

## The National Outlook The Cause Of The Recession

By RALPH ROBBY

In recent weeks the charge has been made with increased frequency that one of the major causes of the recession was a reduction of government spending in 1957.

For example, the Washington Post said in a recent editorial that "retrenchment in the fall of 1957 contributed materially to the 1958 slump." Since the Washington Post is "liberal" and favors ever larger Federal outlays, such a point of view by it is not surprising.

But, when the National Industrial Conference Board takes the same approach it is surprising. In the January 1958 issue of the Conference Board Business Record there is an article by Robert H. Persons on the "Pattern and Scope of Recovery" in which it is said: "During 1957, both defense and non-defense outlays of the Federal Government had been curtailed, acting as one of the initiating factors in the recession." This is a little startling because the Conference Board has never indicated support for larger and larger Federal spending.

What are the facts? In answering this question it first must be noted that it is essential to use the cash budget figures, rather than the administrative or regular budget. The difference between the two is that the cash budget includes everything in the administrative budget and also the trust funds. Only the cash budget, therefore, shows total outlays.

On a calendar year basis the Federal Government's cash payments to the public were as follows:

1954	\$69.7 billion
1955	72.2 billion
1956	74.8 billion
1957	83.3 billion

On a quarterly basis, but not adjusted for seasonal variation, the following is the record:

1st quarter 1957	\$19.8 billion
2nd quarter	21.6 billion
3rd quarter	21.1 billion
4th quarter	20.8 billion

1st quarter 1958	19.6 billion
2nd quarter	21.8 billion
3rd quarter	23.8 billion

On an annual basis there obviously is no justification for saying that a reduction of government expenditures caused the recession. When one looks at the quarterly totals, a case can be made, although it is extremely weak. There was a reduction of \$500 million in outlays between the second and third quarters of 1957, but there had been an increase of \$1.8 billion between the first and second quarters. Thus the third quarter was still \$1.3 billion above the first quarter.

It really is stretching the facts to say that the half-billion dollar decline between the second and third quarters caused, or even, materially contributed to, the recession. And bear in mind that the total value of goods and services being produced—gross national product—was about \$440 billion during the period in question.

Another factor to bear in mind is that state and local spending was constantly going up during this period. Specifically, such state and local spending increased \$2.5 billion between 1956 and 1957.

On the basis of official facts, therefore, the contention that it was a decline in government

spending in 1957 which caused the 1958 business downturn must be regarded as nothing more nor less than a political charge. This does not mean that individual companies which had their government contracts eliminated, or stretched out, were not hurt, at least temporarily, but there was not enough of that to swing the whole economy.

What did cause the recession? There was no single factor. It was the result of a combination of developments, as almost all recessions are, and probably no two business analysts would even make identical lists.

### Fat Stock Show And Sale April 1st

Continued from Page 1—Section 1  
George Lewis and Wesley Cheson, Jr., co-chairmen.

"Four-H and FFA Club members may enter hogs in two classes this year," says Marsh. Class 1 includes hogs from 160-210 pounds. Each club member may enter an additional and a pen of three in Class 1. Class 2 includes hogs which weigh from 211-240 pounds. Club members may enter a total of 4 hogs in this class; one individual and a pen of three.

Adult farmers from Chowan County may also participate in the hog show and sale this year. However, they will not compete for prizes against club members except for the grand champion individual hog. Since the grand champion individual must be the best hog in the entire show, the champion individual of the adult class will compete against the champion of the youth class for grand champion of the entire show.

Hogs should be weighed and taken to the American Legion Fair Grounds on Tuesday, March 31. All hogs for the show and sale can be weighed at M. D. Baker's, Tyner, or at Earl Harrell's, near Edenton.

Hogs will be sold according to the following order:

1. Grand Champion Individual (best hog in the show, adult and youth classes).
2. Reserve Champion Individual (second best hog in the show, adult and youth classes).
3. Second Place Youth Individual.
4. Third Place Youth Individual.
5. Second Place Adult Individual.
6. Champion (youth) Pen of 3.
7. Reserve Champion (adult) Pen of 3.
8. Reserve Champion (youth) Pen of 3.
9. Third Place (youth) Pen of 3.
10. Reserve Champion (adult) Pen of 3.

