Weeks, New York; and common stock: Kidder, Peabody & Co.; and First California Co., San Francisco, Calif. Bonds may be privately placed.

Southern Nevada Power Co. Nov. 28 It is planned that the company will vote Dec. 19 on a plan to issue $10,000,000 of ﬁrst mortgage bonds due 1966, at $10 par value, to be used to pay for further expansion, estimated to cost an additional $1,000,000. Underwriter—For stocks: Hornblower & Weeks, New York; and common stock: Kidder, Peabody & Co.; and First California Co., San Francisco, Calif. Bonds may be privately placed.

Texas Utilities, Inc. Oct. 11 It is planned that the company will vote Dec. 19 on a plan to issue 10,000,000 of new securities (so par value), of which it is planned to publicly issue 10,000,000 shares bearing a 5% dividend, and 10,000,000 shares paying a 6% dividend. Underwriter—For expansion program. Underwriter—Blair & Co. Incorporated, New York.

Westcoast Transmission Co., Ltd. Oct. 11 It is planned that the company will vote Dec. 19 on a plan to issue $2,000,000 of new securities (so par value), in connection with the sale of $20,000,000 of new securities due 1956. Underwriter—Will sell to the extent of $2,000,000 of new securities to be placed in connection with the sale of $20,000,000 of new securities due 1956. Underwriter—Blair & Co. Incorporated, New York.

Westcoast Television Co., Inc. Nov. 28 It is planned that the company will vote Dec. 19 on a plan to issue 10,000,000 of new securities (so par value), in connection with the sale of $20,000,000 of new securities due 1956. Underwriter—Will sell to the extent of $2,000,000 of new securities to be placed in connection with the sale of $20,000,000 of new securities due 1956. Underwriter—Blair & Co. Incorporated, New York.
### Indications of Current Business Activity

#### AMERICAN IRON AND STEEL INSTITUTE

<table>
<thead>
<tr>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month Age</th>
<th>Year Age</th>
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<tr>
<td>213.8</td>
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Equivalent to: 

- 159 Million long tons (net tons) 
- 159 Million short tons (net tons)

#### AMERICAN PETROLEUM INSTITUTE

- Crude and manufactured daily average (bbls. of 42 gallons each) 
- Total output, all refineries (bbls.) 
- Crude oil, total output (bbls.) 
- Crude oil, domestic output (bbls.) 
- Crude oil, domestic output (bbls.) 
- Crude oil, inputs to transit, in pipe lines 
- Finished and unfinished gasoline (bbls.) 
- Kerosene, finished output (bbls.) 
- Aviation fuel oil (bbls.) 

#### CIVIL ENGINEERING CONSTRUCTION—ENGINEERING

- Total U. S. construction 
- Total public construction 
- State and municipal 
- Federal 

#### PHILIPPINE CHINA RAILWAY ASSOCIATION

- Odd-lot sales (number of units) 
- Total volume of sales (number of units) 

#### ERIE ELECTRIC CORPORATION

- Gross (in 1000's) 

#### PARLORS AND CONFERENCE ROOMS—DEN.

- Brazdeok, Inc.

#### INCOME FROM USE OF MONEY

- Interest on savings and time deposits 
- Interest on savings and time deposits

#### MOODY'S BOND PRICES DAILY AVERAGES

- Average corporate 
- Average state 
- Average municipal 
- Average railroad

#### COTTON INDUSTRY DAILY AVERAGES

- U. S. Government Reserve 
- Average reserve 
- Average price 

#### MOODY'S COMMODITY INDEX

- Natural rubber 
- Cocoa (cured) 

#### VARIOUS TRANSACTIONS

- For odd-lot dealers (number of units) 
- For odd-lot dealers (bbls.) 

