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A HAPPY NEW YEAR 1972

The Carlisle Mercury

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Local government costs set at \$230 per capita

Are residents of Nicholas County paying a high or a low price for the operation of their local government? How much does it cost them per capita in state and local taxes compared with the cost for people in other communities? Locally, as in almost every other area of the country, taxes have been rising sharply in recent years. In line with the mounting cost of government. To provide the services that people want, such as better educational facilities, more police protection and improved health care, and to meet their welfare, transportation and other needs, has put nearly every community in a squeeze. The net result, according to statewide figures released by the Commerce Clearing House and by the Tax Foundation, specialists in government finance, Americans paid an average of \$427 in state and local taxes last year, up \$47 from the previous year. It was more than twice as much as they paid in 1960.

In Nicholas County, based upon their figures and data from other sources, such taxes came to nearly \$230 per capita in fiscal 1970. By way of comparison, the average throughout the State of Kentucky was \$299 per capita, which was \$21 more than in the previous year. In the East South Central States as a whole, the average was \$283.

In some states, because of peculiar local conditions, such as an unusually heavy welfare costs, the tax load was much greater than in others. The range was from a high of \$652 in New York, to a low of \$252, in Arkansas.

On an overall basis, state and local taxes in the past fiscal year reached a record total of \$66.8 billion, up from \$63.1 billion more than the year before.

In Nicholas County, the tax burden came to approximately \$1,495,000. Local governments have been faced with money problems because of rising payrolls and because of the inflated prices they have had to pay for equipment, supplies, services and capital financing. They have had to boost taxes as a consequence.

Keeneland Association grants \$225 to Carlisle Rotary club

The Keeneland Association of Lexington has announced a grant of \$225 to the Carlisle Rotary Club as a continuation of its surrounding county aid program. Other service organizations and agencies which received funds include the Cynthiana Lions Club, Danville Lions Club, Franklin County United Fund, Georgetown Rotary Club, Harrodsburg Lions Club, Kwanza Club of Irvine-Ravenna, Kiwanis Club of Jackson County, Lancaster Rotary Club, Lawrenceburg Rotary Club, Mt. Sterling Rotary Club, Mt. Vernon Lions Club, Nicholasville Rotary Club, Owensboro Rotary Club, Owensville Lions Club, Paris Rotary Club, Richmond Rotary Club, Williamson Lions Club, Winchester Rotary Club and Woodford County United Fund.

Forty-seven organizations from Lexington and Central Kentucky are sharing \$32,150 in charitable contributions from Keeneland.

The largest single grant was \$5,000 to the Lexington and Fayette County United Community Fund. The Grayson Foundation, an equine research organization, received \$2,500; Greater Lexington YMCA, \$2,000; Transylvania College, \$2,000; and the Lexington Baby Health Service, Taylor Hospital Home, St. Joseph Hospital, Good Samaritan Hospital, Trooper Island, the Blue Grass Council of the Boy Scouts of America, Boone County YMCA, and Lexington Deaf Oral School, each \$1,000. Contributions of \$500 each were made to 13 other Lexington-based agencies, many of which serve the entire Central Kentucky area.

County Soil Conservation essay winners are named

Miss Roxanne Galbraith, senior at Nicholas County High School and daughter of Mr. and Mrs. Harry D. Galbraith, Carlisle Route 4, has been chosen county winner in the 1971 Conservation Essay Contest for her essay on "Land Use - Its Effect on My Local Environment" which was entered in the state-wide contest. Judging was done by representatives of the local Agricultural Agencies. A total of 577 essays were written in the County. Second place and \$10 cash award goes to Pat Conley, son of Mr. and Mrs. Joseph E. Conley, Carlisle.

Third place and \$7 cash award goes to Millicent Sugg, daughter of Rev. and Mrs. H. Dallas Sugg, Carlisle.

Fourth place and \$5 cash award goes to Kim Smoot, daughter of Mr. and Mrs. Reese Smoot, Route 1, Carlisle.

Fifth place of \$3 cash award goes to Ann Bach, daughter of Mr. and Mrs. Jess Bach, Route 2, Carlisle.

Sixth place and \$2 cash award goes to Michael Rawlings, son of Mr. and Mrs. Wayne Rawlings, Carlisle.

School winners by grades will be announced at a early date.

