

1962 Should be Better Than 1961, According to Babson

By ROGER W. BABSON

1. I am hopeful for 1962; it should be a better year for my readers than 1961. Industrial production will exceed that of 1961.

2. There will be neither a nuclear war nor total disarmament in 1962. Considerable progress may be made toward a ban on atomic weapons.

3. Some thirty stocks may reach an average of 1000 during 1962, although these will not necessarily be the thirty Dow-Jones stocks.

4. Retail trade will make new records during 1962. Increased newspaper advertising, especially in colors, will be a great boon to merchandising.

5. Commodity prices will act erratic during 1962. Agricultural prices will be held up by legislation but many metals will sell for less.

6. The official cost-of-living figure will rise slightly in 1962, but there may be a scandal in Washington over how this figure is calculated or adjusted. The real increase in the cost-of-living will be due to increased wages demanded.

7. The only certain shortages during 1962 will be in land suitable for parking places and waterfront property readily accessible to building lots; also for automobile "graveyards" near cities which have been zoned.

8. The building of shelters will look silly before the end of 1962. Certainly the Federal Government will not underwrite the building of private shelters for individual families.

9. Good real estate must rise in price as the population increases. Elementary mathematics determines the price of suburban real estate. This is notwithstanding the claim of the "space companies" which are said to be interested in selling rights on the moon. There probably are crazier speculations.

10. While the land on which your house now stands should increase in value during 1962, the building itself depreciates from the moment when it is first occupied. A possible exception would be certain very attractive ranch houses painted in color.

11. Automobile production will be the most important statistical indicator during 1962. This applies to both the number of automobiles and their sales value. We now have no reliable figures for the latter.

12. We will gradually approach an average of two cars for every family. The life of automobiles should gradually increase. The percentage of automobiles annually destroyed will decrease in 1962.

13. Automobiles and gasoline will be, increasingly, sources for raising money by taxation. These means will be extended to include an additional assessment on the manufacturers of automobiles.

14. Taxes, as a whole, will continue to increase in 1962 for every family. Business net taxes, however, will decrease in 1962, through the granting of depreciation refunds which can be done by Executive order. The manufacturer may greatly increase his deductions for past investments and new machinery, plant, and equipment. Douglas Dillon feels that such tax reductions will increase the purchase of new equipment, develop greater efficiency, and result in a net improvement in the employment situation. This is good news for 1962.

15. Speculation in real estate and securities will be active during 1962; but good children will gradually be recognized as the best investment. Young people will be married earlier and will want to have large families.

16. Public education will gradually be reorganized during the years ahead. Schoolhouses will be built as places to "park the kids" while the parents are at work. New schoolhouses will be built so as not to be over one story high, with lots of sunshine.

17. Owing to the lack of airport facilities and to inadequate equipment, there will be increasing airplane accidents during 1962.

18. With all the above changes, plus increased public improvements and longer vacation periods, families must save somehow and cut somewhere. I think it will be in 1962 with clothing. This will gradually become cheaper and more attention will be paid to color.

19. The time is approaching when the weaving of cloth will

be greatly curtailed. Clothes will be made like paper. Plastic coats are already on the market. These are produced by feeding the cellophane into a machine which cuts to desired sizes and bonds (not sews) the material into beautifully finished goods of different colors.

20. We will hear more about automation during 1962. But the cost of building automatic factories is so great that the change is coming slowly. Even electronics has been overemphasized.

21. There need be no unemployment among steel workers during 1962. But Government unemployment figures will remain high. Foreign competition, due to low wages abroad, will be an important factor. Women will prefer to work in air-conditioned factories and have their home pantries filled with precooked foods.

22. Labor unrest will grow in extent and power. The Kennedy Administration is friendly to union leaders and their demands. There will be demands for more "fringes" in 1962. A steel strike is possible.

23. This means that with increased taxes, prices of retail products will be higher. This will be blamed on "inflation" of money; but it will be due to inflation of living standards.

24. The real value of the dollar will decline slightly during 1962, due to the decrease in the productivity of labor. The electronics industry will temporarily suffer in 1962 if atomic warfare is outlawed. But otherwise the electronics industry will increase for some years to come and hold up the dollar value. Watch polymer chemicals and "epoxy" cements.

25. There will be enough money for mortgages insured by the Federal Housing Administration in 1962. Plenty of money will be available for mortgages guaranteed by the Veterans Administration, although this supply varies with different sections of the country. Interest rates on conventional loans not having any government guarantees will be a little higher. Real estate people will worry about the public's desire to build, rather than about their obtaining mortgage money.

