

Slow And Irregular Economic Recovery Is Predicted For 1981

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Last year at this time the predictions of many economists for 1980 were quite reserved and non-sensational. Now that you are in a better position to view the events of the year, in general, how would you characterize the beginning of the current decade? On the national level the economy has entered the 80s with a series of starts and stops, with the overall direction for the year slightly downward. At this point the economy appears to be softening again after a modest recovery from the downturn of earlier this year. The upward flight of interest rates in recent weeks has added an element of uncertainty to the overall situation.

The early months of 1980 contained some startling developments, with price inflation reaching new heights. Gasoline prices rose to over twice their levels of a year earlier and gold skyrocketed to nearly \$900 an ounce at one point. The costs of short-term money increased dramatically and yields on U.S. Treasury Bonds set record highs.

The recessionary period that occurred during the spring was led by steep declines in the automobiles and housing industries, and nationally unemployment peaked at almost 8 per cent in July. Some other industries and some parts of the country, including North Carolina, were not hurt as severely as during the 1974 recession. In recent months housing has proved to be holding unexpectedly strong at 1.5-million starts in October and November, in the face of continued high mortgage rates.

The latter part of the year has seen some reduction in inflation compared to the earlier months, but the essential items - food, fuel, transportation and housing - continued to increase in the double-digit range. An optimistic sign for the future

is the recent downward trend in commodity prices, although these can be as volatile as interest rates.

Credit controls implemented by the Federal Reserve, which precipitated a 9.6 per cent drop in the gross national product during the second quarter, resulted in a 50 per cent drop in interest rates. But even then rates held well above previous recession lows, and under the pressure of heavy government deficit financing, began to move upward again after a short pause, reaching new record highs as the end of the year approached.

Over the last few months there have been indications that the recession is over and a gradual recovery is underway. Do you agree with this assessment and, if so, what are the prospects for the U.S. economy during 1981?

The further recovery of the economy in 1981 seems destined to be slow, moderate and irregular. It is likely that the country faces another period of stagflation during which overall economic activity will neither grow nor decline very much on balance. The general direction of the economy in 1981 should be modestly positive, with relatively soft conditions in the earlier quarters and a firming trend toward the latter half. Consumer spending, especially in the durable goods sector, could pick up during the year as pent-up demand, created by individuals' delaying purchases of major items, may be satisfied.

The possibility of a tax reduction, budget cuts, and other economic initiatives by the Reagan administration will also have a bearing on the degree and timing of changes in consumer spending. Until manufacturers have a better assurance of satisfactory retail demand for their products, there will be little inclination to build inventories and expand facilities in 1981, given the high costs of financing and international factors, the

economy will probably teeter between recession and modest growth until the prospect for more favorable

Kitchen

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Frozen Puff Pastry Sheets
Confectioners' sugar

Thaw pastry 20 minutes and unfold. On a lightly floured surface roll one sheet to a 10x10-inch rectangle. Cut lengthwise along fold lines to make 3 strips. Cut each strip crosswise at 2-inch intervals to make a total of 24 small rectangles. Using a small sharp knife cut a 2-inch long slit in the center of each rectangle; pull the short end through the slit to twist. Put on an ungreased baking sheet. Repeat with remaining rectangles, chill or freeze until ready to bake. Bake knots in a preheated 425-degree oven for 10 to 12 minutes until puffed and golden brown. Transfer to wire racks to cool completely and then toss in confectioners' sugar to coat well. Makes 48 knots.

A spirited pie in the traditional mood is the perfect way to highlight the holiday season, and it is even more appealing when it is deceptively easy to prepare.

Fluffy Brandy Alexander Pie

2 cups cold milk
2 tablespoons brandy
2 tablespoons creme de cacao liqueur
1 envelope whipped topping mix
1 pkg. (6-serving size) Jell-O vanilla instant pudding mix
1 baked 9-inch pie shell, cooled

Combine milk, brandy, liqueur, whipped topping mix and pudding mix in deep narrow-bottom mixer bowl. Beat at low speed of electric mixer until well blended. Gradually increase beating speed and beat until mixture will form soft peaks, about 3 to 6 minutes. Spoon into pie shell. Chill about 3 hours or freeze until firm. Garnish with chocolate curls if desired.
HAPPY HOLIDAYS!

long term fundamentals becomes clearer.

Inflation is considered by most people to be the single most important problem facing our country today. What progress do you feel was made during 1980, and what do you think is in store for 1981?

The high inflation rate is probably a more serious problem than the weak economy. It is a by-product of many years of spending and consumption beyond the income and production abilities of the nation. Excesses in government spending financed by newly-created dollars represent the major source of inflation. Another factor is the continued heavy reliance on increasingly expensive foreign oil imports. There is little evidence of meaningful progress in these areas during 1980 and the inflation rate seems firmly entrenched in the area of 9-10 per cent for the foreseeable future.