Two Lodges elect officers; one sets Saturday night meet

Dougherty elects
Dougherty Lodge No. 65, F. & A.M., held their regular meeting Dec. 27 to elect and install officers. The meeting was presided over by an oyster supper. The following will serve as officers for 1972.
James Wells, master; Howard Allison Jr., senior warden; Doreen Ritchie, junior warden; Warren Wilson, senior deacon; Audrey Earlywine, junior deacon; Bascom Gorrell Jr., secretary; Ray Flora, treasurer; Jimmy Walker, senior steward; Martin Sims Jr., junior steward; Bobby Gaunce, tiler; Raymond Bruck, chaplain.

Blue Licks elects
The Blue Licks Lodge No. 495 held their regular meeting and election of officers Monday, Dec. 27. A pot luck dinner was served by the wives and mothers of the Masons.

Officers elected were: Ray Waggoner Jr., Master; James W. Clay, senior; Kent Mann, Jr., warden; Oval Day, secretary; Outare Anderson, treasurer and Roger Sampson, tiler.

Orient to meet
The regular meeting of the Orient Lodge No. 500 will meet Saturday, Jan. 1, 1972, at 7:30 p.m. "Robbignation Night" will be observed. All members are urged to attend.
Cabin Willis, Master.

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Kentucky will participate in Sugar Bowl pagentry

Frankfort-Miss Kentucky, Robbie Lynn Halcomb, will represent her home state in the Sugar Bowl celebration in New Orleans on New Year's Day, 1972. It was announced by Thomas L. Preaton, commissioner of the Kentucky Department of Public Information.

The one-day and half-time shows will be broadcast live by ABC-TV. Participants will be young ladies representing 12 states which border Kentucky.

Motch observes 94th birthday

George E. Motch, (seated) a resident of the Brown-Practor Hotel in Winchester observed his 94th birthday Saturday, Dec. 18, with a cake complete with candles, compliments of the hotel manager, George B. Fox, and enjoyed, from left, by his granddaughters, Karen and Kevin Steele, all of Winchester. Mr. Motch was born in Carlisle and he and his family moved to Winchester in 1913 where he had the Ford Chevrolet agencies for a number of years. Later he went to Middleboro where he served as president of the Middleboro Federal Savings and Loan Association for 27 years. Mr. Motch retained his residence in Winchester to which he returned on Jan. 1, 1964 after retirement. He has two daughters, Mrs. Mack Kirk of Winchester, and Mrs. Maurice Burger of Rock Island, Ill. Two granddaughters are also present. Mrs. Fannie M. Hazlett, Masonic Home, Ky.—photo by Cecil Straughn, Winchester Sun.

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BABSON'S BUSINESS, FINANCIAL FORECAST

'71 declared a crisis year; predict 1972 as year of solid progress

By Babson's Reports Inc., Wellesley Hills, Mass., Dec. 30, 1971. A year ago our forecast for 1971 looked hopefully toward a better business year than prevailed in 1970. Unfortunately, the trouble spots cited turned out to be the vesting problems of high unemployment, underutilization of industrial productive capacity, dangerous inflationary pressures, the huge federal budget deficit, and labor problems did indeed raise barriers to economic progress in 1971.

1971-latter crisis year
As we look back upon 1971, therefore, we can justly label it and 1970 had been, however, the crises of the previous two years were largely of a domestic economic nature, albeit the burden of the Vietnam war was a contributing influence to the dislocations. In 1969 the main villain was stagflation, credit crunch; in 1970 it was the harrowing corporate liquidity squeeze, plus two major strikes and the surprise of the foray into Cambodia.

In 1971 the focal point was more the "flight from the dollar" in the leading foreign exchange markets of the free world. This crisis had been building for many years, and it also had been inextricably linked with complex problems. These included cost-push inflation, a steady escalation of the U.S. foreign trade deficit, and the long succession of federal budget deficits and imbalances in our international payment position—which resulted from our foreign aid and military spending and investments abroad. There was also the aggravation of

the long and costly strikes during 1971; but in the final analysis, the real havoc was wrought by the dollar's troubles.

Stabilization of trauma?
In a counterforce to combat the dollar's woes, to stabilize the nation's economy, the Nixon Administration took every step by surprise by dramatically reversing its economic policy in the first phase of the new year. President Nixon imposed a 90-day emergency freeze upon prices, wages, and rents. In addition, he asked Congress to move to an earlier date the planned revision of the tax code to a structure so as to increase consumer disposable income and to grant a tax credit for certain business capital expenditures. He also imposed a 10% surcharge on imports of foreign goods.

