

The National Outlook The Disappearing Federal Surplus

By RALPH ROBBY

The months it has been evident that the original estimate of the Federal Budget surplus for the fiscal year ending next June 30 was too high. The only question has been the amount by which it would be reduced. We now have the official revised figure.

The original estimate was a surplus of \$4.2 billion. The revised forecast is \$1.1 billion, which is \$100 million less than we had in the fiscal year which ended last June 30.

A part of the decline is a result of higher expenditures than were planned last January. But this is a relatively small part—\$800 million. The significant factor is a really large drop in anticipated revenues. These are now forecast as \$2.5 billion less than the January figure, and of this amount \$2 billion is from a decline of corporate income taxes.

When the budget was being prepared at the end of 1949 it was assumed that corporate profits before taxes would be \$51 billion. This estimate has now been reduced to \$47 billion, and since corporations on the average pay half of their profits in taxes, this means a lowering of corporate taxes from \$23.5 to \$21.5 billion.

What accounts for such an error in estimating corporate income taxes? Was the Treasury just silly, or merely too optimistic?

Using the advantage of hindsight one can build a case that the Treasury was silly. Recovery had been continuing since April 1948, and it could not go on indefinitely. Further, the longest steel strike in his- tory was certain to hurt profits substantially, and probably for a considerable period. Finally, every effort was being made to hold prices steady—by the

Administration, by the Federal Reserve and banking authorities, and by purchasers who were simply tired of paying more and more.

But that is all hindsight. At the time the budget was prepared there was a sound basis for assuming a continued rise in pretax earnings. This was the same set of facts that led to the almost unanimous forecast that 1950 would be, by all odds, the greatest year in our history.

Well, it has been our greatest year by most measures. We have had the largest employment, the largest personal income, the highest wages, the greatest volume of dividends, and so forth, including the highest gross national product in the entire life of the nation. We also have had, on the average, complete stability of other than farm prices, that is, industry has not been able to increase prices to cover the constantly increasing costs of production, a major portion of which has come from higher and higher wages. And competition has been extremely severe, both domestic and foreign.

Even though the total volume of trade has held up, therefore, it has been carried on at a lower rate of profit, and many concerns have had to go into the red.

None of this is said as an alibi for the Treasury and Budget Bureau. An error was made in the January forecast, and it was a large error. All we are saying is that the Administration merely made its calculations upon what was generally considered at the time as probable. And it still remains true that total federal revenues will be larger than in any previous fiscal year.



NUTTY SITUATION—If must be that animal magnetism has brought these three strange bedfellows together in Detroit, Mich. Kocko the cat adopted the 10-week-old squirrels after they were found abandoned.

County News

By MRS. ROLAND EVANS

Chowan Association met at Ballard's Bridge Baptist Church on Tuesday and Berea Church on Wednesday.

YWA of Rocky Hock Baptist Church met on Monday night at the home of Mrs. Thurman Ashley at 7:30 o'clock.

Mr. and Mrs. Leon Byrum, Mr. and Mrs. Roland Evans and Alvin Evans and Beulah Evans visited Mrs. Hubert Lowe, who is a patient in Norfolk General Hospital, Sunday.

Mr. and Mrs. Merrill Hooper, Jr., of Elizabeth City visited Mrs. Perry Sunday evening.

Mr. and Mrs. Cecil Nixon and Mrs. Kermit Nixon visited Mr. Nixon's sister, who is a patient in Norfolk General Hospital, on

Sunday. Mrs. Nellie Gardner entered Norfolk General Hospital on Tuesday.

Mr. and Mrs. Carroll Evans and children spent the week-end with Mr. and Mrs. Edgar Ray White in Norfolk.

Mr. and Mrs. Sanford Bass visited relatives in Norfolk General Hospital on Sunday afternoon.

Mrs. Wallace Goodwin, Jr., is on a tour of the United Nations this week.

Mrs. Lillie Saunders visited relatives in Norfolk last week.

Mr. and Mrs. Thurell Bunch of Windsor visited friends in Edenton Sunday afternoon.

Mrs. Ralph Dail is on the sick list.

Mrs. Sara Harrell, who has been sick, is gradually improving. Mrs. Eylvia Harris' brother is

a patient in Norfolk General Hospital.

Leon Evans, who is state winner in 4-H forestry, will make a trip to the National 4-H Congress in Chicago.

A special meeting of the Center Hill-Cross Roads Fire Department was called for Monday night, October 17, at Chowan High School.

Peanut Production In N. C. Estimated 320,400,000 Pounds

Based on condition and probable yield reports from growers as of October 1, peanut production is forecast at 320,400,000 pounds, up 8,900,000 or 2.9 percent from September 1, according to the North Carolina Crop Reporting Service. Growers expect to harvest 178,000 acres with an average yield of 1,800

pounds per acre. The current forecast is 60 pounds below the 1948 record of 1,860 pounds per acre but compares favorably with the 1949-50 average yield and production of 1,450 pounds per acre and 283,444,000 pounds, respectively.

Growers have made excellent progress in digging and about 60 percent of the crop was reported harvested prior to October 8. However, only a small percentage of the crop has been threshed to date.



Health For All

MEDICAL BRIEFS

Baby Knows How High Is Up—A baby as young as 7 months can tell when the floor is a dangerously long way off, according to two Cornell University experimenters. They found that not even mother could coax baby from a table onto an adjacent sheet of thick glass covering a drop to the ground. Conclusion: When baby tumbles off the furniture it's a slip of the muscles, not the mind. He knows the danger.

No Place For The Country Cousin—The big city is the wicked place the farmer always thought it was. A study of the drinking habits of some 1,200 Iowans showed that the boy drink a lot more after they move from the farm to the city. Only about half of Iowa's rural dwellers drink, two-thirds of the city slickers.