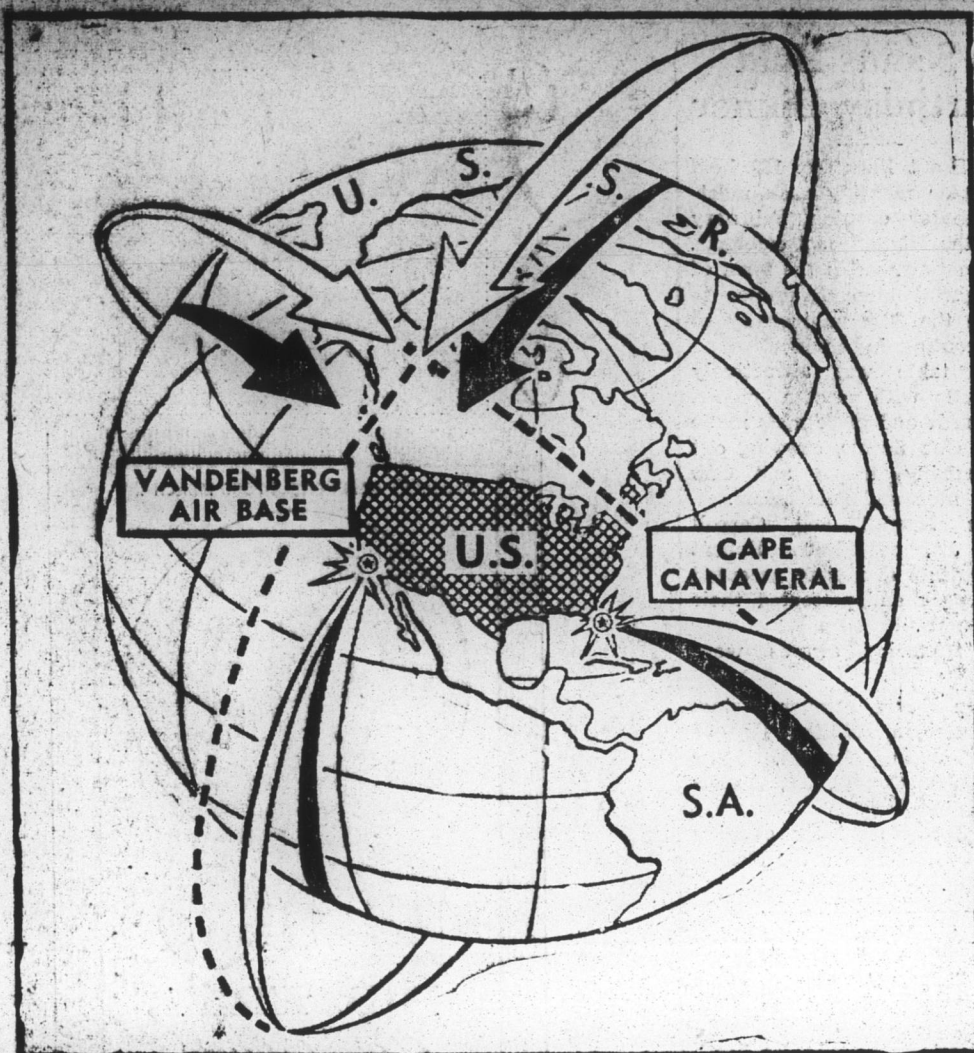
"All 4-H and FFA Club members as well as adult farmers are urged to enter as many hogs to the show and sale as possible," says Marsh. Any Chowan farmer who is interested in entering hogs at the show and sale should contact the County Agent's office, the Vocational Agriculture Teacher, or a member of the Edenton Jaycees.

#### Fine Distinction

Mrs. A.—"Was your husband pickled when he came home last night?"

Mrs. B. — "No, just plain stewed."

TRY A HERALD CLASSIFIED



**UNCLE SAM ROCKETS AHEAD IN SPACE AGE** — Coming up: from Cape Canaveral, Uncle Sam's pioneer rocket and missile base, another attempt to orbit the moon, and continued tests of intercontinental-type ballistic missiles on the long, overwater range. From Vandenberg Air Force Base, new, West Coast missile-space facility: launchings of test vehicles for "Project Discoverer." It will pave the way for recently announced "Project Mercury," the program to put a man-carrying satellite in orbit around the earth. Target date is two or more years away. Newspaper, above, shows general directions toward which satellite launchings take place from both bases. Vandenberg launchings of satellite vehicles would be over polar regions. Satellites would pass over portions of the earth not covered by Cape Canaveral launchings, which encompass a broad band north and south of the earth's equator.

### KNOW YOUR SOCIAL SECURITY

P. E. Bettendorf, representative of the Social Security Administration, is in Edenton every Thursday at the North Carolina Employment Security Commission in Citizens Bank Building.

At this time it seems fitting to review some of the highlights of the social security law, so you can better understand the benefits which may be due you.

Social security was designed primarily to afford some protection against the loss of income by retirement, death, or disability. In every case, before benefits can be paid, the person must have to his credit a certain amount of employment covered by social security. The amount he needs depends upon when the worker reaches retirement age, dies, or becomes disabled. So you see, this coverage requirement will vary.

If a retired worker has sufficient work to his credit he may be eligible for old-age insurance benefits. And his wife, age 62 or over, may be eligible for payments on his record; his children under age 18, or disabled children over age 18 (if they were disabled before reaching age 18). If his wife is under 62 she may receive benefits anyway, if she has in her care minor children eligible for payments.

