

1944 Business Depends On Fall Of Axis, Says Babson

Politics In 1944 To Play Big Part In Business-War

Much Depends On Progress On War Fronts, Famous Statistician Predicts

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ers are now wary of it. As good war news increases, consumers will wait for new postwar merchandise rather than buy synthetic war made goods. Merchants should keep a workable inventory. Do not over-stock.

It will make a difference in 1944 business whether Germany cracks in the early or latter part of the year. When this happens Washington will begin at once to cancel war orders, especially on the Atlantic Seaboard. The army will accept no more recruits, may begin orderly demobilization. Navy men may be in for two or three years more. Army demobilization may start around election time in 1944. This should help retail trade.

INDUSTRIES DIFFER

Expansion of airplane factories has been practically completed. Automotive industry during 1944 will gradually revert to normal. New car stockpile low. Look for relief only on trucks. The chemical industry has enjoyed great expansion. This may continue. Leaders in new drugs should prosper. Heavy chemicals may not show any gain over 1943 volume. Building about the same level for total new building as in 1943. Relaxing restrictions on private construction will come in near future. Gains in 1944 will show in this category when compared with 1943. An optimistic on postwar home building.

The shoe and clothing industries are beset by price ceilings and increased costs. These will continue through 1944. Woolen industry will remain very active. Rayon will continue at capacity output. Cotton textiles will be fairly active—nearly equal last year's level. With Germany out, consumer demand for these goods should quickly replace war orders. Dairy products will be scarce because of feed problems. Slaughter houses should do a big volume. Cereal products will do well. Canned goods will feel effects of sharp higher costs and lower output. Bituminous coal depends upon labor union policy, but I expect output to be at least 10 per cent better in 1944 than in 1943.

Air transport will gain in equipment and efficiency. Manpower is far from solved. The trend of the industry is up for both air passengers and freight. Railroads will continue to suffer from equipment shortages. War peak of traffic is

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Prolarmon Rectal is a quick, dependable relief of itching, painful rectal soreness — symptoms which may also accompany piles and hemorrhoids. Brings soothing sense of comfort upon contact, forms protective film over sore area, helps destroy infection — germs, aid Nature heal up raw, broken tissue. No oil — no grease to stain clothing. Sold on money back guarantee. Get this modern relief today... ask for **PROLARMON RECTAL** SMITH'S DRUG STORE



Freedom of CHOICE

WITH ALL THE TALK about freedoms, what about freedom of choice?

After all, freedom of choice can mean the same thing as all the other freedoms people are talking about—and a few others besides. In large measure, freedom of choice is what this war is about.

Freedom of choice means such ordinary things as trying soy beans in the south field next year, if you think it's the thing to do. It means buying the kind of flour you think gives you the best biscuits. It means you and your boy doing the deciding whether he'll go to college, or learn to be a toolmaker.

Freedom of choice is the soil in which character grows.

This freedom of choice—and its counterpart, a sense of responsibility for the decisions made—has done much to develop the character that is going to win this war—on the battle fronts, on the farm, in industry. And when the victory is won, the kind of America we have fought and worked to preserve must be a country in which every man and woman, and every boy and girl, will have freedom of choice in even greater measure. General Electric Co., Schenectady, N. Y.

Hear the General Electric radio program: "The G-E All-girl Orchestra" Sunday 10 p.m. EWT, NBC—"The World Today" news, every weekday 6:45 p.m. EWT, CBS.

BUY WAR BONDS

GENERAL ELECTRIC

Thumbnail Outlook For 1944

GENERAL: Year 1944 should be divided into two parts: (a) From January 1st to date of Germany's collapse; and (b) from said date to December 31st.

PRODUCTION: Babsonchart Index will average around 130, about 12% below 1943.

COMMODITIES: Strength in various commodities should be followed by renewed weakness.

SALES: Retail sales dollar volume will average higher for entire year, but physical volume will be down 10%.

LABOR: Pressure for higher wage rates will continue throughout the year with more labor troubles and more wage increases than in 1943.

STOCKS: If the market is low when Germany cracks it will then go up; but if then high, it will go down.

BONDS: Good and medium grade bonds will hold close to present levels throughout the year.

passed. Railroad needs are so acute that higher priorities for equipment will be forced. After the war, railroads will have a terrible slump. With much less to haul, they will face, as never before, competition from coastwise shipping, river transportation, new pipe lines, airplanes and trucks. Eastern roads will slump as soon as Germany collapses.

Electronics and television should boom. Heavy electrical equipment orders may decline slightly in 1944. Kilowatt output may be 10 per cent better in 1944 than in 1943. Lumber volume will continue to be reduced. Backlog of machine tool orders is declining sharply. Subcontracts may help. Nonferrous metals are held down by acute manpower shortages. Paper and pulp will be affected by the cut in newsprint. Paperboard output in 1944 should equal 1943. Refinery petroleum output in 1944 will run 10 per cent above 1943. Higher prices for crude probable. All-time peaks in steel output scheduled for 1944. Shipbuilding may not show further gains, but launchings will.

