

# Babson Sees Decline

(Continued from page 1)  
 prices during 1950 will vary with different groups of industries and of products, but altogether there will be a general lowering during 1950.  
 8. We, therefore, advise going easy on inventories. 1950 is a time to get out of debt and stay out of debt. Speculation in commodities should be discouraged in 1950.  
 9. We believe that the cost of living index has turned down for the present. The average of 1950 will be less than for 1949.  
 10. Practically all retail prices will average less in 1950 than in 1949, notwithstanding the excess of money mentioned under 27 - 27 and 29 below.

### FARM OUTLOOK

11. The total farm income for 1950 should be less than that of 1949, which means lower prices on the average for wheat, corn, pork, poultry, eggs and certain dairy products. Farmers should diversify more in 1950, get out of debt and put their surplus money into savings, in preparation for the next crop failure.  
 12. The supply of certain canned vegetables and fruits (except citrus) should be greater during 1950 than at the same time during 1949. The prices of these products should fall off, barring some weather, insect or blight catastrophe.  
 13. Poultry and dairy products will especially increase in volume during 1950 with prices averaging less than in 1949.  
 14. Farmers will continue to work to hold present subsidies. It is popular to criticize the vast amount of crops which the Government owns or is making loans on, but this surplus in storage may be a great blessing when the next crop failure or war comes.

### TAXES

15. The Federal Budget will be increased during 1950 over that for 1949.  
 16. Over-all Federal Taxes will not be increased during 1950 and there may even be some readjustments to encourage venture capital. Moreover, some of the nuisance taxes may be eliminated or reduced.  
 17. The long-term capital gains tax of 25% will remain unchanged.  
 18. There will be many increases in local and state taxes, and more reaching for relief by "sales" taxes or other forms of raising needed funds.

### RETAIL TRADE

19. Goods on counters will be of better grade in 1950 than they were in 1949.  
 20. Markdown sales will continue during 1950 as consumer spending slackens due to a decline in employment and other factors.  
 21. The dollar value of all retail sales in 1950 will be moderately downward, and the unit volume of retail sales will also be less in 1950 than in 1949.  
 22. Less will be spent on new building and equipment by stores and factories during 1950.

### FOREIGN TRADE

23. Our exports will be down during 1950 and our imports will be up during 1950, - comparing both with 1949. This will partly be accounted for by the devaluation of the English Pound and other foreign currencies.  
 24. Foreign credits will continue to be granted during 1950, but some of these will be direct by American business firms and investors. If our Government will get foreign governments to agree that such investments will be exempt from any new tax or other legislation by the foreign country in which the investments are made, considerable progress would be noticeable along foreign trade channels.  
 25. American interests will have more competition from foreign producers of raw materials and of manufactured goods during 1950 than they had during 1949. This will benefit some American concerns, but be harmful to others.  
 26. Fear of war with Russia will continue during 1950. World War III will come sometime; but it will not start during 1950. Those in large vulnerable cities should use these years of peace to get some small farm or country home to which they can go in case of war. Such places will be almost unobtainable when war actually comes.

### DEFICIT FINANCING

27. The supply of money will be increased during 1950, but the price of Government bonds will not change much one way or the other during 1950.  
 28. In addition to the anticipated Federal deficit the \$3,000,000,000 being distributed as insurance refunds to veterans will be mostly spent.  
 29. Congress will not change the

### STOCK MARKET

30. Most stocks will work up and down in about the same range during 1950 as during 1949.  
 31. Stocks of companies with assets mostly in natural resources, known as inflation stocks, should have the greatest demand.  
 32. There will be more investment buying for income during 1950 and utilities and companies making labor-saving machinery may be more popular than other industrials or railroads.  
 33. The wisest investors will keep a fair amount of their funds liquid throughout 1950 pending the great break in stock prices which will come someday.

### BONDS

34. High-grade taxable corporate bonds bearing low coupon rates should continue at about the same prices during 1950, but of course, they will sell for much lower prices when money rates increase.  
 35. 1950 will see a further fading off in certain tax-exempt bonds due to the new Housing Authority Obligations to be issued during 1950.  
 36. The Federal Reserve will continue during 1950 the same general policy which it followed in 1949.  
 37. The importance of diversification will be given more attention in 1950 and wise investors will watch their bond maturities to see that they are either short or systematically staggered.

### REAL ESTATE

38. The city real estate outlook is uncertain. It should continue to hold firm throughout 1950 due to less available rental space caused by pulling down old structures to save taxes and to provide parking spaces. Owing to high costs and the fear of World War III, there will be little inclination to build new city property. On the other hand, the continual movement out of our large cities - in the interest of decentralization - may cause prices to soften.  
 39. There will continue to be a fair demand during 1950 for suburban real estate with a shading of prices for large places; but the residential construction boom should continue well into 1950.  
 40. The demand for large commercial farm acreage will be less during 1950, but small sustenance farms, especially those located close to established communities, will hold up and, perhaps, increase in price.

