

The National Outlook

What the Consumer Price Index Is Saying

By RALPH ROBEY

Changes of one-tenth of one per cent in the Consumer Price Index are not important unless they continue month after month. When there is a decline of this amount, therefore, as there was in August, it does not indicate that the general trend is changing.

This index is compiled by the Bureau of Labor Statistics. It is the nearest thing to a cost of living index that we have, but actually it is based upon the spending habits of only urban workers and has only an accidental relationship to what it costs anyone else to live. However the figure is used in all labor contracts which contain a wage escalator clause. This means that no other figure, compiled by the government, with the possible exception of that on unemployment, has such far-reaching effects within the economy.

In common with all indexes of the government, 1947-49 is used as a base, or equal to 100. The base is going to be changed for all indexes in a few months in order to have it more recent, and the Consumer Price Index is being completely revised with a view of making certain that it reflects the goods, services and spending habits of today. Such a revision is an enormous job and it will be

than it was at the end of 1959. All of this is history. Does it give us any indication of what to expect in coming months and the next few years?

Fortunately it does. It clearly indicates that there is no basis for expecting a sharp run-up of consumer prices in the next few months. The most rapid increase in the index we have had in recent years was from 1956 to 1958, and that amounted to less than 10 points.

But the history also gives us no warrant for assuming that we shall have appreciably lower consumer prices. The last time the index declined from one year to the next was between 1954 and 1955, and that was a period when federal government expenditures were being reduced.

Today, of course, government spending is growing by leaps and bounds, and all signs point to a continuation of this unfortunate trend. It will take some time for such outlays to work through the economic system—at least to have a direct effect upon consumer prices—but it will be only a matter of months. Our judgment, therefore, is that the Consumer Price Index will remain substantially stable through, say, the remainder of this year, and perhaps through the first quarter of 1962, but about then we shall see the beginning of a rise of disturbing proportions.

All commodities other than food increased in price as a group from 1958 until the end of 1959, then declined until a few months ago, and recently have shown a slight rise. All of these changes have been most moderate, and the index for such items is no higher today

Pa., where they are visiting relatives and friends.

Week-end Guests

Miss Peggy Parker and Aubrey Davis of Winston-Salem spent the week-end with Mr. and Mrs. W. J. Davis.

In Hampton

Thalpf Everett of Florida, who has been visiting Mrs. J. E. Everett, left Saturday for Hampton, Va., where he is visiting Mrs. Nate Going.

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 scale, and does not necessarily reflect NAM policy or position.

Washington.—The forces supporting economy in government have received a serious setback at the hands of the 87th Congress . . . for the spending authority authorized by this Congress has exceeded that of any year in history except for three war years.

Yet the setback has not been a complete rout. For the appropriation bills reflect serious work on the part of congressional committees.

The over-all administration budget requests for the current year totaled \$85.6 billion. The House of Representatives reduced this budget by more than \$2 billion.

The Senate restored some of the funds but still the Congress cut the budget by \$1,400,000,000—to \$84.2 billion over-all.

Furthermore, these appropriations include some of the funds originally intended to be borrowed from the Treasury through so-called "back-door" financing.

Despite these accomplishments the budgetary situation is very alarming. The total continues to grow, and it is widely feared that Senator Byrd's recent prediction will prove correct—that the federal budget will reach the staggering total of \$106 billion

by 1965 (plus \$31 billions from trust funds).

Chairman Cannon (D-Mo.) of the House Appropriations Committee, reporting on the fiscal situation, said he felt he must warn the people of the United States that the public debt is at an all-time high of nearly \$293 billion.

The \$23 billion increase in the debt during the past eight years, he said, is equal to the total national debt accumulated in the first 130 years of the Republic. As a result, the total now represents a mortgage of \$1,595 against every living American. If state and local debts are included, the per capita debt approximates \$2,000—\$8,000 for a family of four.

Mr. Cannon has pointed out that it now costs \$8.6 billion annually—over \$21 million a day—over \$16,000 every minute of every hour of every day and night of the year—just to pay the interest on this staggering debt burden.

He said that only 23 years ago the cost for the entire government was less than the cost today for carrying charges on the debt.

The most common misconception about the increased expenditures is that they are necessitated by defense and national security. But Mr. Cannon has shown that while national security spending is only \$500 million more than in the fiscal year 1954, other expenditures have risen more than \$16 billion—or 81 per cent—in eight years.

Many in Congress have called for a continuing campaign for national belt-tightening.

Some economy advocates feel that the Kennedy administration may be able to present a balanced budget for the fiscal year 1963, but what concerns them is the high level at which the budget may be balanced.

Senator Byrd's projection of federal expenditures concluded with this warning: "Deficit spending increases public debt. This, accompanied by increasing wages without commensurate increase in pro-

ductivity, means more and more inflation. We now have both.

"In 20 years we have lost more than 50 per cent of the purchasing power of the dollar. Let us, in all seriousness, ask ourselves:

"How disastrous will it be if we continue inflation-breeding policies—which appear to be on the increase—when our concern should be for return to fiscal responsibility?"

Economy leaders have urged that during the recess the people back home discuss seriously with the Senators and congressional representatives the vital necessity of cutting back on domestic programs when the international crisis requires rising defense costs.

BIRTH ANNOUNCEMENT

Mr. and Mrs. Edward Jordan announce the birth of a daughter, Louanne Sarah, born Saturday, October 7, in the Albenmarle Hospital. Mrs. Jordan is the former Miss Eula Mae Morgan.