OUTLOOK FOR LABOR

Crux is whether sufficient skilled and unskilled workers can be channeled into critical war industries. It is estimated that 2,000,000 workers must be added to essential plants in the next few months. However, over 2,000,000 men and women reach age 18 every twelve months. Therefore, the labor situation may begin to ease. There will be many disputes but most upsets will be of short duration and small scope. Labor leaders must threaten rise and fall of strikes. If rolling back prices is successful, pressure for higher wages will be considerably reduced. After Germany cracks, there will be no scarcity of labor. Labor's honeymoon is approaching its end. There will be no railroad strike in 1944.

STOCK MARKET

The 1944 long-term trend of

stock prices is definitely upward. A growing hoard of money seeks investment. Few new stocks are available. Present holders are less willing to let stocks go, except at higher prices. The rise from May, 1942 to July, 1943, was a long, unbroken advance. A period of consolidation, such as from July 14 to date, was in order. The next few months may still be marked by irregularity. This should not disturb real investors. Corporations are adjusted to wartime operations. Any material change in the war situation may create temporarily upsetting uncertainties. On the bullish side the market strengthened in the face of the largest War Bond Drive in our history.

WHAT STOCKS TO BUY

Some industrial groups appear more attractive than others. Building stocks should benefit from the expected boom after the war.

BONDS, INTEREST RATES AND PREFERRED STOCKS

The government forbids a corporation to manipulate the price of its securities but the government is using artificial means to force down interest payments needed by widows, orphans and others dependent upon savings or life insurance. This is unfair. Government Bonds dominate the high-grade field. Corporates are being called in increasing amounts. Institutional investors and trustees have to bid very high on the few remaining corporates or buy Governments. In view of the relatively greater risk in corporates, I favor confining high-grade bond purchases to the E, F and G War Series, preferably E's. Otherwise, hold cash. Municipals are too high.

I expect no near-term shift in interest rates. They may remain low as long as government financing must be carried on in large volume, or as long as restrictions are placed upon the expansion of business to meet civilian demands and the money hoard continues to grow.

TAXES

There may be a small increase in 1944 taxes. This increase will hurt only a few industries through increased excise taxes. Income taxes, inheritance taxes, gift taxes, and probably corporation taxes will remain about where they are or lowered. Furthermore, 1944 may be the last year of tax misery. Taxes should begin to decline in 1945. Investors should especially keep in mind that—when excess profit taxes are eliminated—many corporations can make more money and pay more dividends with much smaller gross earnings.

POSTWAR JOBS

Men and women who left jobs to enter the armed forces should have no trouble getting jobs when they return. Those who entered the "armchair" forces at Washington or elsewhere may have real trouble with getting postwar jobs. Men who were unemployed when they entered the armed forces will get postwar jobs based on their war record and behavior. Character and habits will be an important consideration. Men and women who left employers in the lurch to get more money or thrills may be left "high and dry" when the war is over. There will not be a good job for everyone after Germany cracks. In fact, there will begin to be unemployment with Roumania, Bulgaria or Hungary give up, which I expect fairly soon.

POLITICS AND INFLATION

Unless Germany collapses before August, Roosevelt will be re-nominated and probably re-elected. It looks now as if Willkie would be nominated if the Republican leaders believe Roosevelt has the election in the bag. This would be a good way of getting rid of Willkie forever. Another possibility is that Willkie may accept second place on the Democratic ticket. The Republicans will put their efforts upon

Congress. In November, 1944, they should secure a good majority of the House and six more Senators. When I look further ahead, 1948 seems now like a good Republican year with Gov. Dewey the victor, in case Willkie is not already President. During the 1948-52 term will come the next depression followed by a return of the Democrats in 1952. Then there will be more Socialistic experiments and the real inflationary period. In the meantime, we will have slowly creeping inflation until 1948; but nothing radical. After Roosevelt is re-elected with a Vice President satisfactory to him, I should not be surprised to see him resign to accept the head of the new World Organization whatever this may be. This could take place as soon as Japan is whipped—possibly in 1945.

HOW LONG WILL WAR II LAST?

Intelligent forecast of 1944 business should be based upon some assumption as to the length of the war. If Germany is to crack within a short time, 1944 may be a very different year, but consider the following:

(1) Churchill is very close to Roosevelt. He desperately wants him re-elected. Knowing that only a continuation of the European conflict through October, 1944, will assure this, he is not hurrying his Second Front.

(2) As the Republicans have not yet insisted upon "unconditional surrender," the German and Japanese people think their chances might be better with a Republican President—which is a temptation for them to hold out.

(3) Stalin is definitely waiting until after November 6, 1944 before making certain decisions, and this will delay Germany's collapse.

(4) Although the Washington New Deal group might do nothing to prolong the war merely to insure themselves another four years

of power, yet they surely would not be adverse to others doing so.

