

# Roger W. Babson's Forecast

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may by-pass the United Nations and try to form a "defensive" league of nations interested in Southeast Asia. The purpose: To keep the rice, tin and rubber of that area from falling into Communist hands. Most of the arms and military know-how needed by such an alliance of anti-Communist nations in the Far East will be furnished by Uncle Sam. This means that cuts in arms expenditures, already scheduled for the last half of 1954 by the administration, may not be put into effect. The Korean situation will remain about as is—"much talkie, no shootie;" but Indo-China will constantly become a greater threat.

(11) Do not forget Europe and the Middle East. France is torn by internal dissension and a blow-off could come there any time. West Germany is growing more impatient with French bickering over the Saar and over the formation of a Western European army including German participation. Russia will strive mightily to widen the split between France and Western Germany by holding out the "bait" of reunion between East and West Germany.

(12) Friction between the Jews and the Arabs in the Middle East is being encouraged by Communist agents. The smouldering fires there could break into flame at any time, requiring a hurry-up call for Uncle Sam's fire department.

### STOCK MARKET OUTLOOK

(13) Of course, some day the market (especially the Dow-Jones Industrials) will get a bad wallop with very much lower prices. On the other hand, this may not come during the next few months. Up to this time the high yields of stocks have not appealed so much to investors, owing to the personal tax on both dividends and on income in general. Although stock yields compared with those of twenty years ago are higher if personal taxes are not considered, yet when these personal taxes are deducted, today's yields have not been attractive.

(14) The new tax bill and the increased buying for pension funds and investment trusts have, however, increased the demand for common stocks and could hold the market up for some months to come. I forecast that it will be very important to make careful selections of stocks. Don't buy stocks just because they have gone off heavily in price and appear cheap.

(15) Unfortunately, many small concerns will find it more and more difficult to compete with their big competitors. Not only can these big corporations make goods cheaper and have better means of distribution, but they can spend huge sums on advertising, which a smaller concern cannot do. This will be especially evident during the next six months. The companies which will prosper most are those which have inaugurated effective labor-saving programs. Manufacturers will win only as they purchase new labor-saving machinery, spend more money on research and on well-directed advertising.

(16) Automobiles will continue to be hard to sell and easier to buy during the last half of 1954. Both the automobile stocks and the cars will be in less demand. There will be more bargains in used cars, discounts on new cars, especially cars of the "independent" manufacturers.

(17) Canada will continue to boom during the second half of 1954, but this may be a good time to take profits on Canadian investments.

### MONEY, INFLATION AND INTEREST RATES

(18) When Mr. Eisenhower assumed the presidency with his cabinet of "99 millionaires," they proclaimed a new monetary policy which would increase the value of the dollar and raise interest rates. Either fortunately or unfortunately, the economic situation caused a reversal of this policy. The value of the dollar shows no increase over January 1st and this has been hailed by Wall Street as a sign of further inflation. Wall Street has boomed certain common stocks accordingly. Interest rates during the second six months of 1954 should average about as at present.

(19) The fear of involvement in Indo-China is strengthening the commodity markets. This takes some of the pressure off of Secretary Benson and those who have been resisting increased tariffs. I forecast an upward movement in many commodity prices — other than farm prices — during the balance of 1954.

(20) Money supplies are on the rise again now. They will continue to expand during the last half. Inflationary effects on the price level will be limited as our capacity to produce is now large. Remember, the surest way to squelch an inflationary fire is with a flood of goods. Inflationary effects of the expanded money supply could also be nullified by the change in the government's method of collecting the corporate income tax. The new tax law may put the large corporations on a pay-as-you-go basis, squeezing their cash holdings.

(21) Any psychological inflationary flare-ups that may take place as a result of war scares, big or little, will not be long-lived. They will definitely be dangerous to follow up. A word of warning: Don't get drawn into any speculative moves in commodities or stocks based on the outbreak of a small war. If the need arises, our government will move with lightning swiftness to put controls into effect. They are already "triggered." The only real danger of any federal tax increases will come with the outbreak of another war.