#### OIL, PAINT AND DRUG REPORTER PRICE INDEX

- Average total 

#### TOTAL TRANSACTIONS ON N. Y. STOCK

- For members of account for stock of members 
- For members of account for stock of members

#### AMERICAN RAILWAY CAR INSTITUTE

- Months of October: 

#### ASSOCIATION OF AMERICAN RAILROADS

- Months of October: 

#### GOAL EXPORTS (BUREAU OF MINES)

- U. S. exports of Pennsylvania anthracite (tons) 
- Total coal (tons) 

#### COMMISSIONS ON CONGO, E. •

- Month of October: 

#### MONEY-CHANGERS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

- Expressed and intermediate term credit to municipalities 
- Total consumer credit 

#### COTTON PRODUCTION—U. S. DEPT. OF AGRICULTURE

- Month of October: 

#### INTEREST SHARE COMMISSION

- Index of Russian bond purchases at midweek of October: 

#### TOTAL OUTFIT (BUREAU OF MINES)

- Month of October: 

#### INTERNATIONAL CURRENCY COMMISSION

- Index of Russian bond purchases at midweek of October: 

#### CAPITAL GAIN IN GREAT BRITAIN

- Month of October: 

#### PORTLAND CEMENT (BUREAU OF MINES)

- Month of October: 

#### SELECTED INCOME ITEMS OF U. S. C. I. S.

- Farm (in millions of dollars) 
- Employment (in millions of dollars)

#### TREASURY MARKET TRANSACTIONS IN BONDS

- Month of October: 

#### SELECTED RATES OF INTEREST

- Rates of interest (in dollars)

#### TREASURY CREDIT

- Month of October: 

#### NET INCURSIONS OF U. S. A.—Month of November:

- Net purchases 

- Net sales 

- Net sales 

- Net sales 

- Net sales 

- Net sales 

- Net sales 

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.
JAMES B. BEAM DISTILLING CO.

DIVIDEND NOTICE

The Board of Directors of the James B. Beam Distilling Co. announces Dividends payable as follows:

CASH DIVIDEND

A Dividend of seven and one half cents ($0.075) per share on 20,000,000 shares of common stock was declared, payable January 6, 1956, to stockholders of record at close of business on December 27, 1955.

STOCK DIVIDEND

A Dividend of one and one half percent (1½%) stock payable January 6, 1956, to stockholders of record at close of business on December 27, 1955.

By Order Of The Board
T. JEREMIAH BEAM, Vice-President

Now Havener Secs. Corp. The firm name of Havener-Hall Securities Inc. in 51 East 42nd Street, New York City has been changed to Havener Securities Corp.

Joins Real Property Inv. (Special to The Financial Chronicle) BEVERLY, HILLS, Calif.—Lawrence S. Hefner has joined the staff of Real Property Investments Inc., 233 South Beverly Drive.

Davidson Adds to Staff (Special to The Financial Chronicle) A. D. Hobden Washington, D.C.—A. D. Hobden is conducting a securities business from offices at 3001 Connecticut Avenue. Mr. Hobden was previously with Jones, Kreager & Wittman and Auchincloss, Parker & Redpath.

Forms H. A. Hyman Co. BROOKLYN, N. Y.—Harry A. Hyman has opened an office to conduct a securities business from offices at 16 Court Street under the firm name of H. A. Hyman, Inc., which was previously with First Investors Corporation.

Bateman Adds to Staff (Special to The Financial Chronicle) PALM BEACH, Fla.—Eva C. Wagner has been added to the staff of Frank F. Bateman, 243 South County Road.

With Francis L. du Pont (Special to The Financial Chronicle) WILMINGTON, Del.—Philip deR. du Pont, 221 Datura Street, has been named Chief Investment Officer under the firm name of The Financial Corporation, Incorporated.

DIVIDEND NOTICES

PACIFIC GAS and ELECTRIC Co.

Common Stock Dividend No. 16 The Board of Directors on December 16, 1955, declared a dividend of four cents per share on the common stock of Pacific Gas & Electric Company, payable January 15, 1956, to common stockholders of record at close of business on January 1, 1956.

SOUTHERN CALIFORNIA Edison Co.

Board of Directors of the Southern California Edison Company has authorized the payment of the following quarterly dividends:

Common Stock Divided No. 18 40 cents per share.

