

Millions Of Americans Help Market To New High

Editor's Note — Here, in the first of five articles, Reiman Morin, one of the Associated Press' top reporters, tells the story of the stock market — present, past and what the experts think of the future.

By REIMAN MORIN
NEW YORK (AP) — Between eight and nine million Americans, according to the best estimates, are "in" the stock market today.
Should you be among them? Or do you feel the market is no place for your money?

This question presented itself to a schoolteacher in upstate New York some years ago. The story of her experiences in the market is true. But it is not reported here in order to convince you either way.

It is simply one example of a big, dynamic, exciting, and supremely enigmatic situation in America at this moment — a condition that goes beyond Wall Street and Washington, right into your living room.
INHERITED \$5,000.
Miss X, the teacher, unexpectedly received \$5,000 from

the sale of a family farm in California. At that time, she was approaching retirement.
"I knew what my income would be from my pension and some insurance that was about to mature," she said. "And I had some savings in the bank. All told, I expected to be reasonably comfortable after I retired."

Now, the \$5,000 windfall presented an opportunity to bolster this fixed income. She decided to put the money in stocks. Unfortunately, she took the advice of "a friend of a friend" and

some four years later, her portfolio showed a net loss of \$1,100.
CONSULTED BROKER
She then sought the advice of a broker. The branch manager in her town called personally and examined her stocks. Four of the seven she held, he said, were "very dubious — very speculative." She said she was interested in security, not speculation.

After an analysis, the broker returned with a recommended list of stocks. She accepted all but one, insisted, "I want to have some fun with the other."

(P.S. She has done well with it.)
During the next four years, Miss X received some dividends and put them in the same stocks. She estimates today her holdings total nearly \$20,000 at current prices. "I hope to begin taking out about \$100 a month in dividends," she said.

This happens to be a success story. In a different market at another time, the ending might have been radically different. But this illustrates a number of points:
1. Miss X is one of the thousands of new investors in the market. Some analysts estimate more than 500,000 people are coming in every year.

2. They are by no means all "big" investors. Many have annual incomes under \$5,000.

3. Miss X had some savings. Americans are putting 20 billion dollars a year into savings today.

4. She has a pension and other sure income. Hence, she could look at the \$5,000 as "surplus" money, a sum she could afford to risk.

One big attraction of the stock market today is the booming progress of American business. Corporations showed an estimated total profit of over 17 billion dollars in 1954 — double what they earned in 1929.

Nevertheless, at year-end, the stock market was beginning to worry a great many people. Was it too high? Was another wild orgy of speculation gathering momentum, to be followed by a crippling crash and a depression as in 1929?

Analysts pointed the sharp contrasts between 1954 and 1929. They said this is primarily an investment market, while 1929's was speculative. Still —
Indicators were approaching the all-time highs, set in 1929. On Sept. 9 of that infamous year, the Associated Press average of 60 stocks hit 157.7. It has never been reached since, but it stood at 155.4 last Jan. 3.

And the Dow-Jones Industrial average based on different components of the Free World in 1929 peaked at 381.17. It went over 400 for the first time in history.

Suddenly, the Federal Reserve Act. See PUBLIC on page 2-A

THE CHARLOTTE NEWS

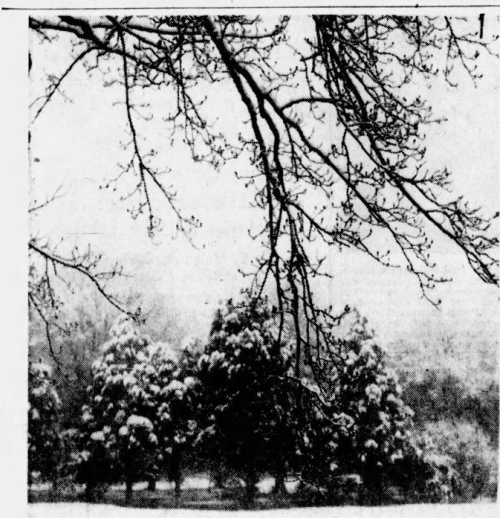
Largest Evening Newspaper In The Two Carolinas

Charlotte, North Carolina, Monday, January 24, 1955

24 Pages—Price Five Cents

By Force If Necessary

WE ASKS FOR HELP FORMOSA



IT MAKES A PRETTY SCENE, but here is evidence that this is no weather for golfers. This is a part of Myers Park golf course—across the snow and into the trees.

4.3 Inches Recorded Here

Timid Sun Works On Snow

By EMERY WISTER
Charlotte News Staff Writer
The sun poked a timid nose through the fog and cloud bank shortly before noon today to give the Weather Bureau hope that there will be no more snow for the present.

But the nose was a little too cold to do much about melting the snow already on the ground. Weather men predicted the temperature would rise to 38 or 39 degrees today, falling to near 30 degrees tonight.

