

WHAT ABOUT GOLD?

Babson Says Production Figures May Mean Gold Stocks a Buy

By ROGER W. BABSON
Babson Park, Mass., Dec. 3.—Currency stability will be most essential to a maintenance of trade and revival of business activity in the postwar period. Capital naturally gravitates to the countries which give it the best reception and which hold out the most return for its use. If the United States, Britain, Russia and China are to function as well together in peace as they have in war, they must all be anchored to a stable currency. This would enable these countries to encourage, rather than to discourage, the employment of capital.

GOLD THE ONLY ANSWER
Changing values in money bring great personal hardships. They also disorganize and retard all economic progress. In the hesitancy of the investor, in the uncertain moves of business, in the fear of labor and in the ineffectiveness of legislation, we see continually growing signs of distrust in the value of our dollar. In terms of prewar values, today's dollar is now worth seventy-five cents. As inflation increases and under our present system of managed currency, I can visualize in the next five or six years a dollar worth perhaps only thirty-five cents.

After the last war, during the 20's and the 30's, the business interests in Germany, France and Central Europe were paralyzed because of the rapid changes in the value of their currencies. Good money and sound trade are boom companions. Poor money and even fear that money will become less valuable causes waste and panic. The most prosperous times and the period in which trade and industry advanced the most both here and abroad were when the British pound and the American dollar were tied to a gold standard. Then they were exchangeable for a definite amount of gold of a definite weight and fineness.

WORLD BANK COMING
I doubt if gold soon circulates again as money. I believe, however, that a world-wide bank of gold corporation may be organized with actual gold in the form of coin or bullion as its capital. Private capital will then be encouraged to finance postwar trade business. If such capital became frightened, this "International Bank" could guarantee any loans. It could also make loans on its own account to private business to cover goods in transit. Like our Federal Reserve System it

Name 7 As State's Top 4-H Victory Gardeners

MARCELINE SIMMONS, 15, of Pilot Mountain, North Carolina,



has been named state representative in the 1943 national 4-H Victory Garden contest. The girl is eligible to compete for sectional-national awards, which include a trip to the National 4-H Club Congress, Chicago, Nov. 28-Dec. 1, and a \$100 War Bond. . . . She and six other 4-H gardeners comprising the state's blue award group were each awarded a \$25 War Bond, provided by Sears, Roebuck. . . . The six co-winners are: Emma Mathews, Henderson; Betty Peck, Gessis; Billy Bredelove, Nashvill; Dolly Ann Hedgecock, High Point; Ruth Whitfield, Clinton, and Addie Parnell, Fayetteville.

might prove a highly profitable and useful enterprise.

Dr. Harry D. White of our Treasury Department and John Maynard Keynes, the British money authority, have both proposed plans for the stabilization of international currencies. The White Plan favors an actual gold fund. The Keynes Plan favors large credits over a long period of time without requiring member countries of the World Bank to put up any gold. This Keynes idea is highly inflationary. At the moment the White proposal looks the best. Unquestionably, a bank plan will be worked out with most of the twenty-five United Nations' governments.

PEOPLE WANT GOLD
In World War I it was gold, not currency, which Colonel Lawrence used in order to win the support of Arab tribesmen. History repeated itself when our own General Mark Clark landed in Africa with a bag of gold. Gold will always talk when no other form of money is effective. That a natural demand for gold exists today is shown by the price of gold in the Bombay and Cairo markets where it is selling for almost double the United States price of \$35. This strengthens my belief that international currencies, including our own, will be further reduced in value. This would mean further monetary inflation and a rise after World War II of consumer inflation followed by even more monetary inflation.

Countries in which gold will freely circulate as a medium of exchange will be the best off.

Countries which attempt to get along with some form of managed currency will be in the worst shape. Hence, we should ultimately have in some form a currency which even if the circumstances were restricted would be exchangeable for gold. Thus, I predict that our present managed money system is on the way out.

WATCH GOLD STOCKS

More money has probably been lost through speculating in gold shares than in any other stocks. On a long-term basis, however, I now favor stocks of gold mining companies which were profitably producing before World War II. During the war, gold is subordinate in importance to nickel and copper and to the products of many other mines. In view of this, and the manpower shortage, nearly 60% of the mines in the United States, Canada and South Africa have shut down. The remaining are operating on a greatly reduced basis; in fact gold production in United States and Canada is less than at anytime in 100 years.

After the War, when all efforts are turned to stimulating world trade, gold may prove the only medium through which international payments can be made. Thus, gold may rise in value in terms of our present currency. Furthermore, as restrictions are lifted with respect to manpower and materials, after the war there should be a return of earning power to the gold industry. Certainly it is no time to sell gold stocks. New purchases should be confined to producing companies with the best ore ratings whose over-all cost of production is reasonably low.

Along with other tax payers, farmers are required to file "Declarations of Estimated Income and Victory Tax" before December 15, say Extension farm management specialists at State College.

THE LOW DOWN from HICKORY GROVE

I don't often get too agitated—not enough maybe, sometimes. But I do work myself into a vexed state when somebody like these fellows stirring up a strike-vote on the railroads open up and say "the roads are making too much." I am not in the railroad business—none of my folks are—I can pop off without somebody saying, "that guy is not fair."



Jo Serra

The railroads have been limping along with their tongue hanging out, and parched, for years. The folks who forked up the cold, hard dinero to build the roads, are people just like anybody else—they ought to eat too, but they have not been eating regular or hearty. They been holding the bag. The Roads made jobs during the lean years for the folks who are now being told they should strike on account of not being treated right. That is where I start getting vexed—and my blood pressure rises. Ding-bust it, if there had been no roads built there would now be no jobs to vote about—pro or con—union or vice versa.

Workers should have a meetin' with their wife and family and decide who is their friend—the railroad or the Agitating Outfit cooking up the vote.

Yours with the low down,
JO SERRA.

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W. A. WHITFIELD
W. A. Whitfield, 86, died at the home of his brother, J. L. Whitfield, at Franklinton early Saturday morning. He was one of the oldest members of Franklinton Methodist Church. Surviving are his brother; five nieces, two nephews, two great-nieces and two great-nephews. Funeral services were held Sunday at 2 p. m. from the home of his brother by the Rev. S. E. Mercer, assisted by the Rev. Bruce Hartsell. Burial was in the Franklinton cemetery.

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CAPUDINE

Peanut hay is good this year and central buying stations are being set up at Tarboro, Williamston and other points to provide a market for the crop.

CORRECT PELT HANDLING MEANS BETTER PRICES!

It is our responsibility to make full use of, and get maximum value from, the natural resources at our disposal. The rich American fur crop provides a source of income to those in all parts of the country who are interested in harvesting it. If FURS are worth trapping at all, certainly they are worth the time and effort needed to prepare them properly, so that they will bring you maximum cash returns! The mink and skunk pelts shown give eloquent testimony to this creed. The fact that the correctly handled ones brought from \$1.00 to \$7.50 more per pelt than the incorrectly prepared ones, indicates that careful pelt handling pays. By taking the pains to follow pelt handling standards, you are preparing the goods you have to sell in the manner in which the user prefers. It is easier for him to make up uniform lots when all pelts are shaped correctly. Thus, you are following the standards preferred by your customer—the manufacturer of fur garments. By doing that, you aim at TOP prices for your skins! At the same time, you are protecting your pelts from spoiling. Insufficiently dried skins, or those upon which too much fat is left, are likely to reach the market in a tainted condition. Naturally, such furs bring considerably less money.

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