

Babson Predicts Prosperous Year, Lower Business Volume

Roger W. Babson, famous nationally and internationally as an economist and forecaster of financial trends, has again set down his predictions for the coming year.

His 50 brief and pertinent statements concerning 1949 appear below:

1—Total volume of business for 1949 will be less than that of 1948. There surely will be many soft spots.

2—Most industries will show smaller net profits. This means that, in many cases dividends will be less in 1949.

3—Military preparedness will be a new and powerful industry which this country never heretofore experienced in peace times. It is destined to bolster employment for some years ahead, but not the standard of living.

4—Inventories, quoted both at their dollar values and in volume will increase during 1949. Both raw material piles and manufactured goods will be in greater supply during 1949.

5—Some rationing or priorities may be attempted in 1949. The public will make demands for price controls in the case of certain products. Beware of installment purchases in 1949.

6—We expect the peak in wholesale commodity prices has been reached for this cycle. We, therefore, advise going easy on inventories. 1949 is a time to get out of debt and stay out of debt.

7—The retail price of some goods, other than food products, may be higher during 1949, but we believe that the cost-of-living index has turned downward.

8—Retail price changes lag after wholesale price changes. This explains why we expect many retail prices on good quality merchandise to hold up for awhile after wholesale prices decline.

9—The total farm income for 1949 should be less than that of 1948, due to lower prices for wheat, corn, pork, poultry, eggs and certain dairy products. Farmers should diversify more in 1949, get out of debt, putting surplus money into savings and prepare for real trouble some day.

10—The supply of certain vegetables and fruits should increase during 1949. The price of these should fall off, barring some weather, insect or blight catastrophe.

11—Poultry and dairy products will also increase in volume during 1949, prices averaging less than 1948 prices.

12—Farmers will continue to work for extensions of subsidies. The above four Farm Forecasts assume normal weather. A drought could upset these.

13—The Federal Budget will not be decreased during 1949.

14—Federal taxes will not be decreased during 1949, but there may be some readjustment to encourage venture capital and to ease the tax burden on wages.

15—We forecast that an attempt will be made by some states to put ceilings upon real estate taxes or enact local sales taxes.

16—The long-term capital gains tax of 25 per cent will remain unchanged.

17—Goods on counters will be of better grade in 1949.

18—There will be many "mark-down sales" of inferior quality goods. Curbs on installment buying will continue.

19—The dollar value of all retail sales in 1949 should about equal that of 1948, perhaps off 5 per cent.

20—The unit volume of retail sales will be less in 1949 than in 1948.

21—Our foreign trade will remain about the same. We shall continue to help Europe; but it will be on a more efficient basis.

22—More foreign credits will be granted during 1949; but these mostly will be direct to business concerns.

23—There will be greater competition from other countries in legitimate foreign trade where the credit is good.

24—Throughout 1949 war talk

will continue; but no real World War III will start in 1949. War preparations will continue.

Labor Outlook

25—Good business depends upon two things: (1) reasonable wages and (2) reasonable prices. When both of these factors are in balance there is good business; but when they get out of balance, look for trouble. Low prices are of little help when people have insufficient wages with which to buy; but it is also true that good wages are of little use if prices are too high for people to buy. The Taft-Hartley Law will be repealed or amended to encourage free speech, union protection and increased production.

26—The income of wage workers must increase before an advance in prices. Contrariwise, too, high prices always precede a decline in employment and wages. This downward cycle leading to unemployment may begin in 1949. Much depends upon crops and weather.

27—Labor leaders who get increased wage rates usually get rejected, while those who do not get wage increases are liable to be defeated. Hence, labor leaders have naturally kept urging higher wages, although they may feel in their hearts that wages are high enough for the time being. We forecast that 1949 will see some change of attitude in this regard and that wise leaders will be more interested in preventing the "bust."

28—If wages are too high, organized labor is the first to be laid off when business declines. Unorganized workers have the steadiest jobs and will go through 1949 without losing their positions.