26. The kilowatt hours of electricity produced in 1962 will exceed the total of any previous year. This is favorable to utility preferences.

27. Steel production in 1962 will exceed this year's 190 million tons, but the increase will come from producing steel in colors.

28. Cement production will be about the same in 1962 as in 1961, but the industry's capacity to produce is increasing too rapidly in view of the demand. The cement manufacturers must give more attention to colors.

29. Expenditures for plant and equipment in 1962 will increase, supplemented by large appropriations for repainting factories and offices in many colors.

30. Newspaper production depends upon the number of newspapers and the amount of advertising sold. I forecast a decline in the amount of newspaper sold during 1962, but advertising receipts may increase through the better use of colors. This may result in the increased use of coated paper to better take color printing—with a 50 per cent increase in advertising rates.

31. Furniture manufacturers are marking up prices so that young couples will buy furniture in the raw and paint same themselves.

32. There will be some increases in color tv sales in 1962. In fact, I think the present tv market is far from being saturated.

33. First-class postage rates will not be increased during 1962. Hence, more money will be spent on direct mail selling. This should help job printers in 1962, as their present margin of profit is very small. Billboard advertising will increase during 1962, due to a new kind of paint.

34. Lumber will do well to hold its own in 1962 and much of it will be sold color. Wall-to-wall carpeting will become even more popular, reducing the price of the best hardwood floors.

35. Fewer "scatter rugs" will be sold in 1962. Rug dealers must go to brighter colors, even for "orientals."

36. One of the greatest developments during 1962 will be the increased use of color in homes, offices, stores, and factories. This should increase both the demand for and the price of good paint.

37. Exports will probably increase during 1962, but the sur-

plus of trade in favor of the United States is constantly decreasing.

38. President Kennedy is encouraged by the recent elections in New York, New Jersey, and Texas. This Democratic trend will continue during 1962, notwithstanding former President Eisenhower's campaign speeches.

39. President Kennedy will be more favorable to "big business" in 1962 only when he is able to use big business to increase employment. Profit margins will not improve during 1962, although most industries will do better in terms of gross and volume.

40. Bond prices will not change much during 1962, except in the case of "non-taxables." European investors are buying American stocks and bonds, feeling that their money is safer in United States industries and real estate. Even the first mortgage bonds of transcontinental railroads are being bought by Europeans. The manufacturers of West Germany are making huge profits through the use of new machinery and low wages. They are sending their money to the United States to be invested. They seem to prefer suburban real estate, shopping centers, and electric utilities. I hope they are not buying into too many "fly-by-night" new electronic companies.

41. Buying of Mutual Funds will continue to exceed selling in 1962. Considering that brokers make much more profit by selling Mutual Funds than by selling shares of individual stocks—and considering the thousands of salesmen selling Mutual Funds—this should help stock prices during 1962. Remember that the Mutual Funds operators must go to the New York Stock Exchange to purchase stock to support these Mutual Funds which salesmen are selling in the field.

42. The so-called "service industries"—including education, beauty parlors, travel, entertainment, and government positions—should prosper in 1962.

43. Among the fastest growing industries in 1962 will be the plastics and glass industries. These materials will gradually take the place of wood, stone, cement, and even some metals, —except as these are colored. Plastics and glass will become more important building materials and perhaps be used much more for automobiles.

44. Some unexpected event or discovery will cause the Dow-Jones Industrial Average to sell much higher during the next few years. As an illustration of what one of these unexpected events will be, I mention the polymer developments in chemistry, including "DNA" and "RNA," which may provide the source of life and extend it—yes, perhaps restore it, in special cases.

45. I am bullish on Canada for safe investments during 1962. Canada has a small population of only about 18,000,000, but it is rich in natural resources and has a sound, progressive government. I do not expect a nuclear war to be started by Russia; but if it comes, Canada will be a good place to live and to have your money invested.

46. South and Central America also have great natural resources; but most of their countries are ruled by selfish dictators. I believe most of our southern neighbors will suffer from serious inflation during 1962 and become a great problem for the United States.

47. Although the countries of Europe could be the greatest sufferers in case of World War III, the people I meet in Europe fail to realize this. I forecast that they will look at the situation more realistically during 1962.

48. West Germany is very prosperous; East Germany is in terrible condition. Much unemployment exists in Italy, France, and even Great Britain. I advise against investing money in Europe during 1962.

