

EDITORIAL PAGE OF THE GOLDSBORO NEWS

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MR. SMITH'S TRIP TO CHICAGO

Having put the clasp on his coat of the New York Democracy, Gov. Al Smith is to invade the Western field of politics. On Sunday the popular New York executive, who achieved a triumph in the Democratic primary election is to be the guest of Chicago Democrats at a winter picnic. Reports from the Windy City are that not less than 100,000 loyal Democrats will greet Gov. Smith. The gathering, it is said, will be the biggest of its kind ever held in this part of the country. It will not be confined to Democrats of Illinois, but selections from Indiana, Minnesota, Ohio, Wisconsin and other States will be present. There will be an immense parade and striking clam that goes with an official picnic.

There can be but one interpretation placed upon this visit of Al Smith to Chicago. He is now a full-fledged, aggressive candidate for the Democratic presidential nomination in 1928. Indeed, it was Senator Borah, of Idaho, a Republican, who exclaimed after the New York primary, "Now we have the next Democratic candidate for the Presidency."

In the New York convention of last year Gov. Smith, according to those in his confidence, did not seriously believe he could be nominated. He bought himself in the race because of principle. He was determined to prevent the nomination of Mr. McAdoo at all hazards, and he did. The colossal issue founded, of course upon the lien, made impossible the nomination of Gov. Smith as it made the nomination of Mr. McAdoo.

George Bruns, Illinois Democratic boss, and Gov. Smith became allies at the convention and it is said that the visit of the New York governor to Chicago is in pursuance of a promise made by Smith to Bruns at that time that he would go to Illinois. Any one who knows anything of politics, however, knows that this is a mere expedient. Al Smith is going to Chicago to sell himself to the Illinois Democracy and the Democracy of other States. It is understood the governor also will visit other States before long. After the recent masterly primary it is considered that Smith has the Empire State Democracy in complete control, but he is comparatively unknown in the West or the Middle West. If he is to become the compelling force in other sections that he is in New York, he must let the people see him. He must recall the magic of his personality over the voters of other parts of the country.

This is the purpose of Gov. Smith's trip to Chicago. He is beginning his campaign early. It remains to be seen whether the people of other States outside of New England will receive him as the people of his Post.

WORKING TOWARD AGREEMENT

There is no reason to apprehend that the Franco-American debt negotiations will be seriously delayed because of the fact that the first French payment has proved unacceptable. Negotiations would have differed from all others in history if they had been by maximum concessions on both sides. M. Caillaux is trying to make the best possible bargain. He claims his rights in making this deal, no American will think less for his valiant service in his country.

When debt commission, on June 30, is held to rather narrow limits. It can not agree to the cancellation of the principal of the debt, nor even to the remission of interest. It is authorized merely to work out a plan which will insure payment of the principal with reasonable interest rates. The commission has little to do as time agreements, but perhaps it will feel more or less bound to a time limit of 82 years, because this was the period agreed upon for payment of the British and Belgian debts. If the negotiations should not find any other method of agreement, however, there is nothing to prevent them from fixing a longer period in the case of France.

France's capacity to pay is an extremely elastic proposition, depending largely upon the manner in which the settlement is made with the United States. France can not pay equal annual installments, beginning next year and ending 62 years hence, covering all the principal with in-

terest at 3 or 3 1/2 per cent. This would require annual payment of nearly \$200,000,000. But France can make smaller annual payments at first and gradually increase the amount; of the installments. Some of the burden now carried by France will be lifted within a few years, notably the pension list and the cost of reconstruction of the devastated area. As Germany increases her productivity the reparations payments will increase, of which France's capacity to pay her debt to the United States.

M. Caillaux has announced that he is determined not to agree to any plan which will call for the payment of larger sums than France is to receive from Germany. The United States, on the other hand, will not agree to any plan which makes the French payments contingent upon reparations payments by Germany. The agreement which is to emerge from the present conference will be a straight-out undertaking on the part of France, without reference to Germany. The negotiators, however, can take cognizance of the popularity of larger reparations payments as Germany increases her activities, and can arrange for an increasing scale of installments on the part of France.

M. Caillaux and his colleagues know what is expected of them. They did not come here to evade making an agreement possible—but they will make it.—Washington Post.