29—Some labor leaders will, during 1949, work for pension systems and sick benefits. This would be a constructive program for employers who can afford to do it, but many employers cannot afford even these benefits at this time. Both employers and wage workers will come to realize that a program which will give steady work throughout the year. This is the best hope for lower building costs. Bricklayers, painters and carpenters are criticized today for doing such a small amount of work, but we must remember the many days when they are unable to work due to weather and other conditions.

30—Inflation (high prices) comes when consumption exceeds production. This means that inflation can be checked only by increasing production or by reducing the money supply. The job of getting prices down today depends therefore, upon what management and labor produce per hour. We believe that wage increases during 1949 will be accompanied by a corresponding increase in the per hour production of the wage workers.

31—Some object to the large profits that their employers are getting today compared with the 1930's. It, however, should be remembered that during these depression years most employers had no profits whatsoever. We forecast that profits will continue to be regulated automatically by the law of supply and demand, rather than by the government.

32—At some time during 1949 we forecast that the point will be reached where the nation's inflated money supply will have become fully employed. Hence, emphasis may shift from efforts to stop inflation to efforts to halt deflation.

33—1949 may not be a better year stock market wise than 1948. Investors will especially get out of stocks of companies which "vulnerable in case of war" cities, reinvesting in companies whose assets are well distributed and safe from attack.

34—The administration will not want the Dow-Jones Industrial Average to go too high on account of the consequent effect upon labor's demands. Commodity speculation will continue to be curbed.

35—The wisest will not try to pick any special "winners" in 1949; See BABSON Pg. 8

Attempted Auto Larceny Case Bound Over to Superior Court

All-Stars to Tangle With House of David

Atlantic All-Stars will tangle with the House of David on the hardwood at 8 o'clock Saturday night, Jan. 8, at the Atlantic High school gym.

Members of the All-Star team include Joe Willis, Johnny Willis, Monroe Willis, Hayes Mason, Braxton Taylor, Jack Rose, Carroll Willis.

John Hamilton, Manley Fulcher, Harry Gerock, Harry Brickhouse, Rodney Smith. The coach is Grover Willis.

Farmers Report Weevil Attack On Stored Corn

It is being reported by a great many farmers throughout Carteret county that considerable damage has been caused by weevils of corn in storage.

Much of the corn was infested with this insect in the fields before harvest, reports R. M. Williams, county farm agent.

Grain insects, especially in corn, are causing heavy losses on North Carolina farms each year. This damage can, in many cases, be practically eliminated and, in all cases, greatly reduced, remarked Mr. Williams.

Attacks of corn weevil seem to be more severe along the coastal counties of the state.

It is felt by some farmers that the hybrid varieties are more subject to weevil attack than open pollinated varieties.

Experimental data and experience of practical corn growers has shown that corn weevils are no respecter of varieties but feed freely on any soft grain variety.

All grain which is not used up by June or July, if infested, should be fumigated because weevils migrate to the corn fields and lay eggs on the silks. This corn becomes heavily infested before harvest time. As soon as the corn is used up or before storing of the new crop the corn crib should be sprayed with 2 1/2 to 5 per cent DDT.

There are a number of effective treatments used in treating stored grain such as carbon disulfide and ethylene dichloride.

A practical treatment for the farmer to use is a 3:1 mixture, Mr. Williams continued. That is three parts of ethylene dichloride and one part of carbon disulfide. A 1:4 mixture is often used of one part carbon disulfide and four parts carbon tetrachloride. The dosage will vary according to the temperature and tightness of the bin. Best results are obtained when the temperature is above 65 degrees with the use of three to six gallons of the above treatment to each 1000 bushels of grain.

Tide Table

Table with columns for HIGH, LOW, and times for Friday, Saturday, Sunday, Monday, Tuesday, and 12 Midnight.

One case heard by Judge Lambert R. Morris Tuesday in recorder's court was bound over to superior court. Benny Bell, charged with attempting to steal an automobile, was placed under \$500 bond.

The long docket for Tuesday's court was due to the postponement of court on the Tuesday before Christmas. Seventeen cases were postponed until the next meeting of court.

Julius Boy Anderson, charged with possessing and transporting non tax-paid whiskey for the purpose of sale, pleaded guilty. His one-year sentence on the roads was suspended providing he remain sober and on good behavior for five years and pay a fine of \$50 plus costs. The vehicle in which he was carrying the whiskey at the time of his arrest was confiscated.

