

Carolina Review: Federal Action To Trim One-Fourth Of State Funds

Fall Budget Session...Originally, Gov. Jim Hunt was adamantly against holding a "mini-session" of the North Carolina Legislature this fall for final action on the state's two-year budget.

The governor had hoped he could get all of his "budgetary shopping" done early. It became pretty obvious early on, however, that a lot of the legislators

were "genuinely concerned" over federal budget cuts and preferred to delay final action on several of the governor's requests. With passage of the major part of his controversial highway tax plan, the governor was willing to go along with the three or four month delay.

The lawmakers wanted to hold action on several money items until they

could see what the federal budget cuts would be.

While the rumbling and grumbling continues in Washington concerning the various ways of cutting the federal budget, the impact on the state budget is now available.

"We know about what it's going to be now, and that's roughly 25 per cent across the board," says Hunt press aid Brent Hackney.

As bad as that may sound, 25 per cent is not as bad as it could have been. North Carolina budget officials in recent weeks have re-

evaluated their figures, and the loss of revenue will only be about half of the original estimates.

Now that the federal budget cuts are available for study by the individual states, the current emphasis is on how those cuts will be interpreted at the state level.

According to Hackney, there are two alternatives to how the federal cuts can be interpreted.

"Or, number two, you can take the federally funded block grants that are still available, and set spending

priorities according to what you (the governor) think is most important," Hackney continued.

But according to Hackney, the governor has just about said that "in all likelihood, if it is cut in Washington, then we (North Carolina) can't afford to pick it up."

Essentially, what Gov. Hunt (and Democrats across the country) is saying is that he is willing to let the president sink or swim on the federal budget cuts.

What the governor is not

saying as clearly, is that he expects the president to sink—and that he is not willing to sink with Reagan by trying to redistribute the cuts by priority at the state level.

Either way, the governor has his battle plan for the mini-session scheduled in October just about ready. Hackney listed three major items that the governor has targeted for passage this fall:

1-Passage of the alcohol tax which would place an additional \$25-million in the highway fund.

2-The \$112-million pay raise package for teachers and state employees.

3-The continued reduction of classroom size in the public schools—a 46-million package.

There were several items noticeably absent from the list Hackney recited, especially the plan to transfer the sales tax from automotive accessories into the highway fund (from the general fund). One administrative source said that plan got so complicated that the administration had just about decided to "cut

bait and run." Two other items originally slated for the fall have apparently been omitted. It seems the mining severance tax and the sales tax vacation homes, both highway fund possibilities, will not receive very high priority.

In effect, Gov. Hunt's highway plan has been stripped of a number of its revenue producing items from the initial \$200-million per year to the now projected \$120-million per year—assuming the alcohol tax is passed.

Mrs. Allen, 56, Taken In Death

CHESAPEAKE, Va.—Mrs. Katherine Harrell Allen, 59, 2402 Payne Road, died August 19 in a Norfolk hospital.

A native of Perquimans County, she was the daughter of the late Johnnie and Jamie Stallings Harrell and the wife of Benjamin F. Allen.

She was a member of Woodlawn United Methodist Church.

Surviving besides her husband are two daughters: Mrs. Lavonne Barker of Smyrna, Del.; and Mrs. Dorenda Pierce of Chesapeake; three sisters; Mrs. Evelyn Furgerson of Palmdale, Calif.; Mrs. Lynda Phillips of Kalama, Wash.; and Mrs. Shirley Russell of Edenton; one brother, Floyd Harrell of Hertford; and two grandchildren.

A funeral was held August 22 in Loving and Gay Funeral Home with burial following in Meadowbrook Memorial Gardens.

The Herald Kitchen

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¼ cup butter, melted
6 eggs, separated
2 pkgs. (8 oz. each) cream cheese, softened
3 tablespoons flour
1 teaspoon grated orange peel

Two thirds cup orange juice

1 teaspoon vanilla
1 cup sour cream
1 tablespoon sugar

Combine crumbs, ¼ cup sugar and melted butter. Press onto bottom of 9x9x2-inch cake pan. In large mixing bowl beat egg whites at high speed until foamy. Add ¼ cup sugar, one tablespoon at a time, beating constantly until sugar is dissolved and whites are glossy and stand in stiff peaks. In small mixing bowl beat cream cheese until smooth and fluffy. Add egg yolks and blend thoroughly. Stir together remaining ¼ cup sugar and flour. Beat into cream cheese mixture. Add orange juice and vanilla and beat on low to medium speed until well blended. Gently but thoroughly fold cream cheese mixture into egg whites. Pour into prepared pan. Bake in preheated 350-degree oven 35 minutes. Turn off oven and let cheesecake stand in oven one hour. Combine sour cream, one tablespoon sugar and orange peel. Spread over top. Refrigerate several hours or overnight. Serves 12.

Sen. East Calls Response Fair

Continued From Page 1-B

urging them not to strike and warning, "If you elect to strike, do not depend on the sympathy or the support of Congress. We cannot allow the public's best interest to be held hostage to any single group."

"But now we've got to rebuild the air traffic control system. I feel sorry for the striking controllers who let their frustrations get the better of them. They had good jobs and better incomes than most Americans, but now we've got to go on without them. It was their choice," said East.

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The first full Technicolor film was *Vanity Fair* in 1935. The future Pat Nixon was in it as an extra.