DEFICIT GIVEN BY MORRISON

(Continued from Page 1)

tion is not only false, but utterly ridiculous. What they call a loss there is very largely the state of the investment account due to having to take back the great farm in Hall-tax county, furnish it with stock, implements, etc., and that the real operating loss at the State Prison by any fair system of accounting is not large, and under all the circumstances devoted fine management by the great Board of Directors which have had it in charge.

But on the 30th of June the State of North Carolina had great farms as the Asylum for the colored people near Goldsboro; at the Eastern North Carolina Asylum for whites on Dix Hill in the suburbs of the city of Raleigh; at the Caswell Training school for feeble-minded children near Kinston; at the Asylum for the white race near the city of Morganton and several other institutions had smaller farms. The crops were all "half-b" or nearly so on June 30th of June. The farms were stocked, and there were many valuable implements etc. all bought upon General Account. The Departments in Raleigh had many thousands of dollars worth of valuable furnishings, supplies on hand etc., all bought on General Account, even clothing and household.

The McLean Administration is arriving at the indebtedness which it calls "Accumulated Cash Debit Balance of \$9,438,531.02," had the 30th of June. The State all paid on of June 30th every cent of indebtedness due at any State institutions fully paid off, and all written into the general account. Supplies of great value were on hand at the twenty-odd great charitable institutions of the State. I am quite confident that the property on hand bought upon General Account exceeded in value by far the deficit of \$1,559,407.00.

Asks Inventory I have asked the auditor of the State, Major Durham, to have an inventory made of the amount of property which the State owned on June 30th, and to separate that bought upon general account from permanent improvements bought upon bond issues. It must be kept in mind that this so-called cash deficit in general account is a running account coming from the misty past. All of that property owned by the State which was not bought from bond issues, and none was, except permanent improvements were purchased on general account.

Wherefore: I think the citizenship of the State can feel that on the 30th of June last, crediting the amount the State owed on general account, owing: \$9,438,531.01 with the accrued taxes up to that period, and with the taxes in arrears, and with the property on hand bought upon general account, North Carolina was in the financial fix.

Not Enough Taxes What does a small deficit in revenue levied up to that time, amount

TOWN GOSSIP

(By Mint)

MY GOSH! Uncle Georges

I'VE DONE gone
AND DONE it now
YOU WILL remember

ABOUT SIX weeks ago

THE BOARD of Aldermen

THE SHERIFF

AND THE citizens committee

GOT TOGETHER

AND UNANIMOUSLY decided

ON MY appointment

AS OFFICIAL "fool killer."

FOR THIS county

AND AS YOU know

I PERFORMED my duties

FAITHFULLY

FOR TWO OR THREE weeks

AND THEN

"SOMETHING HAPPENED"

AND DO you know

I FORGOT my duties

AND SORTER got off

ON ANOTHER SUBJECT

I THANK YOU.

DEFICIT AS HAS BEEN CHARGED, I have defended them in reason, and I fear, at times out of reason, but as a matter of fact, I never had a thing to do with the calculations made by the finance and appropriations committee of the two houses. I urged the appropriations and expenditures authorized I also urged the levy of adequate tax-

to? It simply means the general assembly of the State did not tax the people quite enough. It does no sense extravagance or waste: I do not believe a revenue bill has every been written by any State which did not raise either slightly too much or too little.

I think when that constructive transition period through which we were moving is taken into consideration, that the we general assemblies legislating during my terms as Governor, came remarkably near balancing revenue levied with appropriations and expenditures authorized.

The fact that the amount levied seems to be slightly less than the requirements only shows that the general assembly did not tax the people quite enough, instead of too much, if we assume that appropriations and expenditures authorized were necessary. Certainly the Morrison Administration must not have made excessive appropriations and authorized excessive expenditures, because the McLean administration did not cut them down, but on the other hand, raised appropriations and authorized expenditures. They had in order to meet the comparative demands upon the conscience of this State.

Now I hope I have made it clear that the so-called "Accumulated Cash Debit Balance of \$9,438,531.02," fixed by the McLean administration as of June 30th, was not in any sense a deficit in revenue levied by the preceding general assembly of the State, but on the other hand, when credited fairly with the tax revenue levied, it results in a real deficit of only \$1,559,407.00, and that is more than accounted for by the property and supplies on hand on that date bought up on that same account.

Now a few general observations upon this deficit question:

The controversy about the loss at the State Prison I prefer to deal with after the audi which he are now working on is given to the public, if it ever is.