Roy L. Hill is serving time in jail under a 90-day sentence for failure to pay R. P. Jolliff, Morehead City cab driver, a \$20 taxi fare to New Bern. Hill pleaded guilty but could not take advantage of the suspended sentence which would have prevailed had he paid Jolliff the fare and paid court costs.

William G. Brewer, charged with speeding, reckless and careless driving, and assault with a deadly weapon was found guilty on the first two counts. A one-year sentence on the roads was suspended providing he remain on good behavior two years, pay a fine of \$100 plus costs as well as \$191.32 to replace the motor on a highway patrolman's car and \$50 to Mose Howard garage, Newport.

The case against Brewer, charging him with larceny of a trailer was not prosecuted.

Leslie D. Norris, found guilty in court Dec. 14 on a charge of possessing and abetting in the transportation of non tax-paid whiskey, was ordered to pay the costs plus \$50.

The case against Willie Pickett, charging him with theft of \$180, was found to be malicious prosecution and the plaintiff was taxed with costs.

Thelma R. Johnson, charged with possessing non tax-paid whiskey was found guilty. Judgment was suspended on payment of costs. See COURT Pg. 8

Chiropractor to Open Morehead City Office

Dr. L. A. Eakin, chiropractor, will open offices at 922 Arendell St., Morehead City, on Monday. The offices were formerly occupied by Dr. William I. Gause, of New Bern.

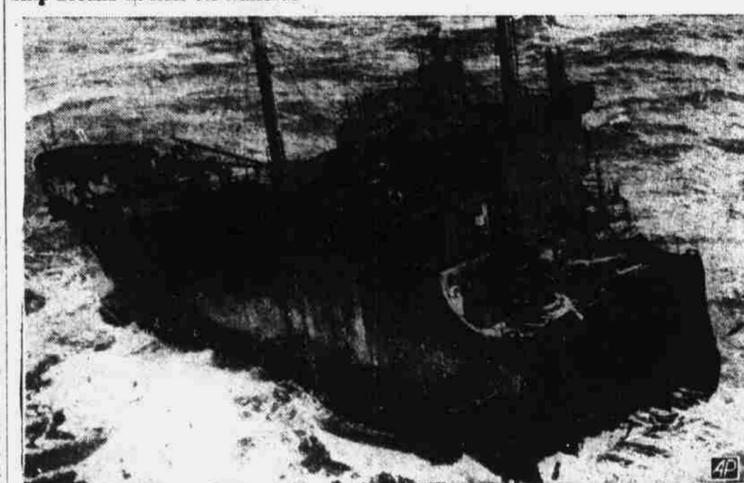
Dr. and Mrs. Eakin are living at 1500 Shackelford st. formerly of



Dr. L. A. Eakin

Marion, Ind., Dr. Eakin said that he and Mrs. Eakin had visited many southern coastal areas to find a place to their liking and that Morehead City had proved an easy choice over all other places.

Ship Breaks in Half Off Hatteras



Heavy seas pounded the bow half of the Argentina tanker El Capitan which broke in half off Cape Hatteras, North Carolina, Sunday. Two members of the crew, wearing life jackets, are on deck. Sixteen members of the crew, including the Captain, were removed from this section of the ship by the Coast Guard. Two other crewmen are believed to be adrift on the severed stern of the tanker. At the time of the mishap, the El Capitan was being towed by the tug Tern en route from Savannah, Ga., to a shipyard in Baltimore. The tow line from the tug to the bow of the tanker did not break. (AP Wirephoto).

Principal Lists Honor Pupils For Third Term

G. T. Windell, principal of Morehead City high school, has announced the following pupils as members of the honor roll for the third reporting period:

First Grade: Julia Alma Brinson, Annette Connor, Sarah M. Goodwin, Edwina Hardy, Gail A. Jorgensen, Nancy Sue Laughton, Geraldine Reed, Gloria Swango, Suzanne Beck, Quinnie Guthrie.

Bonnie Huzhes, Andrea McKnight, Evelyn Morris, Sylvia Jean Peterson, Joan Quinn, Greta Lou Rice, Jo Ann Whitley, Sandra Welsh.