Muscle Rustle—A doctor and an electronics engineer, experimenting with a new amplifier and frequency scanner, picked up high frequency signals from muscles in the form of rustling noises. Muscles sometime crunched, but mostly they just rustled. Possible application: diseased muscle gives off different signals from healthy muscle, so maybe the gadget can be used in diagnosis.

Still Can't Buy Happiness—You'll never get "happy" taking "happy pills". In fact, quite the reverse, according to Dr. Frank Berger, discoverer of Miltown first of the tranquilizers. Some one looking for a lift won't find it in Miltown or any similar drug, says Dr. Berger, and may even feel worse. Tranquilizing drugs are useful, but let the doctor decide when and how!

Not How Much But How Often—Putting away three square meals a day may be rougher on the system than day-long nibbling of the same amount of food. So says researcher Dr. Clarence Cohn of Chicago's Medical Research Institute. Animal experiments suggest that taking on a heavy load of food three times a day may trigger diabetes, hepatitis, and heart and blood vessel ailments.

Unbridled Wit

Rufus—The horse I was riding wanted to go one way and I wanted to go another.
Goofus—Who won?
Rufus—He tossed me for it.



GOLD STAR COAT SALE

Boy's Quilt Lined "GOLD STAR" BOMBER JACKETS

The versatile quilt lined jacket with an outer shell of rich looking gabardine! Colors of Charcoal, Navy and Brown in sizes 6 to 20 years!

Values to \$5.99 each!

\$4.85



Now's The Time To Save On "GOLD STAR" BOY'S SUITS

It's incredible! The values that are in these suits! Our buyers were really lucky to find such terrific values!

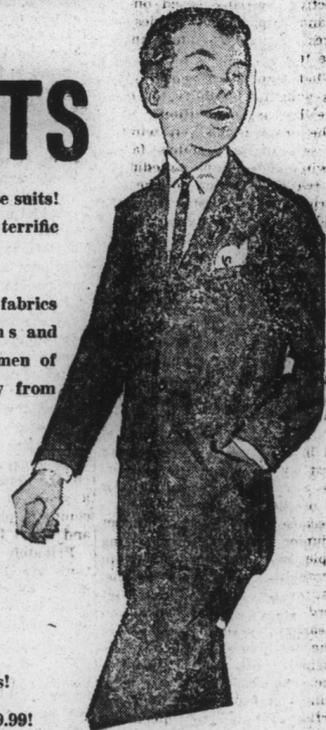
Made of 100% wool fabrics designed in patterns and colors for the young men of the house! A variety from which to select!

Solid colors in Charcoal and Olive! Tan plaids, Olive and Charcoal hopsacking and the new and popular Olive Gold fancy hopsacking!

Sizes 10 to 18 years!

Usually \$17.99 to \$19.99!

\$14.85



Boy's Tab Collar Lined

"Gold Star" JACKETS

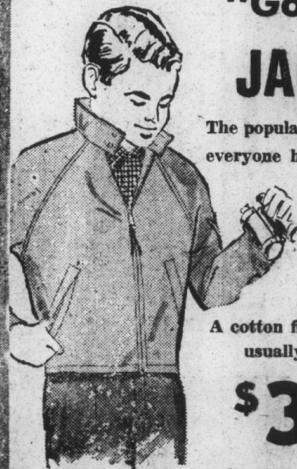
The popular tab collar style that everyone has been wanting!

Made of fashionable Bedford Cord fabric!

Sizes 6 to 20 years! Colors of Antelope, Tan, Charcoal and Blue!

A cotton flannel lined jacket usually selling to \$4.99!

\$3.85



an incredible value!

Boy's "Gold Star" CARCOATS

Style not as showy! This handsome coat is made of fancy all wool plaids and features the popular Orlon pile linings! Knit collar trim with the shawl appearance!

Sizes 8 to 18 years!
Usually \$12.99!

\$10.85



Special Value!

Boy's Pile Lined
All Weather

COATS

Here's one of the year's biggest values in all weather coats! You can't beat this bargain anywhere!

A tan poplin outer shell lined with rich Orlon pile! Sizes 8 to 18 years! Don't miss this value! Selling usually to \$14.99 in most stores!

\$12.99



SENATOR SAM ERVIN SAYS



Washington — I happen to believe this declaration of the Constitution of North Carolina: "All persons have a natural and inalienable right to worship Almighty God according to the dictates of their own consciences." For this reason, I regret the undue emphasis being placed upon the religious issue.

No Censure—We ought to be allowed to censure any man because of his religious affiliation. Not one man out of ten thousand acquires his faith by investigating and weighing the evidences of its authenticity. Birth and environment ordinarily determine our religious affiliations. We accept without question the beliefs of those among whom we are born and reared. If one is born of Catholic parents in a Catholic home, he is virtually certain to be of that faith. If one opens his eyes to the light of day in a Protestant home, he is virtually certain to be a Protestant.

Some Observations—If we are to face squarely the religious is-

ssue and its implications, we will do well to recall some observations made by the late Chief Justice Stacy, one of North Carolina's wisest sons of all time, in the opinion which he wrote for the Supreme Court of North Carolina in State v. Beal (199 N. C. 278).

Chief Justice Stacy said in that opinion: "For some reason, too deep to fathom, men contend more furiously over the road to heaven, which they cannot see, than over visible walks on earth; and 'It would be almost unbelievable, if history did not record the tragic fact, that men have gone to war and cut each other's throats because they could not agree as to what was to become of them after their throats were cut.'"

The ability to keep a cool head in an emergency, maintain poise in the midst of excitement and to refuse to be stampeded are true marks of leadership. —R. Shannon.

Seagram's V.O.

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4/5 Qt.
\$3.55
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