Mostly cloudy skies are forecast through tomorrow and weather men think there may be some snow in the mountains tonight. But, they repeat, none is likely here.
Last night's snow, which teamed up with a thick fog to throw a hammerlock on Charlotte and the Piedmont, came barreling in on a storm from Texas.

The snow came as somewhat of a surprise, but actually it was just a day behind predictions. As late as Thursday, the Weather Bureau had forecast snow for Saturday night.

Beginning late yesterday afternoon, it continued through most of the night and gave many Carolinians their second taste of northern winter weather in five days.

MORE THAN BEFORE
The Weather Bureau reported 4.3 inches fell here, 2 inch more than the 4.1 inch sleet and snow fall of Tuesday night and Wednesday.

OUR WEATHER

Partly cloudy this afternoon, tonight and tomorrow.
Low temperature this morning, 31 degrees.
Low temperature expected tonight, 30 degrees.
High temperature yesterday, 39 degrees.
High temperature expected today, 39 degrees.
High temperature expected tomorrow, 42 degrees.
Sunrise, 7:27 a.m.; sunset, 5:43 p.m.

More Weather Data on Page 2-A

Legislators Face Secrecy, Money Issues

Tax, Appropriations Hearings To Continue

RALEIGH (AP)—Tax and Appropriations committees of the North Carolina General Assembly resumed their hearings today. The House of Representatives is expected to pass a bill on the tax issue by the end of the session.

Moore returned from a Wilson hospital Friday night after a week of rest from a general rundown condition. He said he was feeling much better. He spent several hours during the weekend in making his committee appointments.

MOORE IMPRESSED
The Legislature's rapid progress on its budget work has impressed Moore. By now, he said, the legislators should have the budget picture in focus.

Moore doesn't agree with some lawmakers that the Assembly may be in session until June. In view of the budget work already handled, he said that in his opinion the Legislature should complete its work before June.

The Senate probably will act early this week on a bill calling for repeal of the 1953 so-called "secrecy" law. The House passed the bill last week and a Senate committee has reported favorably on it.

HEARINGS SET
The House Appropriations Committee, which began its hearings Thursday, will resume hearings tomorrow. Heads of several state departments and agencies, including the Department of Conservation and Development, will be before the committee to outline their budget requests for the 1955-57 biennium.

TERMINAL READING
A staggered-term bill, authorized by the commission, was approved after reading today by County Attorney Henry C. Dockery. It provides that the two candidates in the 1956 general election receiving the highest number of votes will serve four years. The next two highest candidates will serve two-year terms. Thereafter, all terms will be four years.

In case of a tie, the bill provides that it will be broken by the County Election Board.
A bill calling for a four-year term for the chairman also was approved by the board.

Chinese Red Invitation
Prisoners' Families Still Ponder Trip

By THE ASSOCIATED PRESS
Relatives of Americans jailed by Red China still were pondering today the tough question of whether to accept the Communists' invitation to make the long journey to visit the prisoners.

Permission was first granted to send the parcels last July, the spokesman said, in care of the new Red Cross in Peking. They may contain food, toilet articles, civilian clothing and drugs in doses of up to \$50 valuation to the men.

A spokesman for Secretary of Commerce Stephen A. Tamm announced last night that parcels have been given to some of "about 50" Americans held under house arrest in Peking on charges of espionage. There was no definite answer, however, on how many have been allowed through the American embargo on exports to Red China.

Mr. Tamm said that the families were informed yesterday they can send weekly parcels of up to \$50 valuation to the men.
At least one family had decided definitely to make the trip.
The families were informed yesterday they can send weekly parcels of up to \$50 valuation to the men.

'Very Grave Move' Pride Explains Ike's Request

TAIPEH, Formosa (AP)—Vice Adm. Alfred M. Pride, commander of the "standing at the ready" U.S. 7th Fleet, said today President Eisenhower was consulting Congress regarding the use of the fleet in the Tachens because "it would be a very grave move."

During a news conference aboard his flagship, the cruiser Helena, Pride was asked many questions about the beleaguered Nationalist-held Tachens.

In reply to the specific question: "Why do you think that President Eisenhower has to go to Congress to order the 7th Fleet to assist in the evacuation of the Tachens?" he commented:

"It would be a very grave move and a change in national policy and I suppose that in a democracy this is the proper thing to do."

The admiral said that, if called upon, could cope with any emergency.

The Chinese Nationalist air force reported heavy losses were inflicted on Communist troops Sunday night in a raid on Yikiangshan, a four-engine bomber, Yikiangshan, eight miles north of the Tachens fell to the Reds last week. It probably would be a springboard for any assault on the Tachens.

Another communiqué reported Communist artillery on Tachens Island "blatantly fired" at the Tachens 15 miles away but all the shells "fell harmlessly into the sea."