Carl Bell, Jr., Eddie Johnson, John Phillips, George R. Wallace, Bud Daniels, Jimmie Lawrence, Raymond Lewis, Steven Purifoy.

Second Grade: Barry Willis, Walter Morris, Lloyd Coleburn, Emmy Lou Chalk, Dixie Lee Parker, Barbara Ann Willis, Janice Lovick, Barbara Jean Saratowski.

Judith Cooper, Jackie Dudley, Joyce Ann Styron, Joyce Hall, Bobbie Ann Styron, James Guthrie, Jimmy McElroy, Tex Styron, Danny Swindell.

David Ellis Willis, Cynthia Davis, Mary Louise Davis, Patricia Forest, Wendy Lowe, Patsy Robinson, Judith Smith, Rebecca Stiles, Douglas Ann West.

Third Grade: Vellie Bell, Betty Lind Eure, Herbert Griffin, Barbara Reid, Anne Reynolds, Patsy Ruth Willis, Leroy Blanchard, Jerry Lee Burns, Darden Eure, Billy Fulcher.

Paul Garner, David Nelson, Ted Phillips, Rodney Pittman, Nellie Adams, Fanella Cooper, Margaret Guthrie, Jessie Kirkman, Virginia Morris, Peggy Padgett, Dessie Sewell, Edith Faye Willis.

Fourth Grade: Lois Beeton, Eaton Coleburn, Anna Merle Lockey, Terry Lowe, Watson Morris, Eleanor Mualem, Cecilia Perry.

Joyce Robinson, Judith Willis, Ruth Brinson, Betty Lou Morton, Billy Rich, Franson Swanson.

Fifth Grade: Patricia Alexander, Joyce Ann Bell, Daisy Brock, Reba Gayle Canfield, Helen Carlton, Rose Daniels, Darrell Sanders, Earl Wase, Martha Hardy.

Constance Jorgensen, Frieda Lewis, Varina O'Neal, Beth Roberts, Correna Smith, James Edward Willis.

Neil Webb, Walter Willis, Kathrine Griffin, Morrie Moore, Laura Nassef, Olivia Jean Wade.

Sixth Grade: Carolyn Guthrie, Sandra Guthrie, Beadie Lewis, Helen Nelson, Thomas Willis, Carolyn Willis, See HONOR ROLL Pg. 8

Negroes Will Celebrate Emancipation Day with Parade

A great program is being prepared here in Beaufort, N. C., for the celebration of the signing of the Emancipation Proclamation on Jan. 1, 1949. The event is to be one of great importance to the community and at the present time, plans are being formed.

The program will start in the morning with a parade starting at the Queen St. High School. The parade will be led by the Queen St. High School band and the many floats will follow. The parade will return to the school and the first of a series of two programs will commence.

That evening another program will be held, at the present time the guest speakers have not been announced. Everyone is invited to attend this celebration.

Rector Speaks At Rotary Meeting

The Rev. W. L. Martin rector of St. Paul's Episcopal church, Beaufort, spoke on "What Makes a Hero" at Beaufort Rotary club meeting Tuesday night at the Inlet Inn.

The theme of his talk was on the unknown heroes in daily life, their courage, determination to serve others, and their ability to go through life without being babied.

He cited the lives of Lou Gehrig who kept smiling though stricken with an unconquerable disease and Dr. E. L. Trudeau who, ill with tuberculosis, proved to the world that it was not fatal.

Dr. Trudeau went to the Adirondacks in New York and founded the Trudeau sanatorium at Saranac lake which was the fountainhead of hundreds of other such hospitals later built and in which thousands of TB patients have been cured.

Dr. N. Thomas Ennett, vice-president of the club, presided in the absence of President B. J. May.

Mrs. Herbert Thornton Wins \$200 Christmas Prize

Mrs. Herbert Thornton, 608 Bridges street, was winner of the big \$200 prize given by Morehead City businessmen Friday as part of their Christmas trade promotion program. A total of \$400 was awarded the day before Christmas. Six hundred dollars had been given away on the two Saturdays prior to Christmas.

