

## The National Outlook President Eisenhower On Taxes

By RALPH ROBEY

From the viewpoint of business the most important statement in the State-of-the-Union message by President Eisenhower probably was that on retirement of the public debt.

Back of this was a projected surplus of \$200 million for the current fiscal year ending next June 30 and an estimate of \$4.2 billion surplus for the following fiscal year.

The projection for this year is another revision by the Administration. In the mid-year review by the Budget Bureau it was predicted that there would be a surplus of \$100 million. Then a few weeks later, Budget Bureau Director Stans, said that the chances were we would have a deficit this year. The difference was continuation of the steel strike and the influence of this upon both corporate profits and individual income. This current revision, however, can be accounted for by other than settlement of the steel strike. Only a few days ago the Federal Reserve System adopted a new formula for the retention of its earnings, and this resulted in an increased payment to the U. S. Treasury of \$266 million—or by more than the estimated surplus.

The indicated surplus for fiscal 1961 is of quite a different character. Expenditures are estimated at \$79.8 billion, as compared with an anticipated \$81 billion. Revenues are forecast at \$84 billion, which is appreciably higher than had been ex-

pected. This is a good sized surplus, but the President had this to say about it:

"Personally, I do not feel that any amount can be properly called a surplus as long as the nation is in debt. I prefer to think of such an item as a reduction on our children's inherited mortgage. And once we have established such payments as normal practice we can profitably make improvements in our tax structure and thereby truly reduce the heavy burdens of taxation."

At first glance this appears to be a conservative and appealing point of view. But analysis of its implications raises some fundamental issues. If we can not have tax relief with income exceeding expenditures by \$4.2 billion, how much surplus must we have before beginning a program of tax rate reform?

Everyone is interested in getting a reduction of the public debt, but must that be given absolute priority over tax rate reform?

Since the historical record shows that within a short period a reduction of taxes brings more revenue to the government, might we not be better off if we started on tax reform immediately?

Finally, in as much as we have a shortage of venture capital, and that is holding back the growth of the nation, would it not be wise to aid the accumulation of such capital by tax

rate reform?

In my judgment a surplus of \$4.2 billion is more than enough to justify a tax-rate-reform program this year. Further, there already is a program before the House Ways and Means Committee that is particularly suited for the present situation. This is the five year program of the Herlong-Baker bill. This reduces taxes across the board by using the revenue which comes from economic growth for this purpose rather than increased government spending. It is a genuine tax-rate-reform measure, and involves no shifting of taxes from one group to another.

### Important Farmer Meeting At Warren Grove January 25th

On Monday afternoon, January 25, at 2 o'clock at the educational building of Warren Grove Church, a farm and home planning and management meeting will be held. At this meeting, Fred A. Manum, Extension farm management specialist, will discuss and demonstrate the steps and procedures involved in planning the farm and home business.

With the high production costs and the relatively low prices received for farm produce, it has become imperative that all farm enterprises be planned together. By increasing the yield on just one crop or livestock enterprise may not greatly increase the total farm income. But, by figuring out what crops to produce, how much of each crop to produce, what livestock and how much should be grown with your cropping program can increase income tremendously. Two of the big questions have been "what can I plant in acres not planted in allotted crops?" and "how many acres of corn, soybeans, watermelons or other crops should I plant in these acres?" These kinds of questions will be answered at this meeting.

Farmers are urged to bring their wives to this meeting, because in addition to increasing the farm income, decreasing the

cost of living by producing and conserving more home grown foods will also be discussed.

Letters have been sent to those who have expressed an interest and assistance in this information. However, everyone is invited.

### Farmers Invited Join New 'Two-Bale Club'

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He only thinned the thickest places, leaving from four to six plants per foot of row.

Bunch planted about nine pounds of delinted seed per acre. He also thinned only the thickest places, leaving about four or five stalks per foot of row. Both men planted Coker 100A.

At planting time, Ober applied 350 pounds of 10-20-20. When the plants were about six to eight inches tall, he side-dressed with 40 pounds of actual nitrogen, giving them a total of 75 pounds of actual nitrogen per acre.

Bunch applied 600 pounds of 5-10-10 at planting. As soon as his cotton was up, he side-dressed with 24 pounds of actual nit-

rogen. And later, when his plants were eight to 10 inches high, he side-dressed again with 200 pounds of 14-0-14, giving him a total of 82 pounds of actual nitrogen per acre.

Perhaps the most striking thing about their high yield was the fact that neither man treated for boll weevils. They kept their field check, but never found enough infestation to justify treatment.

"I know there are other farmers who produced two bales of cotton on an acre in 1959," Dr. Collins said. "And we would like to have them in the two-bale club."

"Farmers who think they are eligible should take their gin receipts and the ASC record of their acreage to the local county agricultural agent. The agent will then forward the information to State College."

Dr. Collins added "that suitable recognition will be given to farmers qualifying."

### Lunch Room Menu

Menus at the Edenton Elementary School lunch room for the week January 25-29 will be

as follows:

Monday—Luncheon meat, carrot and cabbage salad, green beans, cheese slices, sandwich bread, chocolate pudding, milk.

Tuesday—Hamburgers and gravy, school baked rolls, black-eye peas, steamed rice, apple

sauce, butter, milk.

Wednesday—Beef vegetable soup, crackers, peanut butter sandwiches, block cake, milk.

Thursday—Macaroni and cheese, buttered corn, turnip greens, corn bread, rice pudding,

butter, milk.

Friday—Chicken pan pie, candied yams, buttered peas, school baked rolls, peach pie, butter, milk.

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