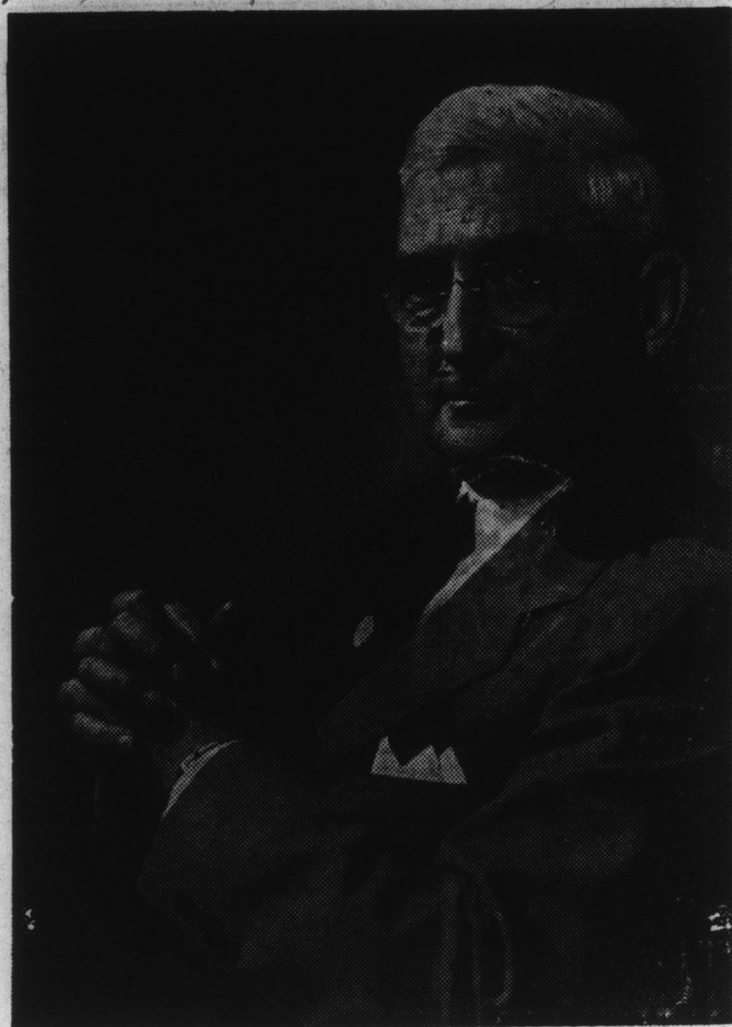


Cast Your Vote Saturday

— FOR —

CHARLES M. JOHNSON

For Governor



HERE IS HIS PROGRAM

SCHOOLS—"The most important activity of the State Government is the school system." On this conviction Charlie Johnson proposes increased salaries for teachers, reduction of the teaching load, State appropriations to aid counties in building schools, enforcement of compulsory school attendance laws, improved school health program, further development of lunchroom program.

WELFARE—"The responsibility of an enlightened and humane children and the afflicted is direct and inescapable. The appropriation for these purposes must be brought into line with the high costs of living of the day." He further proposes expansion of library facilities, greater attention to the care and treatment of mental patients.

ROADS—A staunch advocate for immediately improving rural roads to provide adequate farm-to-market roads of the all-weather type.

HEALTH—Charlie Johnson approves the medical care program. Furthermore, he believes that North Carolina should have a fuller school health program to insure every child in every section, however disadvantaged, a fair chance at a healthy start in life.

AGRICULTURE—He believes the State should give emphasis to the services rendered farmers; wants to see them serve on all important boards and commissions; stands for improvement of marketing facilities; establishment of a well-rounded agricultural program for North Carolina; believes that production adjustment and price support are fundamental and necessary for the protection of farmers.

TAXES—Charlie Johnson is against tax increases. On April 10, 1948, he went on record for removal of the sales tax from food served in hotels, restaurants and all public eating places. He advocates elimination of taxes paid by farmers on machinery and fuel used in curing tobacco. He also advocates a review of the State's tax structure with a view to removing inequities. Furthermore, he believes that surplus state funds should be returned to the people.

MUNICIPALITIES—In his platform address Charlie Johnson said he would advocate a constitutional amendment to correct the present system that prevents the cities, towns and counties from handling many matters of vital local concern. In short he stands for "Home Rule"—that is, less from Raleigh and more from the local units. He believes that we should concentrate in Raleigh only those governmental functions which are state-wide in their application and which the State can perform more efficiently.

INDUSTRY—He advocates a program looking to the industrial upbuilding of the State, by attracting new industries within our borders and expansion of present facilities. The blending of industry and agriculture makes for a well-rounded economy.

PARTY—Charlie Johnson believes in the Democratic Party and has said so often. He is proud of its record of achievement. He wants to see its progress continue.

Here Are The True Facts About The State's Bank Deposits

QUESTIONS:

Why are funds of the State Treasury deposited in more than 250 Banks?

Are funds of the State Treasury adequately protected against possible bank failures?

Why are banks not paying interest on State deposits?

Why is there no legal authority to invest certain funds, such as the Highway Fund and 1947 Permanent Improvement Fund?

How is General Fund surplus invested?

Who are the members of the Council of State?

Since banks are prohibited by Federal Reserve System from paying interest on State deposits, why shouldn't the State Treasurer invest the Highway and Permanent Improvement Funds as Mr. Scott would have him do notwithstanding the absence of legal authority?

Why didn't Mr. Scott raise the issue about interest on the deposits or investment of the 134 million dollars balance at July, 1947, and the 125 million dollars balance at January 1, 1948, when he was a member of the Council of State and knew these facts at the time?

What was the cause of increase of the General Fund Balance between January 1st and March 31st of over 40 million dollars and why has only 15 million dollars of this balance been invested?

ANSWERS:

For the same reason that funds of the Federal Treasury and of other states and local governments and business concerns are deposited in banks. There is no other available or practical and safe place to keep them.

Every bank in which State funds are deposited has furnished and must always furnish ample security to guarantee the State against loss.

All banks are members of Federal Deposit Insurance Corporation under the direction of the Federal Reserve System. In August, 1937, the Federal Reserve Board invoked a regulation that banks shall not pay interest on demand deposits of public funds.

At the time these funds were appropriated by act of the 1947 General Assembly it was assumed that they would have been practically spent or encumbered by March 31, 1948. Therefore, the Legislature did not authorize investment.

Only in U. S. Government obligations by the State Treasurer after he has first obtained the approval of the Governor and Council of State, when in their judgment there will remain a cash balance sufficient to meet appropriations of the General Fund.

The Governor, State Treasurer, State Auditor, Secretary of State, Insurance Commissioner, Commissioner of Agriculture and State Superintendent of Public Instruction. The Attorney General is legal adviser and attends all meetings of the Council.

First, he would be subject to impeachment for exceeding his authority. Second, he is bonded in the sum of \$750,000 in surety companies for the faithful performance of his duties and against his mishandling of State funds. The surety companies would be privileged to, and most likely would cancel his bonds. He would thereby be disqualified to hold office.

If Candidate Scott's accusations against State Treasurer Charlie Johnson were true, he himself was deliberately neglectful of his duties and responsibility to the people of North Carolina while he was Commissioner of Agriculture and a member of the Council of State.

One of the State's greatest sources of income for the General Fund (income taxes) is collected between March 15th and 31st of each year. The average total amount spent per month for General Fund appropriations is about 8 million dollars and income received during the spring and summer months is smallest; always less than the amount paid out.