Other winners were William Moble, 510 N. 11th street, \$40, George Best, Newport route 2, \$20, Annie Mattex, 1304 Fisher street \$100, and Robert L. Hicks, 3107 Arendell street, \$40.

Alumni Defeat Beaufort High In Holiday Tilts

Boys Team Defeated, 35-18, Girls' Winning Streak Broken, 42-39

Both Beaufort high school teams bowed to their "elders" in twin contests Tuesday night in the Beaufort school gym. Their opponents, Beaufort high school alumni, defeated the boys 35-18, and the girls were handed their first defeat of the season to the close score of 42-39.

Blankenship starred for the undergrads with 6 points while George Laughton and Jay Ky Beam led the "College All-Stars" with 8 and 9 points respectively.

The All-Stars led by 5 points, 6-1, at the end of the first quarter. Beaufort Seadogs held the lead by a similar margin at the half, but lost it, never to regain it again, in the third quarter. Third quarter score was 21-13 favor the All-Stars.

In the starting line-up for the visiting team were Glenn Willis, who made 1 point, James Steed 2, Billy Davis, George Laughton 8, and Jay Ky Beam 9.

Substitutes and their points are as follows: Danford Hill 4, Harry Davis 6, Tom Kelly 5, and Tom Eure.

The Seadogs starting lineup was Jimmy Fodrie who tallied 3 points, Charles Stuart, Blankenship 6, Jim Tier 4, points, and Howard Fodrie.

Substitutes Sammons and Piver made 2 and 1 points respectively. Other substitutes were Austin, Lynch, Owens, Jefferson, and Smith.

The girls, whose days at Beaufort high have ended, showed the undergrads that there is such a thing as being a girl. Emerging the court with little thought of defeating one of the best girls' teams Beaufort has seen, the All-Stars capped the contest by walking away with a 3-point margin over Coach Shirley Johnson's hoopsters.

Elizabeth Davis starred for the visitors, accounting for 16 points of the final score. Ruby Peterson and Elsie Davis followed with 9 points each, and Opal Lewis made 8.

In the starting lineup were Elizabeth Davis, Ruby Peterson, Elsie Davis, Dickie Willis, Opal Lewis, Jessie Devonechik. Substitutes were Pauline Hill and Bertha Fulford.

In building this funeral home, Mr. said he is seeing a life-long dream come true. "First of all, I wanted to see my four boys have a college education, now I'm doing what I've always wanted to do," he explained.

"When completed," he concluded, "I expect to have one of the most modern funeral homes in eastern North Carolina."

The building is expected to be ready for use in six weeks.

Telephone Official Reports On Session with Businessmen

L. W. Hill, president, J. F. Havens, assistant to the president, and H. F. Davis, district manager of the Carolina Telephone and Telegraph company met with the board of directors of the Beaufort Chamber of Commerce at Inlet Inn recently for a general discussion of communication matters. Dr. W. L. Woodard, president of the Chamber of Commerce, presided at the meeting.

"Various directors of the Chamber of Commerce raised questions about the existing service and the provision of additional service in Beaufort and in rural areas surrounding Beaufort," Havens commented after the meeting. One of the main questions was provision of a higher grade of service; that is, private lines and two-party lines in lieu of four-party lines now existing in Beaufort, he related.

Mr. Hill outlined the development of the company generally and the increase in telephone service in Beaufort since the end of the war. "He advised the directors that we had installed since the beginning of 1945 a total of 322 telephones and removed 328 telephones at Beaufort for an increase of 1949 or 46.5 per cent during the period," reported Havens. "Of this increase, 94 telephones were installed in the first ten months of 1948 and a project was in progress at the time of the conference to install additional telephones on Ann Street extension, the assistant to the telephone president continued.

Mr. Hill further advised the group that exchange service had been provided in Carteret county at Atlantic and Marshallberg and about 200 telephones had been installed connecting to those two exchanges, Havens said. He also reported that a line had been built toarkers Island and that additional facilities were in the process of being installed to provide more service to island residents.

In his discussion, Mr. Hill outlined the improvement the company had made in the handling of toll calls and stated that the investment in Beaufort for the first See REPORT Pg. 8