PREFERENCE Stock, 4½% Convertible Series Divided No. 37 28 cents per share.

PREFERENCE Stock, 5% Convertible Series Divided No. 38 25½ cents per share.

The above dividends are payable January 31, 1956, to stockholders of record January 5, 1956, with checks mailed from the Company's office at Los Angeles, January 31.
WASHINGTON, D.C. — One of the strangest of shows in just about a generation of the annals of politics is this sight over the natural gas hill, a fight in which, in a country where the chances are weighted heavily against the gas producers. It was about 1938 when Congress passed the first Natural Gas Act. It involved a regulation of the rates at which interstate pipelines transported gas in interstate commerce. The pipeline was thus accorded its place among other interstate utilities, whose rates would be regulated by the common carrier, the Federal Power Commission.

When natural gas is sold to a local distributor for piping to the final consumer, that local distributor is usually in turn regulated by a state utility commission. It is usually by one state agency or another.

Many members of Congress who were around at the time, insisted that the original 1938 act was intended only to regulate local production and gathering; that the original intention was only to regulate the interstate transportation of gas by pipelines.

However, the winds around Washington, D.C., in the 1940s were full of Olds not only one way. Particularly Leland Olds, a former Chairman of the Federal Power Commission, was always the reputation of wanting to regulate interstate gas. When natural gas was sold locally at the price of the gas producer, he was of the view that this was a violation of the law, and the gas producer stands to make money. He was interested in getting other sales on the interstate pipelines.

One of the curious aspects of the gas fight, however, is that neither the quick and easy vote as the late Justice Oliver Wendell Holmes is supposed to have had for a girlish fright, joined with those who took this view that this was a scheme to gouge consumers and vetoed the bill. The bill failed over the veto.

With the FPC still opposing regulation of production and gathering, the thing rocked along from time to time. It was when the Supreme Court of the United States, in the Mitchell case, ruled that the regulation of field prices of natural gas was provided in the Natural Gas Act. Specifically, when a Federal court is interpreting the scope of the law, the court has to ascertain the "intent of Congress." In this case the court would not have had much difficulty in any extremely tedious or painful matter for a moment. It voted affirmed that a majority of Congress was opposed to this regulation. This intent was clearly expressed, an expression hardly vitiated by the fact that Harry Truman killed the bill in 1956.

So this is the second high-light of this fight over natural gas. The Supreme Court by its clear construction of an application of law contrary to the expressed wish of Congress as well as to the majority of the regulatory body responsible for it.

Local Cost Is Smallest Part

The "liberals" of today are contending that if this bill is passed, it will exempt gas prices regulation with the result that consumers can make of the price to be paid hundreds of millions of dollars more to heat their houses and factories and to cook their food.

It is the contention of the gas and oil industry, on the other hand, that the field price of natural gas in the smallest part of the cost. For instance, the industry has pointed out that an increase in New York City today the retail price of $2.08 per thousand cubic feet. The pipeline gets $0.97 of this and the city gas distributor, $1.77.

Admittedly the cents which the pipeline receives is regulated by the FPC, and the $1.77 of this is also regulated by the State of New York.

That leaves the producer, the one that gets the $0.28 which is the bone of contention.

In other words, it is exactly one-twenty-six of the retail cost to the individual consumer in this specific case which is the smallest part of the service rendered.

In their propaganda against the Harris bill, the 1955-56 version of the FPC, and the former FPC set to exempt the field price from Federal regulation. The opponents of the bill are careful not to trench on this one little scope but instead imply that ending ALL regulation of gas price for any reason is the only answer.

Powerful Opponents

Arranged against the Harris bill, aside from the solid "liberals" and the CIO. The CIO made a TV film attacking the bill and is an effort, shown around the country by local gas distributors. The local gas distributors also have been mobilized to front the fight against the bill, and have influence any number of local chambers of commerce to join in the campaign. They are protecting millions of dollars in the r's against higher gas costs.

