

Business Review and Forecast

Roger Babson Predicts New Year To Be Better, Sees Progress Under Leadership Of New President

TRANSYLVANIA TIMES

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SECTION TWO

I am still emotionally upset as I make this forecast after the brutal assassination of President Kennedy. I, however, will try to submerge my emotion and base this forecast of 1964 on the facts as I interpret them.

1. Our New President—I state emphatically that President Johnson may accomplish far more constructively before November 1964 than our late President would have been able to do. President Johnson understands better how to handle Congress, and has the confidence of businessmen. Therefore, I am reassured as to the first ten months of 1964.

2. Election in November—At the Republican Convention in the summer of 1964, there will be a conflict between Goldwater and Rockefeller, and perhaps others. For this reason, Mr. Nixon may slip in and get the Republican nomination. Certainly President Johnson will secure the nomination of the Democratic Party; he is a farsighted man, and knows politics. Therefore, with the Republicans nominating any one of the three leading names mentioned above, I now forecast that President Johnson will be elected President of the United States in November 1964. All of this gives me more assurance that 1964 should be a good year.

3. Tax Cut—A tax cut will be enacted sometime during the coming session of Congress; and it will surely be made retroactive to January 1, 1964. The tax cut should help consumer buying; it may even increase general business.

4. Civil Rights—Some sort of a civil-rights bill will be passed by Congress during 1964. The Administration wants to please the South and hold its Democratic votes there, but the civil-rights bill now before Congress is not satisfactory to the white people of the North. Therefore, I forecast that whatever civil-rights bill is passed before the election of 1964 will be considerably watered down.

5. Negro People—The Negroes will continue to make progress and get more, but I predict that the gains will have to come largely through changing attitudes of the people. Otherwise, the situation will be much like the prohibition problem which the good people of the nation thought could be solved by legislation. Such reforms take place only as the minds and hearts of the people are changed for the better.

6. Government Spending—Of course, in the long run, the survival of a nation should depend upon its spending less than it takes in. Nowadays, however, it is unfashionable for consumers or government to have balanced budgets. Therefore, I predict that 1964 will see a bigger deficit than this year's.

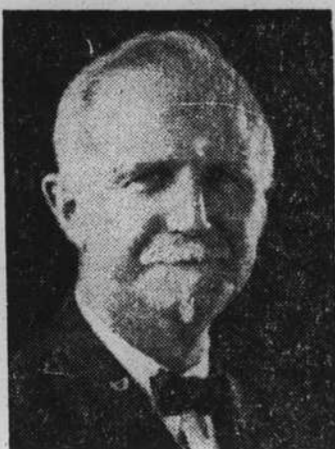
7. Depression—Whether for better or for worse, the voters have been taught to believe they can and should get something for nothing, and only a severe depression could ultimately change this belief. I, however, look for no depression in 1964.

8. Agricultural Outlook—Although crops, prices, and farm income may be basically dependent on the weather, much of the world is short of food. Russia's and China's heavy purchases of grains will do more to bolster U.S. farm income than will government-supported prices in 1964.

9. Dow-Jones Industrials—I forecast that the stock market as measured by the Dow-Jones Average will make a new high in 1964, but may sell lower after the elections. However, readers must remember that the Dow-Jones Industrial list, which everyone seems to think represents the market, may be very deceptive.

10. Speculative Stocks—Of the approximately 1550 stocks listed on the New York Stock Exchange, a majority have been going down while the Dow-Jones list of 30 which everyone watches have been going up. This is due to the purchase of Dow-Jones issues today largely by trustees, pension funds, mutual companies, and others that prefer fairly conservative and dividend-paying companies. I forecast that stocks not in the Dow-Jones list will do better proportionately in 1964 than they did this year.

11. Switching—Based on my above forecast, and having learned that only buying can send stocks up, I predict that 1964



ROGER BABSON

may prove to be a good year to switch from some of the overcrowded Dow-Jones stocks into other issues that are now overlooked.

12. Government Bonds—The only government bonds that interest me are the long-term ones which may now be purchased at a discount to use in payment at par for death taxes. I forecast that more governments will be issued during 1964 and that their prices may gradually sag as money becomes tighter.

13. Corporation Bonds—Those buying corporate bonds should either stick to issues of under five years' maturity or keep their money in the savings bank. I predict that long-term corporation bonds will drop in price in 1964 as interest rates rise.

14. Tax-Exempt Bonds—Likewise, I predict that long-term tax-exempt bonds will decline next year. They are even more overpriced than corporation bonds, because of heavy bank buying during the past two years. I do not look for this to be repeated in 1964. Therefore, I would certainly confine buying of tax-exempts to short maturities; and I would avoid revenue bonds.

15. Interest Rates—I forecast that interest rates will continue at least as high as today, and will possibly rise through 1964 in order to keep gold here in this country and uphold the value of the dollar.

16. Devaluation of Gold—I forecast that there will be no devaluation of gold during 1964. I am personally acquainted with conditions in Africa, and will say that those who wish to speculate in gold mines should consider American-South African Investment Co. Ltd. Readers should remember, however, that gold-mining stocks will go down as well as up, in accordance with many different conditions.

17. Profits—I forecast that corporate profits will continue to rise in 1964, though possibly at a somewhat slower pace than recently.

18. Copper Prices—Commodity prices are dependent on two factors: Demand and supply. Take copper: I believe demand will continue to increase during the electrical era we are now in. And, since my visit to Africa, I feel the supply of copper is almost un-

limited. Hence I forecast little change in price on balance in 1964.

