

BABSON'S PREDICTIONS FOR THE COMING YEAR

(Continued from Page 1-A)

progress and get more, but I predict that the gains will have to come largely through the changing attitudes of the people. Otherwise, the situation will be much like the prohibition period which the good people of the nation thought could be solved by legislation. Such a thing takes 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 in this year.

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 1,500 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 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 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 corporate 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 corporate 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 to date, and will possibly rise through 1964 in order to keep gold here in this country and uphold the value of the dollar.

16. **EVALUATION 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 unlimited. Hence I forecast little change in price on balance in 1964.

19. **OTHER BASIC RAW MATERIALS.** 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 SUBSIDIES.** I forecast that the new building will continue around present levels through 1964, with additional growth in "suburban" areas. This growth in building and apartment houses, which could easily be overbuilt as the hotels and motels have been.

22. **PUBLIC UTILITIES.** Other than the building will occur mainly in the public sector—especially re-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 or two directions in which to grow. This usually is toward the higher land and often to the west; but this is something subdivisions are having, must wait closely.

24. **RURAL AREAS.** As I have said before, the way to buy real estate properly is to buy out the main road away from the city in which you live, on the "right" side. Every few miles, stop and inquire as to the direction in which 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 water, front land; but there is an enormous amount of interest in Florida, which for many years will be good only for pasture. Do not buy land anywhere—until you see it; don't depend on newspaper catalogues and real estate sales organizations.

26. **FLORIDA HOME.** I believe a small home in a small Florida city, with a view of the vacant lot on each side thereof, will prove a safe and attractive investment in 1964 for anyone who has been coming in regularly from the North.

27. **ADVERTISING.** While TV advertising will continue strong for patent medicines and some other products, I forecast that honest newspaper advertising will hold its own. Newspaper ads can be set out, been for reference, which is impossible with radio or TV ads.

28. **NEWSPAPERS.** I forecast that competing newspapers will continue to consolidate; and there may possibly be a return to the days when newspapers represented the opinions of some man with strong influence, and personality rather than the decisions of a "cold" board of directors. Note that this is something television is already trying to develop in its news reports, and newspapers must match it.

29. **STRIKES.** I believe that 1964 will be free from large strikes. The "big show," of course, will be the negotiations between the auto workers and manufacturers. However, I predict that both sides will arrive at a peaceful settlement before the deadline.

30. **WAGES.** While labor will not get all the pay increases it wants in 1964, it will get the equivalent in "fringe benefits."

31. **EMPLOYMENT.** I forecast employment will be better in 1964, due to a prosperous economy with new and expanding operations. Unemployment will rise, too, because of the influx of young job seekers and displacement of unskilled workers by automation.

32. **WORK WEEK.** There will be continuing agitation to cut the 40-hour week in 1964 to a 35-hour week with the same pay. I forecast this will not be accomplished. There may be compromise to 37½ hours, though this will depend largely upon President Johnson.

33. **FOREIGN TRADE.** Business in the U.S. in 1964 will enable us to compete more effectively with lower per-man-hour labor costs in Europe. Labor costs in Italy are already rising, and inflation is threatening Europe—particularly Italy and France.

34. **INFLATION.** Like the rest of the world, we will be tempted to resort more and more to inflation; but I forecast this will not be a vital factor in 1964.

35. **LIVING COSTS.** There will be continued upward pressure on living costs during 1964, even though the Administration may not pedal any abnormal rise in the Labor Department's index to prove that costs are being held down.

36. **RETAIL SALES.** I forecast that 1964 will show an increase in retail sales and in installment purchases.

37. **RECREATION EQUIPMENT.** I forecast that the great increase in leisure time and the consistent gains in personal income will give manufacturers of recreational equipment a prosperous year in 1964.

38. **SYNTHETIC FOODS.** I forecast that many of the basic foodstuffs—cheaper than the natural, and just as healthful—will appear in supermarkets in

1964.