Regulates Gas Prices

According to the current political show over this bill is that as passed by the House in 1955 it does NOT exempt — although billed as by the opposition — the field price of natural gas from regulation by the FPC.

Actually the bill started out in the House with such an exemption but in committee and on the floor, the "liberals" got it out. But the result is that which in effect provide that the pipelines must show they are paying no more than the market price for the gas they purchase, and against the independent gas producers. Whenever a pipeline seeks to raise the price of its gas or extend or add a physical facility, then it comes to the regulatory dock and must make the showing that it is paying not more than a fair market price.

This then is another curiousity of the gas bill. Despite the fact that the FPC on the one hand is to provide, via the pipeline, for the regulation of the "liberals" and CIO opposition is just as implacable in its opposition.

For this there appears to be a simple explanation. The speci-fied objective of the bill is one to exempt the production of natural gas from Federal regulation. In the amendments and in the committee, the bill has departed from its avowed pur-pose. The explanation of why the "liberals" still are riding it to death as an issue is that it seems as if it is a political issue. It is so much easier to demonstrate against a bill designed "to exempt from regulation" than it is to take a fair and practical point of view.

As one key figure explained it pointed out that the "liberals" are the country, the natural gas industry can hope for is the failure of the Harris bill even if, it is noted, the industry itself is not apparently that pessimistic. The worst that this House bill might be twisted off course 180 degrees, with a utility standard of rate-making written into the law, and be signed by the President. This would convert the bill into the total reverse of what the "liberals" seek.

Why Industry Wants

Since in practical fact the industry has lost the exemption it wanted of the regulation of the price of a commodity, the question arises as to why the industry still wants the Harris bill in its apparently eunuch form.

This, it is explained, is because of the type of regulation which would result from the law. It is a question of technical lan-guage more than of something which meets the layman's eye.

It is assumed that if the Commission enforced only the "fair market" or "fair field" price, that the gas industry would avoid the strict utility concept of price-fixing, or one which permits the FPC to go down into plant investment and set gas prices at the point of production which regulate some limited return like the 6% common in utility regulatory bodies.

This then limits the profit margin, of course, treat the gas industry like the everyday business. It would allow no more than a proper rate-making into the rate structure of the costs of exploration and drilling development.

Will Fail

The best paradoxically, that is the gas industry can hope for is the failure of the Harris bill even if, it is noted, the industry itself is not apparently that pessimistic. The worst that this House bill might be twisted off course 180 degrees, with a utility standard of rate-making written into the law, and be signed by the President. This would convert the bill into the total reverse of what the "liberals" seek. For the "liberal" element in Congress or the bureaucrats cannot abide the gas and oil industry's depletion allowances for tax purposes, nor its tremen-dous success in making four discussions of policy for the government. Those who have predicted the demise of oil supplies and the need for government to set firm hands and regulate the industry's development.

"This column is intended to re-flect the 'behind the scene' interpretation from the nation's Capitol and may not coincide with the 'Chronicle's own interests.'

Gifford P. V. of J. P. Morgan & Co.


Mr. Gifford, previously Assistant Secretary of Commerce and Vanucutt Phillips, New York, New York, has been appointed an Assistant Treasurer in 1941 and an Assistant Vice-President in 1949.

Announced were the ap-pointments of Mr. Gifford and Robert A. Lieutenant Assistant Vice-Principals; Watson K. Blair, First Vice-President; and T. Preston, Sidney G. Butler and Norbert E. Levy as Assistant Treasurers; John P. McGinnis and E. Grant, Assistant Secretary; and J. Henry Brooks as an Assistant Trust Officer.

Mr. Gifford joined the Morgan bank in 1935 as a trainee, headed the Bankers Trust Company from 1940 to 1955, is a graduate of Williams College and New York University Law School. He has been a member of the American Law Group in accordance with the bank since 1948.

The graduate of Yale University, has been with Morgan's since 1951,WM Burnham, and is a member in the foreign department; Mr. Gifford is the chairman of the statistical department; Mr. Brooks is in the personal trust department.