49. I am uncertain how to advise about Africa. But it is very rich in natural resources—including gold, diamonds, and almost every metal—as well as having the greatest undeveloped water-power in the world. Barclays Bank I am personally acquainted with and recommend. Both Barclays and the Standard Bank are owned in England and have a great many branches; the latter has over 850 branch offices in Africa. Readers who are interested in keeping in touch with Africa may secure free of charge the Standard Bank Monthly Review by writing the Standard Bank of South Africa, 10 Clement

Sportswear Firm Buys Shirt Factory at Newport

Officials Extend Welcome To Southland Sportswear

Firm to Up Number Of Employees to 200

M. C. Howard, president of the Newport Industrial corporation, and Leon Mann Jr., mayor of Newport, yesterday made official statements of welcome to Block Southland Sportswear, Inc., which has purchased Carteret Industries.

Mr. Howard, a resident of Newport, heads the firm which raised money to help establish Carteret Industries, a shirt manufacturing firm. He expressed appreciation to Henry White, Morehead City, president of Carteret Industries.

"Citizens of Newport and the county are grateful for what Mr. Henry White and Carteret Industries have meant to us, and hope they will get many more projects under way. The Block company sells directly to major markets. We welcome them to Newport and the county and assure them of every cooperation," Mr. Howard said.

The president of the industrial development firm said that negotiations for sale of the plant have been under way for about 30 days. Successful conclusion of

negotiations was revealed to greater Morehead City chamber of commerce officials and others last week, Mr. Howard reported.

He added that Truman Kemp, Morehead City, manager of Carteret Industries, "will remain active in the new organization."

Block Southland now operates plants at Wilmington and Benson, according to Mr. Howard.

The statement of welcome to Fred Block, secretary of the sportswear firm, from mayor Mann follows:

"Welcome to Newport!
"I feel that we have just received the nicest Christmas present ever!
"The news that your organization is coming to Newport is the best we have had in years.
"Your position in the manufacture of sportswear for many years and the many other fine things we have heard about your company are indeed good.
"On behalf of the commissioners and citizens of Newport I welcome you.
"You have our every cooperation!"

S. A. Chalk Jr., president of the greater Morehead City chamber of commerce, announces that Block Southland Sportswear, Inc., will acquire Carteret Industries, Newport, Jan. 1, 1962.

Fred L. Block, secretary of Block Southland Sportswear, Inc., advised Mr. Chalk that his company intends to double the production of the Newport plant at once, increasing the number of employees from 140 to 200. This expansion will be completed in 90 days.

"Our company is one of the top ten shirt producers in America and has an international sales force," Mr. Block reports. "We have operated in Wilmington, N. C., for 45 years and have 1,200 employees in our organization."

"We are impressed with the employees of Carteret Industries, who are above average, and we will continue the present management personnel. We manufacture a complete line of sport, dress and knit shirts for men and boys. It is important under competitive conditions today to operate at least 50 weeks during the year.

"Our sales have increased steadily over the years and we plan to have full employment on a year-around basis. We are looking forward to becoming a part of your community, and expect to be as much at home here as we are in the other communities where we have operations," Mr. Block remarked.

On a recent visit here, Mr. Block was accompanied by Franklin Block and David Block, associates. They met with officials of Carteret Industries, Moses Howard, chairman of the county board of commissioners, Dr. S. W. Hatcher and Mr. Chalk, incoming and retiring presidents of the greater Morehead City chamber of commerce.

Mr. Chalk says, "We are very much indebted to Mrs. Henry H. White, president, and Mr. Truman Kemp, executive vice-president of Carteret Industries, Inc., for their foresight and efforts in building their business on such a basis that it could be made attractive to an internationally-known company for acquisition and development."

"They saw the need and opportunity, and through their efforts Carteret has had a strong boost in its industrial development. They considered, among the factors in deciding to sell, that Block Southland Sportswear offered the best prospect for long term growth, full employment and the best benefits for all of their employees, which were better in every way than they had at present. Mr. Chalk observed.

"The Blocks are fine people with an excellent reputation and are good citizens corporately and individually. It is a pleasure to welcome them to the county. They will find we are anxious and willing to help them prosper by giving our cooperation in every way in the development of their company," Mr. Chalk concluded.

Carteret Industries opened July 1, 1960 and was formed through investment of funds by residents of Newport and the surrounding area.