41. There will be some decrease during 1950 in industrial and private building. The cost of such building will decline a little and the quality of workmanship will improve. There should be an increase during 1950 in publicly financed building.  
 42. There will not be much change in business rentals during 1950 but residential rents will average higher in 1950. Only as property owners are granted higher rentals will there be more houses built for rental purposes.  
 43. Mortgage interest rates during 1950 will continue about the same as during 1949.  
 44. The growth in industrial pensions should help real estate sales in Florida, California, New Mexico and Arizona.

### GENERAL BUSINESS

45. Many business concerns find their operations sliding down toward the break-even point. There will not be as much margin between costs and selling prices during 1950 as during 1949. Unemployment will gradually increase due to the installation of labor saving machinery and other causes.  
 46. Military preparedness will continue to bolster general business and employment during 1950, but this is not a healthy development.  
 47. Excluding Government owned commodities, the physical stock piles of manufacturers will remain about the same during 1950 as during 1949.

### POLITICS

48. 1950 will be an election year. The Republican Party will remain in the doghouse. The Administration will continue to talk radically against Wall Street and the so-called "Selfish Interests", but at heart the Administration will be fairly conservative. Its bark will be far worse than its bite.  
 49. The Administration will continue to be sympathetic to organized labor unless someone like John L. Lewis goes too far. In that event, such a man will be made the whipping boy, but with the consent of other prominent labor leaders.  
 50. The Congressional Elections of 1950 will not change the political status of Congress to any great extent.

## SHIRLEY GETS DIVORCE DECREE



ENDING WHAT HOLLYWOOD considered "a perfect marriage," screen actress Shirley Temple signs final divorce papers against actor John Agar in a Los Angeles Superior Court. Seated is Clore Warne, a witness, and standing is Attorney George Stahlman. (International Soundphoto)

### NEW YEAR'S DAY - -

(Continued from page 1)

asking for "eats" or money, singing:  
 Get up, good wife, and don't be lazy,  
 And deal out your cakes and cheese while you're here;  
 For the time will come when you'll be dead,  
 And neither need your cheese nor bread.

There were also many strange superstitions connected with New Year's Day. It was considered very unlucky for any one to go out of the house until some one had entered it. In Lanashire it was very bad luck for a person to give another a light on New Year's morning. In the Isle Of Man the first person to enter a house on New Year's Day was called the "qualtagh". If he were a dark man, no matter how ugly he was, he would bring good luck for the rest of the year; but if a fair man, no matter how good-looking, he would be the bringer of all sorts of misfortune.  
 Like St. Valentine's Day, New

Year's Day was a great time for the giving and receiving of presents. The kings and queens of England made it a court order that they should receive gifts on the day.

Among ordinary persons one common form of present on New Year's Day was that of "pin-money". In the times of which we have been speaking, pins made of wire were very expensive and consequently were very little used. So on New Year's Day it was the custom for men to give their wives and daughters money for pins and knock-knacks. And this is how the term "pin-money" came into use.

A graceful Colonial custom which is still kept up in many parts of the South is the exchanging of calls. Great preparations are made for these receptions, which are often in the afternoon, and open house is extended to all who choose to enter. The custom reminds of the Chinese custom who make their New Year the greatest of festal times, when they not only pay their social debts, but their financial debts as well.

## PERSONALS

Mrs. Edd Wells and daughter, Suzanne, of Orangeburg, S. C. who have been spending some time here with Mrs. Wells' parents, Mr. and Mrs. Paul Warren, were joined here by Mr. Wells for the Christmas holidays. Mr. and Mrs. Wells and Suzanne returned the first of the week to their home in Orangeburg.  
 Mr. and Mrs. Charlie Cathey spent the holidays in South Hill,

Va. with Mr. and Mrs. Buddy Griffin and daughter, Judy.  
 Mr. and Mrs. Orville Coward of Chapel Hill spent Christmas holidays here with Mr. and Mrs. Dillard Coward and other relatives in Franklin.  
 T. C. Lewis of the U. S. Army stationed in Texas was home for the holidays with his parents.  
 Kenneth D'Éitz, stationed in Maryland, spent the holidays at his home in Webster.  
 Jean Cowan, stationed in Wash-

ington, D. C. spent the holidays with relatives in Webster.  
 Billy Eoka, who holds a position with Enka Corporation in Morristown, Tenn., spent Christmas at his home here.  
 Boyd Sutton, who is employed in South Hill, Va., spent Christmas here with relatives.  
 Mr. and Mrs. Reeves Colville of Bryson City spent part of the holidays here with Mr. and Mrs. A. O. Allison.



AS THE OLD YEAR 1949 PASSES INTO HISTORY AND THE BRIGHT NEW YEAR 1950 PRESENTS ITSELF, WE AGAIN WISH OUR FRIENDS AND CUSTOMERS MUCH HEALTH, HAPPINESS, AND PROSPERITY.

We appreciate the good business each of you have given us during the year just ending. It is always a pleasure to serve you with good merchandise and it will be our aim to continue stocking high quality lumber, building materials, coal, and other items in our line for your use in 1950.

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