

# The National Outlook

## The More Favorable Business News

By RALPH ROBESY

More and more persons are convinced that we are now trying to find the bottom of the recession. This results in almost everyone looking for signs to support such a conclusion. Following are some of the more convincing items being cited:

1. Housing starts in April rose, on an annual basis, to \$50,000. The April rise followed two months of decline, and lent support to those who believe we shall see a minimum of one million private starts this calendar year. Construction as a whole continues to set new records because of the heavy volume of public building.

2. Farm prices and farm income have both shown appreciable rises. In the case of prices, the rise started last September and has continued each month since then. Farm income was slower in moving up but now is well above its low of last year. It used to be said that recessions and depressions are bred and fed on the farm. Obviously, this time that is not true.

3. Over-all personal income showed an increase in April, for the first time since last August. The increase amounted to \$600 million. Unfortunately the entire increase was the result of so-called transfer payments—unemployment compensation, social security, and the like. Wage and salary payments continue to drop.

4. Personal consumption expenditures continue to hold up well. Durables, especially automobiles, are still moving at a slow pace, but nondurables and services are both higher than a few months ago. These expenditures have been one of the stronger elements in the economy all the way through the recession.

5. Machine tool orders have increased for three consecutive months. The total still is not high, but at least the recent trend has been in an encouraging direction. The trouble here was that the machine tool industry had an unusually sharp decline at the end of last year. Even three months rise still leaves the total well below the figure of a year ago.

6. Steel production has recently shown a slight increase. It is still only about 51 per cent of capacity, but it was considerably below this a few weeks ago. It is expected to show a further increase of moderate proportions in coming months. This expectation is based upon the belief that inventories have been reduced to below normal.

7. Various companies are beginning to report that they believe they have passed the low point. This is true for example, in the textile industry, and the farm implement industry is enjoying a positive increase as a result of the improvement in farm income.

8. Interest rates have been lowered to the point where it is possible to get loans at well below the recent peaks. The banks, too, have plenty of reserves to meet whatever demands for loans they receive. Both of these developments have been caused by action of the Federal Reserve System in repeatedly lowering the rediscount rate and by reducing the percentage of required reserves against deposits.

9. The stock market continues

to show strength. After making a new high it has backed away a bit, but the general level of the market is still not what might be expected in a recession. Whether the market is forecasting a rise of business in the near future, is merely anticipating inflation, or is reflecting continued buying by institutional buyers, is a matter of debate. Probably there is some of each of these factors in the behavior of the market.

These are perhaps the more important favorable elements in the present business situation. Of course these are unfavorable elements as well, because there is no statistical basis for assuming that we have actually hit bottom. Likewise there is no statistical basis for assuming that we have much more decline ahead of us.

This means that business management, and everyone else, should begin to have confidence in better times. Improvement will not come in all industries simultaneously, and it may not get started for some months, but it is no longer the part of wisdom to remain deeply pessimistic.

### SUNDAY SCHOOL LESSON

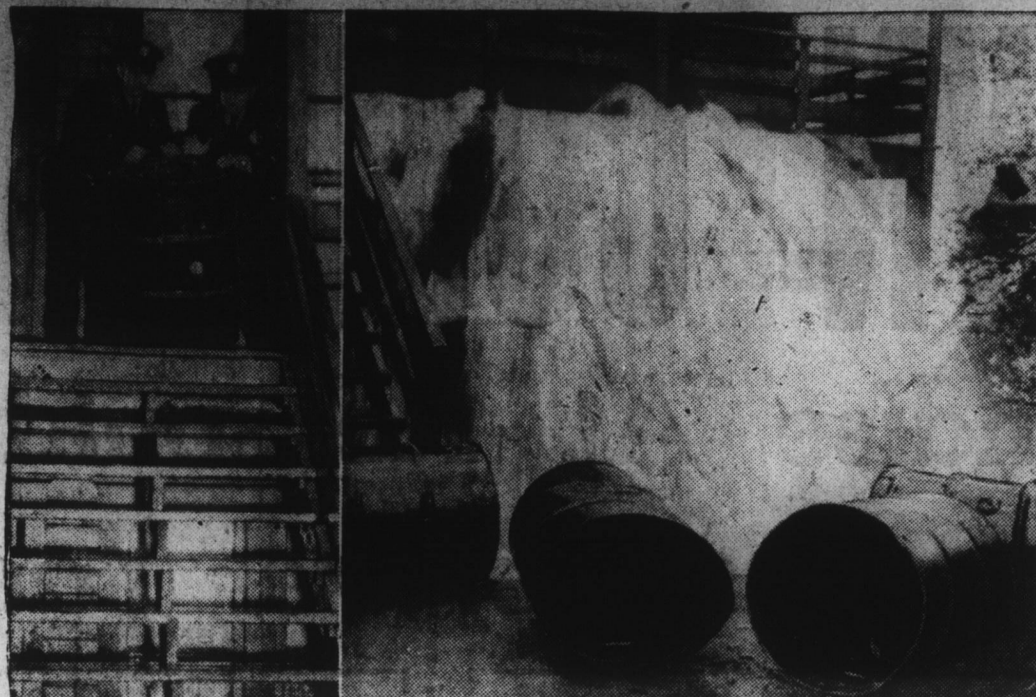
Continued from Page 4—Section 3

his magnanimity . . . having led his charges through the wilderness for forty long, weary years toward their goal, Moses relinquished to Joshua the culmination of all his efforts, the actual entrance of the Israelites into the Promised Land. Moreover, he relinquished his leadership willingly, without jealousy, his main concern being for his people. This is an epic example of character in action.