### LABOR, BUILDING, AND REAL ESTATE

(22) As to unemployment, I will say that this has increased some over last year, but if considered on a per-capita basis, it is even less than that of five years ago. Look for a moderate reduction in the ranks of the unemployed during the last six months of 1954.

(23) The improvement which I expect in employment should not, however, be sufficient to make union leaders careless. Jobs will still be very much in demand. This should mean that the last half will see no prolonged strikes.

(24) Most union-management settlements will be made with a moderate amount of give and take. Any wage advances will be limited to the neighborhood of a reasonable hourly figure, plus some additional fringe benefits. The administration and the labor leaders will not try to revamp the Taft-Hartley bill during the last six months of 1954.

(25) My forecast as to the various classes of real estate is as follows:

(a) Large commercial farms will experience a further sag in their land values during the last half-year as farmers' gross income dips lower.

(b) Small farms on the fringes of big city suburbs should hold or rise in price as people get further away from city centers. This move could become an avalanche in the event of really serious war scares.

(c) I look for vacant land in the suburbs to hold its value well. In the big cities it may be another story, unless the land is suitable for parking purposes.

(d) Business properties in the big cities may ease somewhat in price during the last six months of this year. Suburban business properties can be expected to hold up. Demand for more shopping centers will be noticeable during the months to come.

(e) Home property (especially the holder houses, particularly in the cities) will continue sagging in price. In the suburbs, the bigger houses, even of recent vintage, will be harder to sell. Most salable home properties will be the newer houses in the middle and lower-price brackets with emphasis on the "ranch-houses" so-called.

(f) In the last half-year, construction will still be a powerful support to our economy as it has been for so long. Seasonally, building will hold well, strengthened by continued liberal credit terms. Some boost to building could come in the second half if civilian defense moves create a "dispersal scare." If this happens, look for a rush by many factories to move operations into areas far from bomb-vulnerable cities.

CONCLUSION: I cannot end this forecast without reminding readers that we are living in a truly New Era, comparable only with the year 1 A. D., 1954 years ago, or the invention of printing 500 years ago. The H-bomb, in the hands of any ambitious dictator, could bring about unparalleled conditions. These changes could make the things, about which I have written above, of little value or consequence. Only a great spiritual awakening can save us.

## MARKETING CARDS NEEDED TO SELL WHEAT, SAYS ASC

Penalty Is Set As \$1.12 Per Bushel, Chairman Whitmire Explains

Marvin W. Whitmire, ASC committee chairman, informs Transylvania county farmers that before selling any wheat they will need a marketing card to identify the wheat as penalty free wheat. If the wheat producer does not present the marketing card to the buyer at the time of the sale the buyer is instructed to collect \$1.12 per bushel penalty.

Transylvania county wheat farmers who wish to sell wheat can come by the ASC office here and pick up a wheat marketing card or a wheat marketing certificate. A receipt must be signed when the card is issued; therefore, it is necessary to visit the ASC office in person. If the operator is unable to visit the county office he may request in writing that his card be mailed to him. If no wheat is to be sold, exchanged, or paid as toll, no card need be obtained.

These wheat marketing cards will also state whether or not the farmer is eligible for price support. Only those farmers who have harvested wheat within the farm wheat allotment and do not owe a wheat penalty on another farm will be eligible for wheat price support.

### Singing Sunday At Church Of God

Another singing convention will be held this Sunday at 2:30 at the Church of God on West French Broad street.

Rev. D. H. Delk, pastor, announces that many good singers and musicians are expected to attend. He also invited the public.

### NOTICE

In the Superior Court State of North Carolina, County of Transylvania.

F. R. Neville, plaintiff, vs. —

McCall and

Justus and any and all persons claiming any interest in the property hereinafter named, together with their respective spouses, if any; together with all firms, corporations, stockholders, trustees and directors of any corporations claiming any interest in said lands; together with all their creditors or lien holders, regardless of how or through whom they claim, the names and whereabouts of all such persons, etc., being unknown to the plaintiff, defendants.

The defendants above named will take notice that an action entitled as above has been commenced against them in the Superior Court of Transylvania County, North Carolina, and that the purpose of the said action is to remove a cloud on the following described property:

Being that same land described in a deed dated December 22nd, 1953, from C. C. Orr, widower, Paul Gilreath and wife Emily O. Gilreath, recorded in Book 110, on Page 287 of the Transylvania County Deed Records; and recorded in Book 330 on Page 371 of the Henderson County Deed Records.