There are some encouraging signs that these fundamental problems are being addressed and that longer-range relief is possible. The solution is not simple or immediate. It will include constructive budgetary restraints on spending; tax and profit incentives to increase production capacity and efficiency; continued monetary restraint to hold down growth in the money supply; and stimulating domestic exploration, conservation and technological advances to

lessen the dependence on foreign oil.

These solutions offer no fast cure. They will require time, and evidence of their results will appear slowly over several years.

How likely is it that interest rates will come back down and stabilize, and what range do you see ahead?

Interest rates are likely to keep bouncing around in a relatively high and wide range for the near term. The yield on higher-grade long-term bonds has historically been about 2 to 3 percentage points above basic price inflation. Assuming the inflation rate continues to approach 10 per cent, such rates should average in the area of 12 to 13 per cent over the next year.

Short term rates will continue to fluctuate to a substantial degree with the ebbs and flows of credit demand and money supply growth, and market psychology. The early months of 1981 should bring some relief from the new record highs near yearend. Persistently high federal deficit financing will, however, probably keep the average rate for short term money costs in the area of the middle teens for the year. There is little hope for interest rates to be much lower for any extended time without substantial and sustainable improvement in the fundamental problems plaguing the economy.

Turning to the North Carolina economy, can we

expect the state to continue to perform better than the nation as a whole?

One of the reasons the 1980 recession had less of an impact in North Carolina than some other areas is the industrial development activity the state has experienced in recent years. Some \$8-billion in new and

expanded industrial investment has been attracted to North Carolina during the past four years. The emphasis on economic development, and on diversifying the manufacturing base in the state, has strengthened the state's economy since the 1974 recession. Growth in trade, services and other

sectors has also added to diversification.

While North Carolina's economy is expected to continue in 1981 to outperform the nation in many respects, it will also mirror national trends and developments to a substantial degree. If market interest rates remain high as expected, the money costs of lenders would be above the limits imposed by state interest rate controls on most consumer loans. This could cause a dampening of retail spending as the year progresses and cause the state to begin falling behind the rest of the country unless the legislature relaxes these interest rate ceilings.

SCS Hiring Trainees

Samuel Cox, area conservationist with the USDA-Soil Conservation Service in North Carolina, has announced that applications for student trainee jobs are now being accepted in the agencies personnel office in Raleigh. The U. S. Office of Personnel Management (formerly the Civil Service Commission) has issued the job announcement.

SCS student trainees are drawn from college students majoring in agriculture or agricultural engineering. Freshmen, sophomores and juniors are eligible.

While undergraduates, trainees normally work full-time each summer, and are paid the full salary for their pay grades. Normally they enter the career service after graduation. "This is not a summer employment program as such," Cox explained, "but is a planned on-the-job training opportunity for career-minded students." He added that competition is keen, and candidates are carefully screened for selection.

The Soil Conservation Service, like all agencies of

the U. S. Department of Agriculture, is an equal opportunity employer, so all qualified applicants will receive equal consideration regardless of race, religion, sex, or political affiliation. SCS is the USDA technical
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Clothing Closet