These actions, taken in a structure so as to increase consumer disposable income and to grant a tax credit for certain business capital expenditures. He also imposed a 10% surcharge on imports of foreign goods.

The program was regarded as a positive step in the right direction. It was expected to provide relief to the vital problems afflicting the economy. However, the placement of the program, which the second phase of the program, was expected to provide relief to the vital problems afflicting the economy.

Veilings of hope
On the surface, the disappointing economic results of 1971 would seem to point to a year of inept failures. A deeper analysis, however, shows a contrary view. Even though business and employment did not respond as quickly as had been anticipated, there were extenuating

circumstances which critics of the new economic game plan have been remiss in considering. For example, there was the protracted the-up of West Coast ports, and subsequently a virtual paralysis of the entire West Coast ports, and the inoperable liquidation of the copper miners' strikes, and the inoperable liquidation of the copper miners' strikes. These retardant factors would be considered adverse influences even if the Administration had not acted.

Furthermore, the faithbreathed miracle seekers and the opportunistic politicians may be premature in labeling the Nixon economic game plan an exercise in futility. There has not been enough time to judge the results of this program. In fact, all Congress has been agonizingly slow in acting on those facets of the program which are beyond the jurisdiction of the President.

1972-Year of solid progress
AT THIS OUTSET OF THE NEW YEAR, THEREFORE, THE STAFF OF BABSON'S REPORTS VIEWS CONSTRUCTIVELY THE PROSPECT OF WHAT LIES IN STORE FOR THE ECONOMY. We are confident that the Administration's economic game plan will lift affluently to the satisfaction of the nation's consumers and to the benefit of the nation's coconans of cautiousness and assume a more optimistic perspective. Such an improvement in public projected improvement, in spite of uncertainty of the past three years, is a major step toward a pattern of business improvement.

It would be well not to expect immediate returns from the program for the economy as a whole. The fight against inflation will

require continuing vigilance and therapy, and with the large reservoir of idle productive capacity in American industry, the task of paring unemployment will require patience. The Nixon Administration's economic program was not set forth as one which would produce deflation, but rather one which would restrain inflationary pressures sufficiently to create productivity gains and make for solid progress in the economy, as opposed to the illusory gains of recent years when price inflation accounted for much of the advance. So to the extent that inflation is curbed, Babson's forecast anticipates that 1972 will emerge as a period of genuine achievement.

Less serious climate
The primary characteristic of 1972, however, that the Nixon Administration is guiding for 1972, elections does not have the latitude to stimulate the economy which other incumbent Administrations have had in the past, due to the grave budget deficit problem. Nevertheless, the healthier background climate prevailing should produce a greater willingness to spend on the part of consumers. Some pickup in retail trade surfaced in the latter part of 1971, but it was a spotty business. Improved consumer demand, higher inventory requirements as a result of a more buoyant level of general business, and the incentive of the tax law to encourage should bring management thinking about how to improve their operations and increases in capital expenditures for the better part of 1972.

Even as demand for money and credit increases in pace with the projected improvement in economic activity, the monetary authorities will be able to provide additional credit to meet legitimate business needs, thus alleviating the ill-fortunes of another restrictive credit crunch. Corporate liquidity in general has been bol-

tered quite significantly during the past two years, thus, except for the marginal companies which have trouble securing credit under most circumstances, the threat no longer looms of businesses being forced to close.

We must also remember that meeting of the minds and realized their currency parties. The American dollar was devalued, it is 8.57% with an increase in the official price of the dollar, while stronger foreign currencies were revalued—specifically, the yen, the mark, and the franc. These changes will hammer out new trade agreements providing for a more equitable climate for American goods in foreign markets. Until the trade agreements are revised, foreign commerce will remain a tenuous area.

Another fifty
Another fifty area concerns the machinery of Phase Two. Will it be successful in keeping inflation in check, or do the generous concessions to labor in the initial markings of the pay raise portend an inevitable bias of effectiveness in the fight against inflation? For the record, we are hopeful that union leaders will bend enough to give Phase Two some latitude to operate.

A third area of uncertainty is the threat that one of the world trouble spots will suddenly lose its luster, thereby ceasing to become the "cause celebre" in the jockeying for supremacy of the three major powers. There is adequate precedent in each of the world known trouble spots, namely

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