And the defendants will further take notice that they are required to appear at the office of the Clerk of the Superior Court of Transylvania County and answer or demur to the complaint in said action within twenty (20) days after the 23rd day of July, 1954, or the plaintiff will apply to the court for the relief demanded in the complaint.

This the 21st day of June, 1954.  
F. M. McCALL  
Clerk of the Superior Court

6-24-54c

When you think or prescriptions, think of VARNER'S.—adv

NOW! at YOUR GROCERY



IT'S AB-SO-LUTELY FAULTLESS!

Down these Aisles Walk the **HAPPIEST BRIDES** in Town!

We offer a good variety of the "Enough for Two" size canned foods.

You will find all of our personnel most helpful.

Here come the brides—right to Cash and Carry—for all the fine foods needed to set a "well-groomed" table... for we have the **BIG VALUES** that work wonders for newly-married budgets. Yes — the **BIG VALUES**... because **QUALITY** is part of every bargain... the better-tasting quality that helps a bride serve meals just like his mother used to make. No wonder the happiest brides in town walk down the value-packed aisles of this market... just like their mothers do.

Small **69c**  
Large **\$1.89**

Instant **Nescafe**

SMALL ----- **69c**  
LARGE ----- **\$1.89**

White Lily **FLOUR**

10 Lb. Bag **99c**

Fresh Pullet **EGGS**

Doz. **39c**

We Have A Large Stock of **Freezer & Canning Supplies**

Economy Priced

Armour's Cloverbloom **BUTTER**

Lb. **65c**

Brand **BLACK PEPPER**

Oz. **10c**

*Tender Choice*  
**meats**

SLICED PORK LIVER lb. **29c**  
RED BAND SLICED BACON lb. **53c**  
FRESH GROUND BEEF lb. **39c**  
BONELESS STEW BEEF Lean lb. **59c**  
SELECTO ALL-MEAT FRANKS 1 lb. **47c**

Armour's Cloverbloom **OLEO**

Lb. **34c**

Blue Bird **GRAPEFRUIT JUICE**

2 No. 2 Cans **19c**

**Armour's Miss Wisconsin Cheese**

Mild—8 oz. pkg. **34c** Med. Aged—8 oz. pkg. **39c** Sharp Aged—8 oz. pkg. **41c**

Armour's Cloverbloom **OLEO**

Lb. **34c**

J F G **MAYONNAISE**

Pint **35c**

*Fresh Fruits - Vegetables*

LOCAL GROWN GREEN PEAS 2 lbs. **29c**  
MED. SIZE CUCUMBERS 3 lbs. **25c**  
YELLOW SQUASH Garden Fresh 3 lbs. **25c**  
CALIF. SUNKIST LEMONS dozen **35c**  
TREE RIPENED S. C. PEACHES 2 lbs. **25c**

Popular Brands **CIGARETTES**

Reg. Size—Ctn. **\$1.69**

Wilson's **CHOPPED BEEF**

12 Oz. Can **35c**

**Fresh Fruits - Vegetables**

Delicious Sweet **GEORGIA CANTALOUPE** 3 Lbs. **25c**  
Guaranteed Ripe **GEORGIA WATERMELONS** **75c** And Up

Aaska Pirate **SALMON**

Tall Can **35c**

**SPRY**

3 Lb. Pail **89c**

Large **RINSO**

**31c**

Regular **LUX TOILET**

**3 for 23c**

Bath Size **LUX TOILET**

**3 for 33c**

Regular **SWAN**

**3 for 25c**

Large **SWAN**

**2 for 27c**

Large **SILVER DUST**

**31c**

Large **BREEZE**

**31c**

Lux **Lux Liquid**

**39c**

Large **LUX FLAKES**

**31c**

Large **SURF**

**31c**

Regular **DIAL SOAP**

**2 for 25c**

CASH & CARRY

SUPER-MARKET

THE STORE WITH EVERYDAY LOW PRICES