

The National Outlook Behavior Of The Stock Market

By RALPH ROBEY

Well over ten million persons own publicly-issued stocks of American corporations. Other millions indirectly own stocks through various forms of savings. To all of these, the recent behavior of the stock market has been of concern, and all of them are interested in whether the decline is going to continue.

The measure most commonly used for stock prices is the Dow-Jones industrial average. This is not the best index of the market as a whole, but Dow-Jones is the only organization that reports each individual stock transaction, and its tickers are found in brokerage offices from one end of the country to the other. The average is calculated on an hourly basis, for the high and low of the day and, of course, for the closing. Taking the latter, the high for this year, and for all time, was last January 5 at 685. Recently the market has been flirting with 600.

This is too much of a decline to be shrugged off. In the old days it was said that anything up to a ten per cent decline was a technical reaction. This has gone beyond the ten per cent.

No one ever can explain with positiveness what causes a market decline or a market advance of significance. But unquestionably the following have had an influence:

1. The market had attained an extremely high level—high not only in relation to historical standards, but high in relation to earnings and the return one could receive from bonds. Even U. S. bonds were selling at prices which returned a substantially higher yield than one got on good stocks.

2. Corporate profits were headed up, but it could not be assumed that they would go much higher. This meant that

dividends would not be raised enough to lift the yield appreciably, and in many instances there was no basis for hoping for any increase of dividends.

3. Many persons began to revise downward their predictions for both the extent and the duration of the present recovery. And these revisions appeared to get support by a fairly continuous flow of news that was not too favorable.

4. Foreign holders, who in the aggregate own between \$10 billion and \$15 billion of American securities, began a light liquidation and the market is thin enough to be adversely affected by such selling.

5. The fear of inflation has subsided to a marked extent. This fear had been a powerful factor on the upside. Now, with many investors of the opinion that inflation is not inevitable, there is less urge to hold stocks.

6. In the minds of numerous persons, there is uncertainty about the political situation and the recognition that the current Congress may enact legislation which will hurt business and the growth of the economy, with the danger that the next Congress may be even worse.

How much farther will the decline go, and is there a chance of a real recovery? There is no reason to assume that the decline will continue either much farther or much longer. We are not faced with a recession, and we certainly are not faced with a depression. This means that a recovery of stock prices, as measured by the Dow-Jones average, is inevitable. How soon it will start, and whether it will go above the old highs, are matters of judgment. My personal opinion is that we shall see a new high, but that will be some months hence, and one must buy his stocks with utmost care.

New Announcer



The majority of workers from Northeastern North Carolina commute to the Tidewater, but not Jim Freeman, who journeys each week-end to Edenton. The 24-year-old Freeman of Norfolk is a part time announcer for radio station WCDJ. His big interest is to become a first class announcer. Every time he applied for a job he was told, "You need to go to a small station for experience."

Experience is what he is getting Saturday and Sundays from sunrise to sunset when he is disc jockey, news announcer and has even emceed a local March of Dimes telethon. He and his wife, the former Miss Peggy Duncan, are both natives of Marion, N. C., and have lived in Norfolk since 1957, when he was discharged from the Navy. They have a four-year-old son. During the week Freeman is an apprentice at the Naval Air Station Apprentice School in Electronics. His wife, who endorses his venture, is employed by the Southern Bank of Virginia.

farm management specialist, will discuss insurances for families and individuals. Some of the points to be emphasized in his discussion are the four principal types of life insurance, when to buy life insurance, and some guides for buying life insurance.

Any who have questions about present insurances or what kind to buy, are invited to attend the YMW Club meeting and bring insurance problem questions. The only requirement for joining the YMW Club is to be between the ages of 21 and 35 years and have an interest in self and community improvement, and be willing to support such improvement ideas.

The inclination to lose a friend rather than a joke should be far from us. —Quintillian.