(5) Generally good war news should feature 1944. The battle-hardened Russians should continue to drive the German hordes back. As we enter 1944 the war has rounded second base and is on the way home. As, however, I stated in my 1942 and 1943 Annual Forecasts, we should not expect an ending of the War until gas, chemicals or bacteria bombs are used.

All of the above may be upset by the death or serious illness of Roosevelt, Churchill, Stalin, Chiang or perhaps even Hitler in 1944.

NEEDED: MORE RESEARCH AND RELIGION

Businessmen are faced with three vitally important questions:

(1) Is it time now to give up seeking war contracts and prepare plants for civilian goods output? (2) Should subcontracting be reduced by approximately 50 per cent so as to be ready for civilian goods production? (3) Is all-out war production to utmost capacity the best course to pursue? My advice is: Continue to take all war subcontracting you can get provided it will not tie your plant up beyond Election Day next year. Stop further expansion plans now. Work research and postwar planning departments overtime. Give orders now for reconversion equipment.

Finally, 1944 will see a continuation of the conflict between those two philosophical theories which are splitting civilization today. These may be expressed by the eternal question of whether man (1) is a spiritual being to be guided by the Ten Commandments; or (2) is an evolutionary animal permitted to follow the rules of the jungle even when possessing a college diploma and dressed in a tuxedo. If our first assumption, the one for which our churches stand, is adopted as a goal, the coming year can be the beginning of a

HOSPITAL NEWS

The condition of Willard Hicks, of Mt. Sterling, operative case, is good.

Mrs. J. A. Way, of Hazelwood, medical case, is better.

Mrs. D. A. Williams, of Canton, medical case, is resting more comfortably.

Mrs. Eli Fletcher, of Waynesville, route 1, medical case, is better.

Miss Mary Early, of Waynesville, route 1, operative case, is better.

Mrs. W. T. Wilson, of Waynesville, route 1, medical case, is improving.

Mrs. J. H. Rose, of Canton, route 3, operative case, is improving.

Joe Smith, of Johnson City, operative case, is improving.

Tom Wyatt, of Waynesville, route 2, operative case, is better.

John Smith, of Canton, route 2, medical case, is resting more comfortably.

Baby Wilma Cagle, of Waynesville, route 2, medical case, is better.

glorious future. If the second, which too many educators are teaching, is allowed to grow, then World War II may have been in vain. In the end, spiritual forces must overcome the material forces or civilization is sunk. The hope of a better postwar world lies with greater research and more religion.

ter. Miss Frances Wright, of Waynesville, operative case, is resting more comfortably.

Miss Susie Trantham, of Clyde, route 1, operative case, is better.

Baby Lee, of Waynesville, route 1, medical case, is improving.

Mrs. M. W. Parker, of Canton, medical case, is improving.

DISCHARGED

Among those discharged from the Haywood County Hospital during the past week were the following: Mrs. Robert Mehaffey and baby, Manson Howell, Mrs. Levi Fowler, Mrs. D. K. Clark, Mrs. Howard Wright, Master Terry Swanger, Mrs. W. S. Mills, Mrs. Henry Holcombe, Mrs. W. R. Nash, Mrs. Lawrence Queen and baby, Mrs. Robert Keener and baby, Mrs. G. J. Calvin, H. H. King, Mrs. Odell Lockman and baby, Mrs. Grover Rathbone and baby, Mrs. Sadie Kirkpatrick, Miss Edith Hampton, Mrs. Beaman Blanton and Theodore Frady.

BIRTHS

Mr. and Mrs. Grover Rathbone, of Clyde, route 1, announce the birth of a son on December 21st.

Mr. and Mrs. Ernest Jones, of Canton, announce the birth of a son on December 22nd.

Mr. and Mrs. W. E. Nichols, Jr., of Waynesville, route 1, announce the birth of a daughter on December 22nd.

Mr. and Mrs. James Salter, of Hazelwood, announce the birth of a daughter on December 25th.

Mr. and Mrs. James Daniels, of Balsam, announce the birth of a daughter on December 26th.

TAX LISTING

List Your Property Give In Your Poll IN JANUARY

Listing Begins January First

All property owners and taxpayers in Haywood County are required to return to the list Takers for Taxation for the year 1944 all the Real Estate, Personal Property, etc., which each shall own on the First day of January.

All male persons between the ages of 21 and 50 are required to list their polls during the same time.

All persons who own property and fail to list it and all who are liable for poll tax and fail to give themselves in will be deemed guilty of a misdemeanor.

TOWNSHIP LISTERS

Ivy Hill	Taylor Ferguson	Waynesville	J. S. Black
Jonathan Creek ..	Walter Wright	East Fork	K. G. Burnett
Cataloochee	Mark Caldwell	Iron Duff	Joe Medford
Fines Creek	France Rogers	Cecil	Ned Moody
Crabtree	Frank Medford	Beaverdam ...	James Henderson
Pigeon	Gay Burnett	Clyde	Wayne Medford

GENERAL ELECTRIC