Another very important facet of Moses' character and of his fitness to be a leader was his willingness to give his life for the sake of others. Certainly he was a prototype of Jesus in this willingness of his to live or to die for others. Moses also possessed enthusiasm . . . enthusiasm for God, and his faith was contagious. He was a dedicated man. He had an unflinching sense of the presence of God. His life was a life of prayer.

Joshua, too, had good preparation for leadership. For forty years he had been "Moses' minister," and he could have had no better preparation. He was also a man "full of the spirit." That is, he also had a special capacity for awareness of God and of his will. He had vision, too—he saw clearly what could be achieved, if Israel were really loyal and lived up to God's expectations. And, lastly, from Joshua we learn that the greatest thing of all is to know that whatever happens "God is with you wherever you go."

Our generation has not had an enviable record in the selection of its leaders. Investigations of recent years into the character of men in high offices in government, in business, and in labor, are extremely humiliating to all who have a sensitive conscience. If we are to live as God's people we must be discriminating in electing our leaders; with us lies the responsibility of selecting the leaders who are to serve us in



**WOULD MAKE STRONG MEN WEEP**—The largest illegal moonshine operation uncovered in Pittsburgh, Pa., in the last five years comes to an abrupt end. Police, at left, hold a barrel of stuff preparatory to dumping it. Photo at right shows the bootleg whisky cascading down the stairs.

many capacities. When our leaders have their moral characters firmly rooted in faith in God, and commitment to His will, they can't go far wrong. In choosing them let us look for moral integrity, thoughtfulness for others, generosity of mind and soul, dedication to the task on hand, enthusiasm, and vision. And while we are looking for these character traits in our public figures, let us not forget to examine ourselves. It is fine to have good leaders, but good leaders will not get very far unless they have a worthy flock to lead.

(These comments are based on outlines of the International Sunday School Lessons, copyrighted by the International Council of Religious Education, and used by permission.)

### NO COMMENT

By JAMES H. ROUTINE

Washington — An effective coalition of Republicans and Southern Democrats believes it scored a notable victory in bringing about defeat in the House of a proposal to convert expanded unemployment compensation payments into a dole.

This coalition, frequently holding the balance of power back in the Truman Administration, gave the present House Democratic leadership one of its worst beatings in recent years.

Conservatives hope that the coalition will continue to be effective. In the past it has been a bulwark of strength against radical New-Fair Deal legislative proposals.

While the victory was outstanding, it nevertheless was in

the nature of a negative triumph. The coalition members were delighted to defeat the dole, but it must be said that at least some of them were not at all happy with the compromise measure which the House approved.

They think, however, that it was the best solution permitted by the politics of the situation—and they point out that politics was very much in evidence both during and before the House vote. The battle now shifts to the Senate where a determined effort has been promised to obtain approval of the measure rejected by the House. The outlook is not yet clear.

In the House the coalition obtained approval, by a 223 to 165 vote, of an unemployment compensation amendment offered as a substitute for the dole proposal advocated by the Democratic leadership.

Then, as amended, the bill was passed by the House by the overwhelming vote of 370 to 17.

Under the measure, the Federal Government would, in effect,

offer to lend funds to the states for the purpose of extending the duration of payments of state unemployment benefits.

The extension, in each individual case, would amount to 50% of the benefits for which the individuals had previously been eligible.

There is no element of compulsion on the states to borrow the money. It merely authorizes a Federal loan. Repayment would be expected.

Funds would be available only to persons who had been covered by the unemployment compensation program.

Members of the coalition point out that legally the bill adds almost nothing to present law. A state now can pay benefits for whatever period has been authorized by its legislature. If the state runs out of money it can borrow funds now from the Federal Government.

Actually, it is contended, the only thing that the House bill adds is authority for a state to borrow the money before it needs

it—a situation not likely to be regarded realistically as an emergency.

However, from the standpoint of political expediency, the effect of the House bill likely would be to bring heavy pressure upon Governors to call special sessions of state legislatures and then, in turn, to bring perhaps irresistible pressure upon members of the state legislatures to extend the duration of benefits.

The question the would arise as to whether the extension of benefits voted by state legislatures would be temporary or permanent. History affords few illustrations of government benefits that are permitted to be temporary.

The Democratic bill provided for outright Federal gifts to the states to pay an additional 16 weeks of benefits to those who had exhausted their state benefit rights.

It also provided for paying the same benefits to persons out of work even though they had not been covered by the unemployment compensation system.