39. **SYNTHETIC CLOTHING.** I forecast that this new industry will develop notably in the United States during 1964, particularly as regards specially work clothes.

40. **AUTO PARKING.** The auto companies are devoting much study to the parking problem. I forecast rapid progress toward mechanical parking in 1964.

41. **SEAT BELTS.** I predict that insurance companies will put added pressure during 1964 toward mechanical parking legislation requiring "roll-over" seat belts on all cars.

42. **NEW INVENTIONS.** I forecast that rapid strides will be made in 1964 in the direction of transferring mass through matter.

43. **ELECTRONIC PRODUCTION.** I forecast a great increase in electronic manufacturing in 1964, with emphasis on adaptation of space to military applications.

44. **AIR CONDITIONING.** I predict radical changes in air conditioning in 1964 via the reduction, and later elimination, of moving parts in the heat withdrawing machinery.

45. **ELECTRIC HEATING.** I forecast experiments in electric heating in 1964 whereby radio waves will heat only the individuals in the room, but not the air.

46. **OCEANOGRAPHY.** I forecast great developments in 1964 in mineral recovery, food supplements, new chemical derivatives, etc., obtained through oceanographic research.

47. **CUBA.** People in Florida have no reason to worry about their nearness to Cuba in 1964. Russia will undoubtedly keep a controlling finger on Cuba until she decides to withdraw in the wake of some kind of the U.S. in connection with Berlin or West Germany.

48. **WAR.** There will be no World War in 1964, and even the "cold war" pressures should gradually soften and prove less costly. I, however, am watching carefully how President Johnson and Premier Khrushchev get on together.

49. **RUSSIA.** I predict that the Russian government will steadily increase the manufacture of electrical appliances, and will have a 100 per cent owned installment company which it will operate without competition. When I was in Russia it was evident from my talk with the young people that they would have to be given more of the advantages enjoyed by the free nations.

50. In this connection I should say that, like the U.S., Russia is very rich in natural resources—and in research. This latter is especially important these days. I was much impressed, during my visit with the Russian educational system which is developing a very able generation of young people. I forecast, however, that Mr. Khrushchev's reelection will be how long he will be able to hold these young people in line!

State's Legal Dept. Defines Con-Con Terms

To date the greatest number of legal questions concerning the new Constitution seem to center around the election of various public officials.

Eight "mothers" distributed cookies, candy, apples and cigarettes and a special envelope containing a dollar bill. All but the dollar were contained in a specially decorated coffee can made very "Christmassy" by the very willing and able hands of Fern Ramage our hospital chairman, who engineered the whole program.

Her willing elves this year were Mary Ellen Smith, Mary Fox, Mable Ripaldi, Catherine Byrne, Bertha Werschin, Helen Beckley and Mary Jo Brown. It's a toss up as to who wears the biggest smile, the boys all the joy of receiving or the "mothers" for the joy of giving.

Christmas Visit to Maybury Made by Blue Star Mothers

December 17 was a big day for the Blue Star Mothers of Chapter 49, Farmington. It was the annual Christmas visit to Maybury San at Northville.

The party was a potluck with an exchange of gifts and special gifts to select pairs including a quick glance around the room to see if a look betrayed the secret.

The auditing of books by the past Presidents will take place on January 3 and the real New Year starts with the Installation of Officers on January 12. A "thank you" was given by new grandma Mary Jo Brown for the donation of the October Sunshine March proceeds to granddaughter Catherine Louise Gagner. A tradition of the Chapter is to give the proceeds of the "March" for the day to a Blue Star Mother upon becoming a grandmother for the first time. It is used to start a bank account for the new baby. There will be no card party in January!

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- Jan. 2
Hot Dog on Bun
Relishes
Buttered Corn
Apple Crisp
- Jan. 3
Macaroni and Cheese
Green Beans
Tomato Juice
Bishop's Bread
Butter
Fruit Cup
Milk

Every man desires to live long, but no man would be old. —Jonathan Swift

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