The plant is located on the Nine-foot road and has been manufacturing men's shirts.

Patrolman Joins Force

Edfred Gaskill, Morehead City, formerly of Stacy, has joined the Morehead City police department as patrolman, announces Herbert Griffin, chief of police.

Long-Time Employees Honored



Mrs. J. W. Jackson, left, presents a gold watch to Mrs. Louise Fodrie for 15 years of uninterrupted employment at the Morehead City Garment Co. The presentation took place Friday during the plant's annual Christmas dinner and party. Twenty employees, each with 15 or more years service, were presented watches. In the background is Mrs. Sid Massey, employee.

Two-hundred fifty employees of the Morehead City Garment Co. were honored at a Christmas dinner and program at the factory Friday afternoon.

A buffet style Christmas dinner of turkey and ham was served to the employees in the main plant at 15th and Bridges streets, Morehead City.

Highlighting the program was a Christmas talk by Mrs. Darden Eure and presentation of continual service awards to 20 employees. Mrs. Eura spoke on the effects on mankind of the birth of the Christ child.

Mr. J. W. Jackson, president of the company, presented gold watches to 20 employees who have accumulated a record of 15 or more years of uninterrupted employment.

Receiving the watches were Lotie Becton, 22 years of service; Viola Dixon, 16 years; Louise Fodrie, 15 years; Hallie Gillikin, 17 years; Doris Guthrie, 16 years; Lucy Hamilton, 22 years; Willie Lawrence, 18 years; Geraldine Lewis, 23 years; Mary Mason, 18 years; Agnes Merrill, 18 years; Alma Mason, 15 years; Mildred Willis, 17 years; Charles Simpson, 23 years; Etrola Willis, 18 years; Hubert Willis, 22 years.

August Schrader, 16 years; Rose Garner, 24 years, Leo Simpson, 25 years; Mae Merrill, 16 years; and Juanita Silverman, 15 years.

Leaves Hospital

David Gaskill, 16-year-old Sea Level youth who was burned in a fire at Sea Level Tuesday afternoon, was discharged from Sea Level hospital Friday. The fire destroyed a service station, barber shop and damaged the Coast Guard sea rescue unit at Sea Level.

Shooting Occurs Christmas Eve In Beaufort

Charges of assault with a deadly weapon were filed against George Streets, 44, Beaufort, on Christmas Eve, following a shooting at Joe Baum's cafe, Beaufort.

Streets, who had been left in charge of the cafe, shot Glen Henry, Beaufort, when Henry started a fight after being asked to leave the cafe, police reported.

According to police chief Guy Springlie, Henry was asked by Streets to leave because he had been drinking heavily. Streets told police that Henry grabbed a chair and hit him over the head with it and then Streets produced a .22 calibre pistol and fired one shot into the lower part of Henry's abdomen.

Henry was taken to the Morehead City hospital where he underwent emergency surgery. His condition was still serious yesterday.

The wife of the injured man swore out a warrant for Streets Monday and he was taken into custody by chief Springlie. He later was released from jail under \$500 bond.