Objection to this part of the proposal was put graphically by Rep. Smith (D-Va.), Chairman of the House Rules Committee. He called it "pure, unadulterated, undisguised, unabridged and unabashed socialism."

Rep. Smith also pointed out that the proposed legislation "carefully refrains from any needs test."

"It does not make any difference whether you need the money or not," he explained. "It is going to be dished out to you if you ask for it and if you are unemployed."

Those eligible for unemployment payments, Rep. Smith said, would include:

Retired millionaires, thousands

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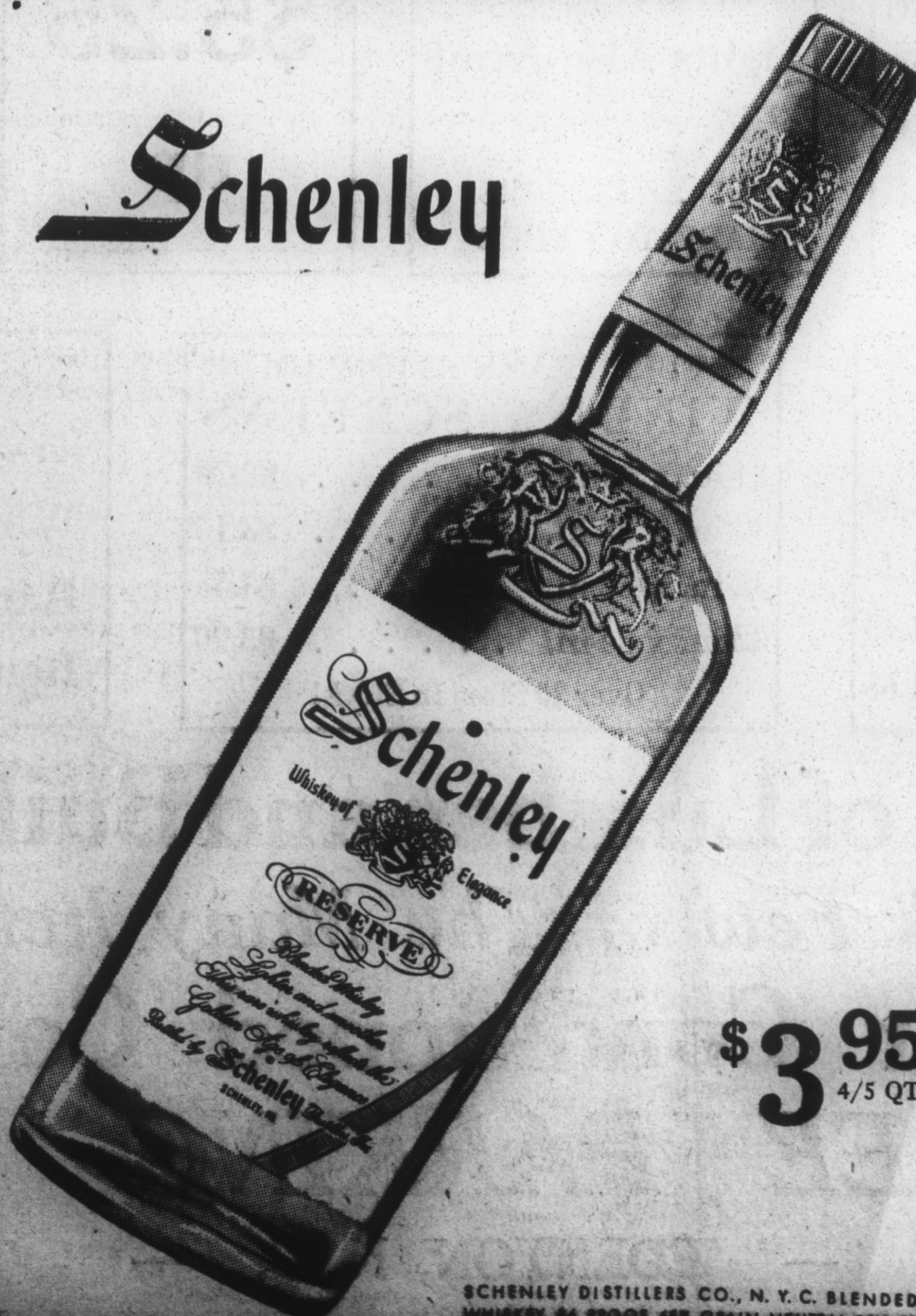
### NOTICE OF A PUBLIC HEARING RELATIVE TO A PROPOSED AMENDMENT TO THE TOWN OF EDENTON ZONING ORDINANCE.

Notice is hereby given that a public hearing will be held by the Town Council of the Town of Edenton at 8 P. M., June 10, 1958, in the Municipal Building to consider a proposed amendment to the Town of Edenton Zoning ordinance. The amendment would rezone the property of M. L. Flynn at the corner of Morris Circle and Virginia Road from RA5 Residential to Neighborhood Business.

All interested persons are invited to attend.

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