19. Other Basic Raw Material—With some few exceptions, the above applies generally to many of the basic raw materials, including iron and steel, and especially aluminum. The present firming in quotations will not carry much further and could be subject to setbacks later in the year.

20. Sugar—Sugar prices, however, will hold in a generally high range all through 1964.

21. Building-Suburbia—I forecast that new building will continue around present levels through 1964, with additional growth in "suburbia". This applies to single homes and to apartment houses, which could easily be overbuilt as the hotels and motels have been.

22. Public Construction—Otherwise, strength in building will occur mainly in the public sector—especially road-building.

23. Real Estate—I predict that farms on the "right side" of cities will constantly increase in value during 1964. I say "right side" because every city seems to have some one best direction in which to grow. This usually is toward the higher land and often to the west; but this is something subdivision developers must watch very closely.

24. Rural Areas—As I have said before, the way to buy real estate profitably is to drive out the main road away from the city in which you live, on the "right" side. Every few miles, stop and inquire the price of land; so long as it is quoted by the foot, get back in your car and drive until it is quoted by the acre. Everything else being equal, I forecast that the purchase of this land in 1964 will show you a profit over the long term.

25. Florida Property—There is still a lot of land in Florida, and there are many retired people who are hoping to move there. I forecast that your best Florida buy in 1964 will be waterfront property. God made only so much waterfront land; but there is an enormous amount of interior land which for many

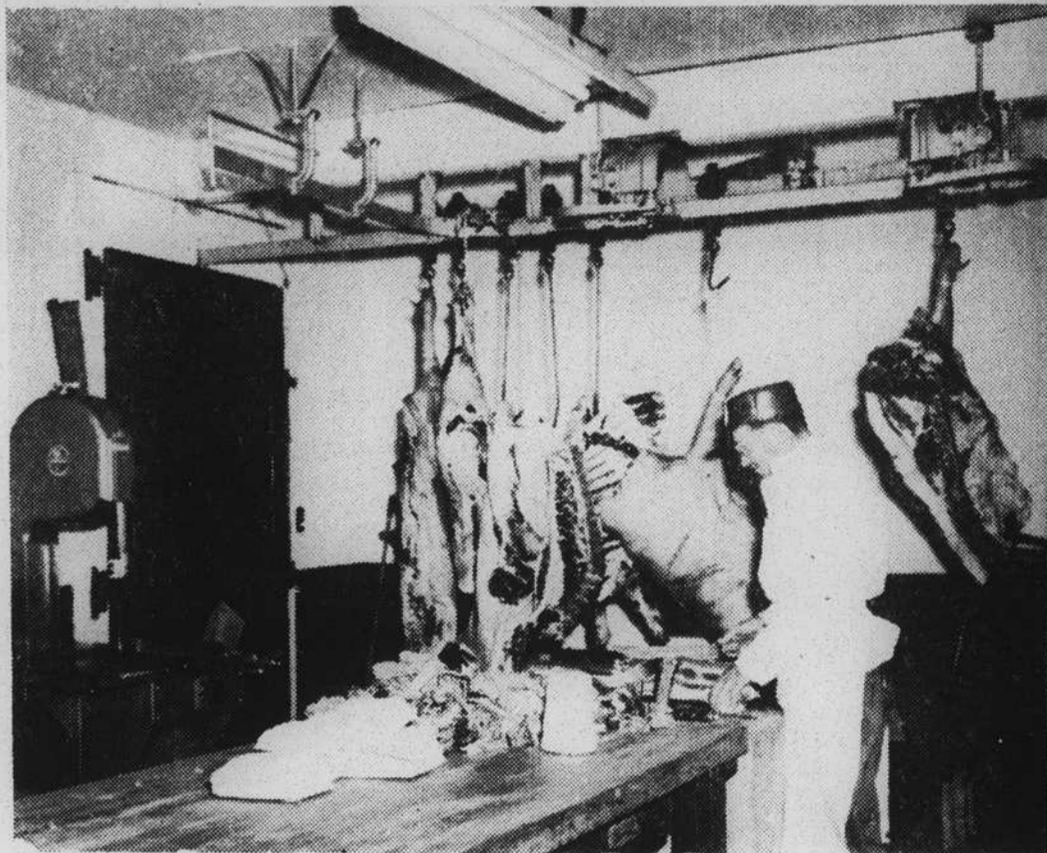
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ADMINISTRATRIX NOTICE

State of North Carolina
County of Transylvania
Having qualified as the Administratrix of the Estate of Claude Alexander Jones, deceased, late of the county of Transylvania, North Carolina, this is to give notice that all persons having claims against the estate of the deceased to present them to the undersigned Administratrix at Box 60, Cedar Mountain, N. C., on or before the 19th day of June 1964 or this notice will be pleaded in bar of their recovery. All persons indebted to the said estate will please make immediate settlement.

This the 11th day of December, 1963.
BONNIE BATSON JONES,
Administratrix, Estate of
Claude Alexander Jones,
deceased.

12-19-4tc



THE NEW ROGERS MEAT PROCESSING PLANT is a busy place these days. The owners, Mr. and Mrs. Tom Rogers, are pleased with public response, and Tom Lankford is pictured above cutting and trimming meats of various kinds. Located three miles from Brevard on the Rosman highway, the modern plant has facilities for chilling, cutting, wrapping and quick freezing of meats. (Times Staff Photo)

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Provocative Adult Entertainment

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