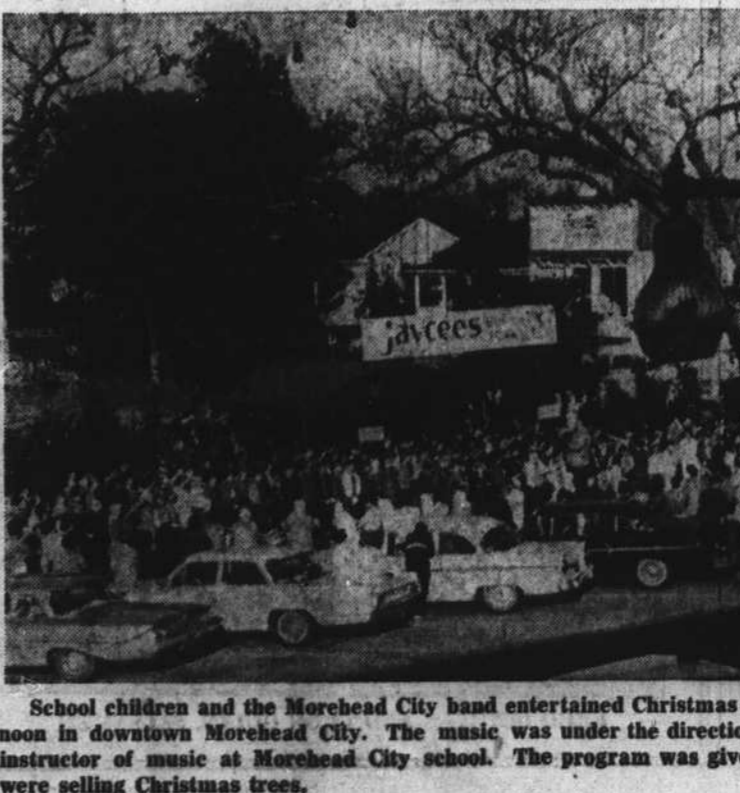
Two Babies Arrive On Christmas Day

Carteret had two Christmas babies this year, one at Sea Level hospital and one at Morehead City hospital. A baby arrived at Sea Level on Christmas Eve also.

Mr. and Mrs. Braxton Taylor, Sea Level, welcomed their baby daughter, Tracy Dawn, Monday, Dec. 25 at Sea Level. On Dec. 24 Mr. and Mrs. Allen Francis Nelson Jr., Atlantic, had a baby girl; so they named her Christy Eve.

Morehead City's Christmas baby was a son, born to Mr. and Mrs. Laurie Moore, Marshallberg, at 3:09 a.m. on Christmas Day. The Moores had not named their son at press time.

Children, Band Present Program



School children and the Morehead City band entertained Christmas shoppers with carols Tuesday afternoon in downtown Morehead City. The music was under the direction of Ralph Wade, band director and instructor of music at Morehead City school. The program was given on the Wallace lot where Jaycees were selling Christmas trees.

County Officials Issue Report On Hospital

● Attorney Says New Suit Must be Filed

● Board Faces Problem Regarding Funds

County officials reported this week that things are proceeding as fast as possible to clear up the legal snarl over the proposed county hospital.

To do this, another suit must be brought, according to county attorney Luther Hamilton Jr.

The original suit, filed by residents of Beaufort, was non-suited when the county board, in an effort to hasten the project, agreed to a compromise site in the Crab Point area.

The non-suiting action, however, did not satisfy bond attorneys in New York, who handle the marketing of bonds. To put up its share of the hospital money, Carteret would have to borrow funds, or in other words, sell bonds.

The bond attorneys requested that a judgment in superior court be obtained, to clarify the angle relative to sale of bonds. To do this, the county attorney explains, another suit must be filed. This procedure, he continued, takes time.

At the December meeting of the county board of commissioners, Dr. L. W. Moore, Beaufort, told the commissioners that they were not acting fast enough to push the hospital project through.

The commissioners explained that they are faced with knotty financial problems. Not only must another suit be filed and a judgment obtained to satisfy bond attorneys, but this will involve more legal expense; secondly, the Medical Care commission has stated that the state funds earmarked for Carteret will not be available.

While doctors say they can "get the money," the board feels that it cannot obligate the county any further without assurance in writing.

Already several thousands of dollars have been invested in legal fees and in selection of the site which doctors have rejected.

Mr. Hamilton, in a statement relative to the hospital matter, said recently, "The county board should not be criticized for the present delay. Another legal obstacle now stands in the way of issuing the bonds. The board has instructed me to take action necessary to clear this obstacle and I'm in the process of doing so."

"It's a technical, legal matter, and I am proceeding as fast as possible."

The county attorney added, "For me to express my personal beliefs as to reasons that the hospital project has faltered, and who is to blame, would not contribute to our eventually getting a hospital for the county."

Wet Christmas Visits Carteret

County residents had to settle for a wet Christmas instead of a white Christmas. Weather observer Stamey Davis recorded one inch of rainfall in a two-day shower Saturday and Sunday. Most of the rain, .92 inches, fell Saturday.

Temperature ranges and wind directions were recorded as follows:

	High	Low	Wind
Thursday	54	36	NE
Friday	56	32	NE
Saturday	63	40	SE
Sunday	61	39	W
Monday	47	30	NW

Tide Table

Tides at the Beaufort Bar

HIGH	Tuesday, Dec. 26	LOW
11:10 a.m.		4:49 a.m.
11:51 p.m.		5:27 p.m.
Wednesday, Dec. 27		
11:51 a.m.		5:25 a.m.
		6:07 p.m.
Thursday, Dec. 28		
12:34 a.m.		6:08 a.m.
12:31 p.m.		6:56 p.m.
Friday, Dec. 29		
1:16 a.m.		7:15 a.m.
1:09 p.m.		7:55 p.m.