If an insured worker dies, the following survivors may be eligi-

ble for monthly payments; his widow, 62 years of age or older; children under age 18; disabled children 18 or over (if they were disabled before reaching age 18); aged dependent parents. For a

parent to be considered, he or she must have been receiving at least one-half his or her support from the wage earner at the time of death. The dependent father must be at least age 65, and the dependent mother must be at least age 62. Also, if an insured worker dies, a lump-sum death payment may be paid. This payment goes to the widow or widower, if living with the wage earner when he or she died. If

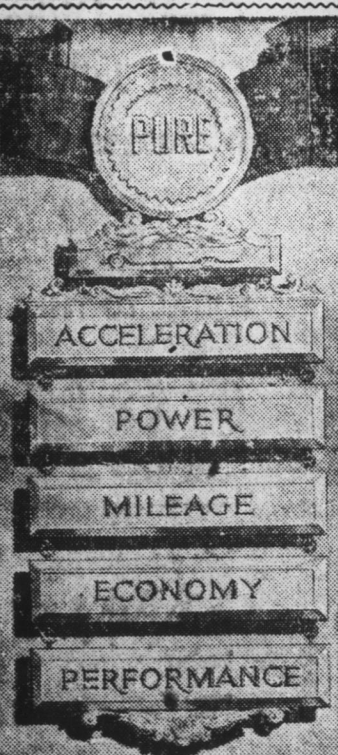
## Announcing! OPENING OF Margaret White's Beauty Shop Mon., March 2nd

907 JOHNSTON ST. NORTH EDENTON

Mrs. White has been associated with Mae Jackson's Beauty Shop since 1943

CALL OR SEE ME FOR YOUR BEAUTY NEEDS...  
YOUR PATRONAGE WILL BE APPRECIATED!

PHONE 4141 EDENTON



**PURE** gasolines "hold more records for performance than any other"

Get **PURE-PREMIUM**... It's super premium now

Winslow Oil Company  
Hertford



there is no widow or widower, the lump-sum may be paid to the person or persons paying the burial expenses.

If a worker, age 50 or over, qualifies for disability insurance benefits, his dependents may now be eligible for payments. These dependents include his wife, 62 or over, or a wife any age, if she has in her care minor children eligible for payments; children under 18, or disabled children over age 18 if the disability occurred before the child became age 18.

Please remember that no social security payment is made automatically, and a formal application must be filed with the Social Security Administration in every case for any type of benefit. If these provisions apply to any of you, please be sure to contact your Social Security Representative.

### 20 YEARS AGO

Continued from Page 1—Section 1  
anniversary at the home of Mr. and Mrs. W. D. Holmes.

C. L. McCullers, director of the Edenton High School Band, received an invitation for the band to participate in the tulip festival at Washington, N. C.

It was reported that 40 free lunches were being served at the school lunch room recently opened at the school.

John Dobson, a teller at the Bank of Edenton, was found dead

seated in a chair in a garage at his home. He took his own life by firing a .22 calibre bullet into his temple.

The Edenton laundry installed new equipment for the purpose of cleaning rugs.

Miss Mildred Stephenson resigned as society editor for The Herald to accept a position to teach in the Grifton Public Schools. Miss Orpica Cosart succeeds Miss Stephenson as society editor.

William Martin Elliott died at his home near Cross Roads.

William W. Altman and Jack Barnes were charged with bigamy.

Bill Sharpe of the Advertising Division of the Department of Conservation and Development, reported that pictures of Edenton

Peanut Festival had appeared in over 110 newspapers outside the state of North Carolina.

Generosity, wrong placed, becometh a vice; a princely mind will undo a private family.  
—Thomas Fuller.

### NOTICE

To my Friends and Customers: I am set up to do watch repairing at my home, 300 West Church Street, until Campen's Jewelers reopens.

JOHN J. ROSS



# Old Gold

86 PROOF

Straight BOURBON Whiskey

**\$2.25**  
PINT

**\$3.50** 4/5 QUART

TYSONE DISTILLING COMPANY  
LAURELBURG, KENTUCKY

### BEEFEATER



Burrough's BEEFEATER GIN

IMPORTED FROM ENGLAND  
By KOBRAND CORPORATION,  
NEW YORK, N. Y.  
84 PROOF • DISTILLED FROM GRAIN

## Mr. FARMER!

do you know that additional telephones can save you money?

To a farmer time is money. And there's no better way to save time than with additional telephones. In the barn, in an "out shed", telephones are a real step saving convenience. They add time to your working day by ending the chase back and forth to make or receive calls.

The Norfolk & Carolina Telephone & Telegraph Co.

## PROTECT YOUR PROFIT MARGIN FROM THIS LAGGARD

Squeezing out a few extra dollars profit from your farming operation doesn't come easy these days. And when a lazy tractor loafs on the job, it's even tougher.

That's right... loafs on the job. It's been proved by the University of Nebraska that many tractors, after a season's use, deliver only 80 per cent of their power. Think what this means in terms of extra work... extra fuel... and profit dollars going down the drain.

Right now... before the next season begins, is a good time for our skilled mechanics to renew tractor performance with a tune-up or reconditioning. We'll do only the work required... do it at the lowest possible cost.

How about it? Shall we plan on your tractor for a check-over... this week?



## Hobbs Implement Co., Inc.

GUY C. HOBBS, Mgr. "Your John Deere Dealer" EDENTON, N. C.

Serving Your Farm Equipment Needs is a Lifetime Job with Us

## OLD Ned White

STRAIGHT BOURBON WHISKEY

6 YEARS OLD

**\$2.25**  
PINT

**\$3.50**  
4/5 QUART