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Mondays & Thursdays

2:00 pm to 5:00 pm

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Sponsored by all churches

All items

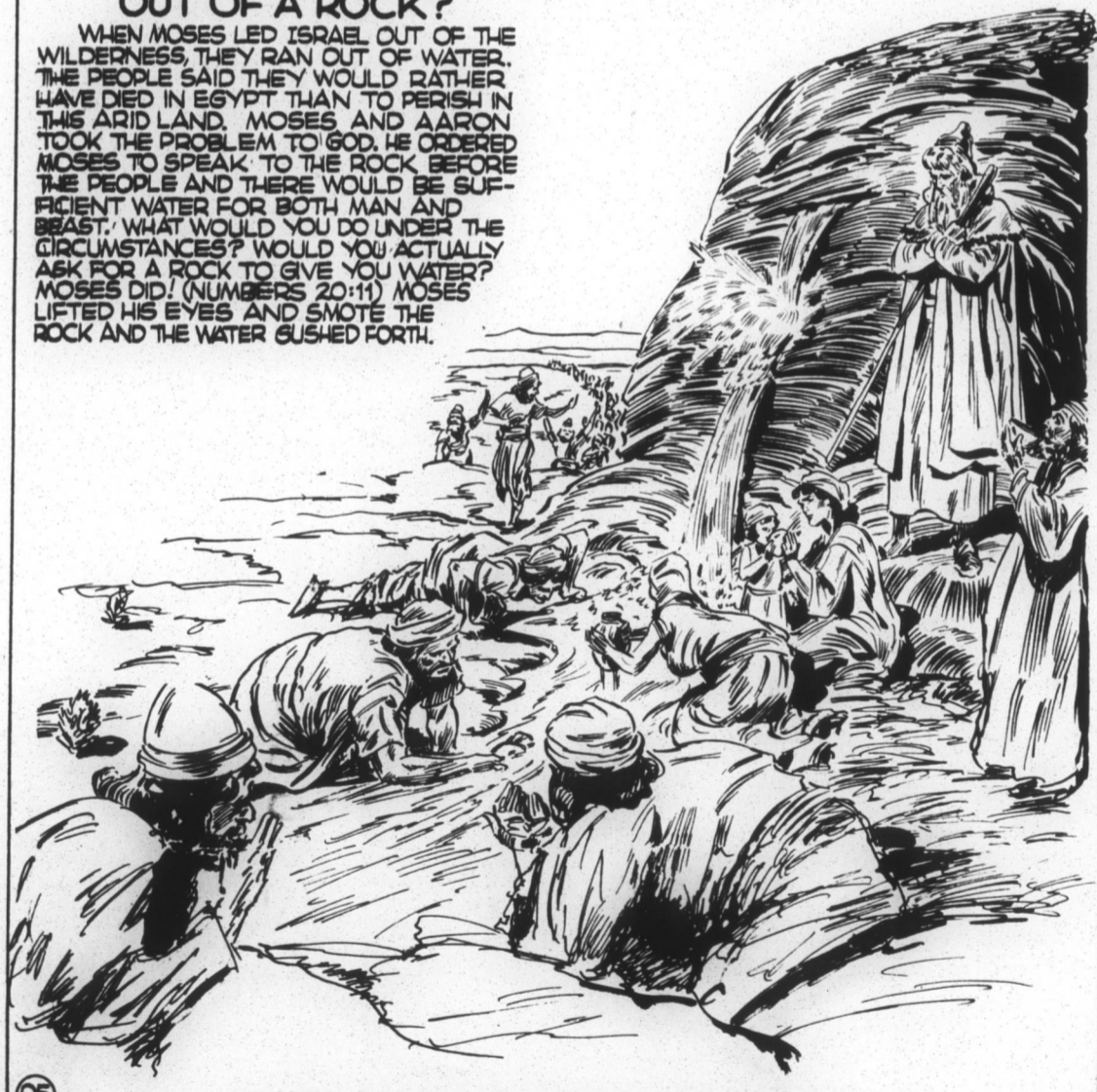
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Facts About The BIBLE BY JOHN LEHTI

DRINKING WATER OUT OF A ROCK?

WHEN MOSES LED ISRAEL OUT OF THE WILDERNESS, THEY RAN OUT OF WATER. THE PEOPLE SAID THEY WOULD RATHER HAVE DIED IN EGYPT THAN TO PERISH IN THIS ARID LAND. MOSES AND AARON TOOK THE PROBLEM TO GOD. HE ORDERED MOSES TO SPEAK TO THE ROCK BEFORE THE PEOPLE AND THERE WOULD BE SUFFICIENT WATER FOR BOTH MAN AND BEAST. WHAT WOULD YOU DO UNDER THE CIRCUMSTANCES? WOULD YOU ACTUALLY ASK FOR A ROCK TO GIVE YOU WATER? MOSES DID! (NUMBERS 20:11) MOSES LIFTED HIS EYES AND SMOTE THE ROCK AND THE WATER GUSHED FORTH.



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PROPERTY MUST BE LISTED IN

JANUARY

1981 TAX LISTING JANUARY 2 - JANUARY 31

NOTICE IS HEREBY GIVEN

That the List Takers for Chowan County will set at the following places at the times named, at which places and in which month all property owners and taxpayers are required to return to the List Takers for taxation for the year 1980 all Real Estate, Personal Property, etc. which each one shall own on the 1st day of January, 1981, or shall be required to give in. All property must be listed by the owner unless he is mentally or physically incapable of doing so. All property must be listed in the township in which it is located.

FIRST TOWNSHIP

TAX LISTING JANUARY 2 TO JANUARY 31

First Township
Arrowhead Beach

Chowan Beach
LISTERS:
Pattie S. Byrum
Myrtle W. Hare
Jean B. Perry
Ida R. Waff

Fourth Township
Cape Colony

Monday through Friday 8 to 5 o'clock
Saturday 8 to 12 o'clock

Every day first floor County Office Building

SECOND TOWNSHIP

LISTER: Wayne Bunch

Monday Nights from 6 to 9 o'clock at
Rocky Hock Rescue Squad Building

January 13, 14, 27, 28 - 8 A.M. to 5 P.M. Center Hill-Cross Roads Fire Dept.
January 8, 15, 22, 29 - 1 to 5 P.M. Rocky Hock Rescue Squad Building
January 31 - 8 A.M. to 12 Noon Rocky House Rescue Squad Building

THIRD TOWNSHIP

LISTER: T. D. Berryman
Family Grocery (Gliden)

Saturdays- January 3, 10, 17, 24, 31 8:30 to 5 o'clock
Thursdays- January 8, 15, 22, 29 8:30 to 5 o'clock

Beginning January 2nd Through January 31st, Without Penalty. After January 31st a 10 per cent Penalty for Failure to List.

CHOWAN COUNTY TAX OFFICE

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