No Comment

By JAMES W. DOUTHAT, Assistant Vice President, Government Relations Division of the National Association of Manufacturers

"NO COMMENT" is a report of incidents on the national scene, and does not necessarily reflect NAM policy or position.

Washington — Far too few people in the United States realize that the Government's indebtedness now totals nearly \$750 billion.

This startling information is being circulated far and wide by Maurice H. Stans, Director of the Budget Bureau, who urges a vigorous campaign against wasteful spending and for increased fiscal responsibility.

His picture of the Government's financial situation shows this: \$290 billion—national debt. \$350 billion—future obligations for past services. \$98 billion—commitments for future spending. \$738 billion—total.

This huge indebtedness is one of the reasons why the congressional economy bloc is urging a grass-roots uprising against unnecessary spending in an effort to ward off further inflation and to increase the chances for tax reform legislation.

At the present time, Congress is acting on the Eisenhower Administration's budget proposals for the next fiscal year starting on July 1. Spending is estimated at \$79.8 billion and revenue at \$84 billion.

Economy advocates think that a substantial reduction can be made in the spending total without injury to the defense program or to any essential Government function.

A \$3,358 million cut in non-military expenditures is advocated by the National Association of Manufacturers.

An added reason for a campaign for Government economy is the fact that the spending trend, unless effectively resisted is definitely upward—owing to the strenuous activities by the Big Spenders in Congress.

Rep. Curtis (R-Mo.), believes that it is "politically immoral and fiscally uneconomic" for the Federal Government to confiscate more than 49 per cent of income earned by taxpayers. The Missouri Republican, a member of the taxwriting House Ways and Means Committee and ranking House Republican on the Joint Economic Committee said in a Washington address: "We have piled tax on tax and compounded substantive complexities in our endeavors

to meet the insatiable demands for spending by the various echelons of government."

He pointed out that the United States has now reached the point where federal, state and local government spend approximately one-third of the net national product.

He added that, in the last 30 years, tax policy has thwarted economic growth instead of contributing to the achievement of a dynamic America.

This arises, he asserted, from the fact that tax decisions have been made by default rather than with considered deliberateness as the nation followed the course of expediency without dealing with tax issues with courage and forthrightness.

Minimum Wage Legislation The congressional battle over increasing the present \$1.00 an hour minimum wage took on a new aspect as the result of Secretary of Labor Mitchell's report that a "modest increase" would not adversely affect low-wage industries.

Previously, the Eisenhower Administration had opposed an increase in the minimum on the ground that it would be inflationary.

As he has done in the past, Secretary Mitchell urged that Congress extend coverage to "several million additional workers."

Organized labor is campaign-

ing vigorously for an increase in the minimum to \$1.25 an hour. There is considerable sentiment that, if legislation is enacted, a compromise on \$1.10 or \$1.15 an hour might be reached.

Lunch Room Menu

Menus at the Chowan High School lunch room for the week of March 7-11 will be as follows: Monday: Milk, beef and vegetable soup, pimento cheese sandwich, franks, French apple pie.

Tuesday: Milk, pork and gravy, peanut butter and raisin sandwich, string beans, candied yams, beet pickles, butter and rolls, apple sauce.

Wednesday: Milk, hamburgers, cheese slices, green peas, lettuce and tomatoes, steamed rice and gravy, butter and rolls, ginger bread.

Thursday: Milk, chicken pan pie, Spanish peas, pineapple salad, cranberry sauce, butter and rolls, jello with fruit.

Friday: Milk, macaroni and cheese, luncheon meat sandwich, carrot and cabbage salad, buttered corn, apple rings, butter and biscuit, peach cobbler.

Big-Hearted Mrs. Multikids—I never punish my children. It's decidedly against my principles. Mrs. Morekids—I wonder how you can expect to manage them. Mrs. Multikids—I tell my husband when they misbehave and he larrups them.