Pride called it "a very grave move" but said the fleet was at the ready and could cope with any emergency.

The four carriers are 27,000-ton sister ships of the Navy's class, the Essex, Yorktown, Kearsarge and Wasp—each carrying about 100 planes.

Pride's flag is above the heavy cruiser Helena, a 15,000-ton ship, and two destroyers.

A Taipei dispatch reported some civilians are already being moved from the Tachens to Formosa tomorrow. There was no word whether the U.S. Navy had any part in this movement.

Eisenhower noted that the 7th Fleet was directed in 1950, when the Korean fighting broke out, to defend Formosa against any Communist attack.

He said the reasons for that move are still valid, and told the Congress:

"What we are now seeking is to have the fleet at the ready to stop the bleeding."

Heavenly Father, grant us courage to translate into action the good that we know to be true. Give us willingness of mind and courage of heart to follow in the steps of the Saviour of our lives who came to bring us peace and joy in His name this is prayer. Amen.



WHERE CHINESE NATIONALISTS BLASTED REDS
Underlined Areas Are Where Gunboats Were Bombed. (AP)

primarily to clarify present policy fence production. If any unforeseen and to unite in its application. We emergency arises requiring any action for that purpose, I will communicate with the Congress. I hope, however, that the Congress will not call for an increase in the effect of an appropriate action in the armed forces of the United States or any acceleration in military procurement or levels of de-crease further conflict."

'Bleeder' Loses Battle For Life

DURHAM (AP)—Willie Cooke, 31, said last night they are not going to be the entire nation as he bled from a gastric ulcer, which had troubled him for years.

Cooke, who bled for more than 425 continuous hours since a tooth was pulled Jan. 6, had not been given much of a chance to survive since his condition grew worse yesterday.

Cooke, 31-year-old radio repairman from Four Oaks, took a "decided turn for the worse" yesterday, doctors reported.

Cooke is a hemophiliac, a person whose blood will not clot normally. Chief Robert Rhyne of Gastonia said last night, he had received 180 pints of blood—216 pints of whole blood and 164 pints of plasma.

Doctors said Cooke has received "every known medical treatment" in their efforts to stop the bleeding. Cooke had been given an outside chance to recover, but doctors said it was unlikely.

St. Jack Mosteller of the patrol said that Chief Rhyne was arrested between Kings Mountain and Gastonia after he was found driving down the wrong side of a dual-lane, divided highway.

Bond was set at \$200, with trial to be held this week in Municipal Court.
Eligible for the vacated post as assistant chiefs John Farris and Parks Workman plus five department captains.

President Makes Request Of Congress

Would Help Chiang Redeploy His Forces

WASHINGTON (AP)—President Eisenhower today asked Congress for authority to use "the armed forces of the United States if necessary to assure the security of Formosa and the Pescadores" against Communist attack.

In a special message, the President said the United States must be ready to help the Chinese Nationalist forces from other islands "would be impractical without the assistance of the armed forces of the United States."

He said this is "because of the air situation."

MUST BE READY
The President said the United States must be ready to help the Chinese Nationalists redeploy their forces.

Eisenhower added: "In the interest of peace, the United States must remove any doubt regarding our readiness to fight, if necessary, to preserve the vital stake of the Free World in a free Formosa, and to engage in whatever operations may be required to meet that purpose."

Eisenhower said the existing and developing situation around Formosa "poses a serious danger to the security of our country and of the entire Pacific area and indeed to the peace of the world."

The chief executive then said the situation "is one for appropriate action of the United Nations under its charter, for the purpose of ending present hostilities in that area."

WOULD WELCOME MOVE
The President said the United States "would welcome assumption of such jurisdiction" by the U.N. in an attempt to arrange a cease fire between the Chinese Nationalists and the attacking forces of Red China.

Declaring the actions the United States must be ready to undertake "are of various kinds," Eisenhower added:

"For example, we must be ready to assist the Republic of China to redeploy and consolidate its forces if it is unable to do so itself."

"Some of these forces are scattered throughout the smaller offshore islands as a result of historical rather than military reasons directly related to defending Formosa."

"Because of the air situation in the area, withdrawals for the purpose of redeployment of Chinese Nationalist forces would be impractical without assistance of the armed forces of the United States."

"Moreover, we must be alert to any concentration or employment of Chinese forces obviously undertaken to facilitate attack upon Formosa, and to prepare to take appropriate military action."

Congress apparently was set to see Ike on page 2-A

BULLETIN

TOKYO, Tuesday (AP)—Premier Chou En-lai of Red China today accused the United States of stepping up its military operations to make war provocations since the Communists seized Yikiangshan Island.

WHAT'S INSIDE

THE PRESIDENT'S BUDGET spells out in cold figures Eisenhower's shift to the left of positions taken consistently by the GOP, says News Columnist Fred Fleson on today's editorial page. Turn to page 8-A.

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