HOSTESS TO BRIDGE CLUB

Mrs. Trim Wilson was hostess to her Bridge Club Thursday night at her home on Front Street. Those playing were Mesdames C. A. Davenport, J. R. Futrell, S. P. Jessup, W. H. Hardcastle, W. H. Pitt, C. R. Holmes, H. A. Whitley and Nathan Relfe. The high score prize went to Mrs. Relfe. A sweet course was served.

ENTERTAINS BRIDGE CLUB

Mrs. J. D. Coston entertained her Bridge Club Tuesday night at her home. Those playing were Mesdames J. T. Biggers, C. E. Johnson, T. L. Jessup, C. R. Holmes, Miss Frances Newby, Miss Louise Chalk, Miss Mary Sumner and the hostess. The high score prize went to Mrs. Biggers. A sweet course was served.

HONORED ON BIRTHDAY

Mrs. J. E. Everett was honored at a birthday dinner on Wednesday in celebration of her birthday. The dinner was at the home of Mr. and Mrs. Mel-

vin Wright in Elizabeth City. Those from Hertford, besides the guest of honor, were Mrs. Jack Kanoy and Mrs. Walter J. Kanoy.

MISS MARY THORNTON LASSITER DIES IN FLORIDA

The news of the death of Miss Mary Thornton Lassiter of Daytona Beach, Florida, on Wednesday, October 4, a former resident of Hertford, was received in Hertford Saturday afternoon, October 7. She was the daughter of the late Rev. Benjamin Skinner and Mrs. Alice Gordon Lassiter. She is survived by one sister, Mrs. Louis G. Cutlar of Daytona Beach, one niece and one nephew.

Her father, the Rev. Mr. Lassiter, was rector of Holy Trinity Episcopal Church in Hertford for many years. Burial was in the family plot in Marion, N. C.

BIRTH ANNOUNCEMENT

Mr. and Mrs. Frazier Miller announce the birth of a second son, born Sunday at the Albenmarle Hospital. Mrs. Miller is the former Miss Nita Goodman.

HOSTESS TO BRIDGE CLUB

Mrs. Charles Whedbee was hostess to her Bridge Club on Tuesday night at her home. Those playing were Mesdames V. N. Darden, B. G. Koonce, T. B. Sumner, Donald Norman, Roulhac McMullan, Nathan Relfe, Miss Thelma Elliott and Miss Kate Blanchard. The high score prize went to Mrs. Sumner. A sweet course was served.

All in ONE low-cost package!

. . . the fire and extended coverages, theft, and personal liability insurance you need for complete

HOME INSURANCE PROTECTION

Call us for rates and estimated SAVINGS!

Brinn Insurance Agency

143 North Church Street
TELEPHONE 5601
Hertford, N. C.

Support Your County thru Perquimans County Chamber of Commerce



\$2.10
pint

\$3.35
4/5 quart

86
proof

J.T.S. BROWN'S SON COMPANY
Lowrance, Kentucky
Blended Whiskey
50% straight whiskey
6 years old
70% grain neutral spirits

PERSONAL ITEMS

From Elizabeth City

Mr. and Mrs. J. R. Brock of Elizabeth City spent Wednesday with Mr. and Mrs. Grayson Jordan.

From Atlantic Christian

Carlyle Woodard, Hubert Burden and Miss Mary Ann Robertson, students at Atlantic Christian College in Wilson, spent the week-end with their respective parents.

In Arlington

Mrs. W. F. Edwards left Saturday for Arlington, Va., where she is visiting her daughter, Mrs. Esther Cutler.

Sunday in Washington

Mrs. Dick Brewer spent Sunday in Washington with relatives.

Returned Home

Mrs. Thomas Tilley and Mrs. Charlie Elliott have returned home after spending 10 days with Mr. and Mrs. John Melby at Madison, Wisconsin.

Visiting Relatives

Mr. and Mrs. Joe Caravello left Tuesday for Philadelphia,

There's a beautiful difference in the low-price field!



1962 PLYMOUTH

ROOM TO RIDE . . . sleek new dimensions haven't diminished Plymouth's traditional full-size roominess, family-size comfort!

BUILT TO LEAD . . . completely new in the way it looks, drives and saves, Plymouth clearly sports the look of leadership in the low-price field!

RARIN' TO ROAM . . . called by experts the hottest new car in its price class, a production line Plymouth really steps out in style!

BUILT TO LAST . . . Plymouth is put together to stay together, return more of your investment at resale —it's quality-engineered by Chrysler Corporation!

There's one waiting for you now at our showroom!

Towe Motor Company, Inc. Dobb St. Hertford N. C.

License No. 1690

DONALD BROWN: HOMEOWNER

A new LESCO Homeowner...and mighty proud of it!

"I guess you'd call me average . . . good job and a family that needs room to grow in. We have that room now—in our beautiful new Lesco Home!" That's what every new Lesco Homeowner is saying. The 1961 series Lesco Home has changed space into spaciousness . . . large living rooms, full dining rooms, up to 4 big bedrooms. There's generous storage areas, plenty of closets . . . easy-care finishes, modern, built-in kitchens and up-to-date exterior finishes. See the best of designs in Colonial, Contemporary and Ranch style homes . . . see the 1961 series by Lesco Homes.

PHONE 2163 OR 2164
For Complete Details

WARREN TWIDDY
DISTRICT REPRESENTATIVE

P. O. Box 470 Edenton, N. C.

YOUR LOT CAN BE THE DOWN PAYMENT—MONTHLY PAYMENTS LESS THAN RENT