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SOIL CONSERVATION NEWS

By JAMES H. GRIFFIN, Soil Conservationist

Don't dig your ditch when the soil is too wet. Now might be the best time for you to dig the ditch since the crops are out of the field. But experience has shown that ditches dug when the soil is full of water will not last long. The sides of the ditch will cave in or the soil will ooze out and fill the bottom of the ditch. Wait until the soil has dried out, even if it's summer before digging that new ditch.

The same advice applies for installing tile, digging a pond or establishing a sod waterway. You cannot get a good job when the soil is full of water.

It's true that you need the drainage this spring but you don't need a sorry ditch when a good one can be had for the same price later. It's not fair on the contractors to expect them to give you a first-class job when the soil is wet. An open ditch of three foot bottom ends up four or five feet in wet soil. The sides cave in and

water rushing down the ditch silt up a foot or more of your ditch before the contractor leaves the ditch.

Ask the advice of your neighbors who have dug ditches in wet soils. All of them are saying that they will wait for the soil to dry out.

Let's imagine a barrel full of water. We bore a hole near the bottom and we notice the water comes out fast and with a lot of force. That's because of the weight or pressure of the water above the hole. Remember the barrel is full.

Now let's imagine another barrel. Same size, but with just a little water in it. Let's bore another hole, the same size, same place as before. The water comes out, but this time it takes its time, slow and easy. Remember it doesn't have as much water above pushing.

Fellows, let's wait for the soil to dry out before starting to dig ditches, ponds and installing tile. It will pay to wait.

COLERAIN RESIDENT DIES

Lonnie W. Hughes, 76, of Colerain, died Monday morning at 8:30 o'clock in the Bertie Memorial Hospital in Windsor after an illness of six months.

Surviving are his wife, Mrs. Pearl C. Hughes; a son, Lonnie West Hughes of Winston-Salem; a daughter, Mrs. Kelly A. Perry of Colerain; three brothers, Claude Hughes of Edenton; Clayton Hughes of Aulander and Raymond Hughes of Charlotte; three sisters, Mrs. Lattie Harrell of Ahoskie, Mrs. N. J. Miller of Merry Hill and Mrs. Johnnie

Brantley of Colerain, and four grandchildren.

He was a member of the Colerain Baptist Church, where funeral services were held Wednesday afternoon at 3 o'clock. The pastor, the Rev. P. T. Worrell, officiated and burial was in Hillcrest Cemetery at Colerain.

CLUB MEETS MONDAY

The Young Men and Women's Club will meet at Robin's Restaurant Monday night, March 7, at 8 o'clock. At this meeting, Fred A. Mangum, Extension

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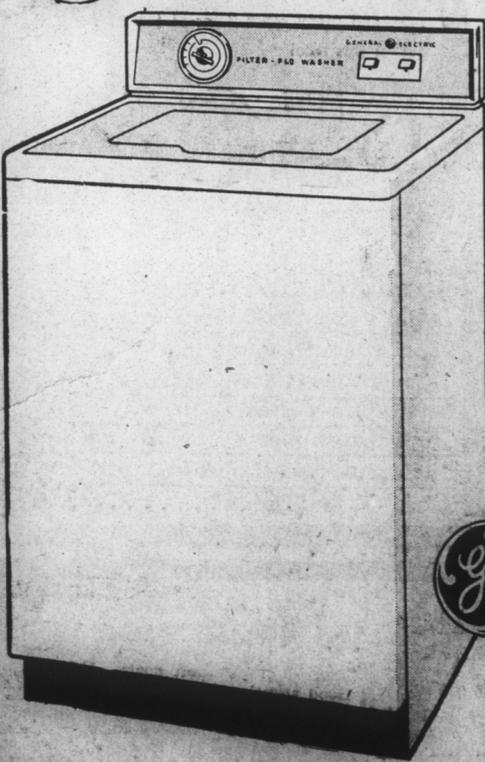
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How The Filter-Flo Washing System Works:

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