Is the possible deficit in the sense of the failure to levy revenue to the amount of \$1,559,407.00, covered by supplies and property on hand, I want to say that while I defied the general assemblies from the charge of creating a great deficit by failure to perform their duty, the ultimate responsibility was, of course, on the general assembly of the State, and not upon the Governor. I have known all the time that they never created any such

IF YOU know what I mean

AND BEFORE I realized it

I HAD forgotten

THERE WERE any fools

WHO NEEDED killing

AND YESTERDAY

AFTERNOON

I RECEIVED a notice

SIGNED OFFICIALLY

BY THE above named agents

ADVISING ME

THAT MY services

WERE NO longer desired

DUE TO the fact

THAT MY actions

FOR THE past three weeks

HAD MADE me

A FIT subject

TO BE a victim

OF MY own devices

OF EVACUATION

FROM THIS hemisphere

I THANK YOU.

Men, Not Babies

The two general assemblies which served during my term in the Governor's office were composed of men, not babies. They wrote the revenue bills and the appropriations bills. I helped where I could. There were no great failures of duty but if there has been who did it? The revenue and appropriations bills were reported out of the committees with absolute unanimity. Republicans and Democratic members both supporting them. The bills of both sessions were passed with greater unanimity than revenue and appropriations bills had ever been passed before in the history of the State. The republican and democratic members, forgetting party lines, stood together behind the great progressive program. If any error was made, which I have conclusively shown not to be in the case, then practically all the democrats and republicans of both branches of the general assembly committed the error, and yet the deficit-bawling crowd have undertaken to destroy me for it.

Governors cannot spend public money any more than the humblest private citizen; except after explicit authorization by law enacted by the general assembly.

But there is another account of the State's where all hands agree, there was no deficit that we hear little about. I refer to the good roads legislation.

If the administration during my

term as Governor for four years did fall by \$1,550,407.00, under a new and untried system of transition, to levy enough taxes to meet the appropriations and authorized expenditures on general account, I ask the citizenship of the State to take into consideration the fact that upon another account we exceeded all expenditures and requirements by more each year than the deficit on general account for the whole term.

Advocated Good Roads

In the enactment of the road legislation I did help calculate and estimate. I sought friends and foes in helping drive the good roads bill thru the general assembly, authorizing bond issues of sixty-five millions of dollars. My best friends thought my estimate of expected revenue from automobile license and gasoline taxes was excessive. All manner of evil prophecies were made that the revenue yield would not be adequate, but it exceeded even my most optimistic expectations, and yielded adequately to pay the interest and to add at such

rate to theinking funds that if all of I was used for what purpose we could redeem the bonds before they were half due.

I am satisfied that there will be a excess of revenue from the present year of at least four millions of dollars. Last year there was at least two million excess, if we consider the whole revenue of the State, including all accounts, general and special, the general assemblies serving during my term as Governor did not create any deficit whatsoever, but there was a surplus in the total revenue of the State of large amount. There will always be a slight excess or deficit in any revenue bill. It will be utterly impossible to write one that will not raise slightly too much or too little revenue. I submitted confidently to the intelligence of the State that all he auditing and accounting he McLean administration has done is that after supplying all departments and institutions well.

(Continued on Page 5)

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Every older man looking back will say savings is the easiest way to build a competence. The younger man who will learn and act on his advice before it is too late will be the gainer. You can start today with a Savings Account in this Bank.

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to meet them, but the figures, were submitted upon the report of the auditor and treasurer to the proper committees, and they acted. There has been great joy in the State over the apparent opportunity to destroy us through attacking me for failure of the general assembly in immense amount to levy adequate revenue to meet the State's requirements on general account, but the general account is not the only account of the State I think the general assemblies, acting in the transition period of the State's history did well to come so near balancing the expenditure authorized, but the credit is largely due to the great committees of the general assemblies, and not to me.

Men, Not Babies The two general assemblies which served during my term in the Governor's office were composed of men, not babies. They wrote the revenue bills and the appropriations bills. I helped where I could. There were no great failures of duty but if there has been who did it? The revenue and appropriations bills were reported out of the committees with absolute unanimity. Republicans and Democratic members both supporting them. The bills of both sessions were passed with greater unanimity than revenue and appropriations bills had ever been passed before in the history of the State. The republican and democratic members, forgetting party lines, stood together behind the great progressive program. If any error was made, which I have conclusively shown not to be in the case, then practically all the democrats and republicans of both branches of the general assembly committed the error, and yet the deficit-bawling crowd have undertaken to destroy me for it.

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