

Utilities Commission Denounced By Bellamy

GOVERNOR SLATED TO SEE SHIPYARD

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quests for action," the mayor declared in his report.

"They have the facts (on the contrast between Tide Water rates and other North Carolina cities) and they are afraid to give it to you because it's so startling it's embarrassing."

"The apparent attitude and indecision on the part of the North Carolina utilities commission, in connection with the petition of the city and county for fair, equitable and competitive rates, would indicate, although it is the duty of such rates, and that it has shifted its obligation to the shoulders of the public," the mayor declared.

"Based on figures presented by the utilities commission, the revenue from commercial users in New Hanover county alone for the 12 months ending June 30, 1941, was \$229,000. Taking the commission's own figures and the same number of consumers in the same classification, we would like to ask the commission what the commercial users in other cities in North Carolina comparative to Wilmington, would pay?"

"Mr. Winborne stated that the proposed rates, offered New Hanover county are lower than the national average. New Hanover county is not interested in the national average. It is interested in what it has to pay in comparison with other counties in North Carolina."

"He further stated that no provision is made for an interest to the common stockholders. Certainly, he is familiar with the capital structure, accounting practices and the financial history of the Tide Water power company and Gas and Electric corporation but does the public know who the stockholders are?"

The mayor quoted the Securities and Exchange commission as declaring that "all of Tide Water's common stock is owned by the General Gas and Electric company, a holding company, and that the common stock of the Gas and Electric company was in turned owned by Denis J. Driscoll and Willard L. Thorp of New York, as trustees of the Associated Gas and Electric company. By virtue of this stock ownership, these trustees control Tide Water power company."

The estimated \$25,000 a year savings to New Hanover residential consumers under the recent rate reduction will cost Tide Water only about \$12,000 a year, the mayor declared, based on the proposed combined Federal Normal and Surtax rates of 45 per cent and the state 6 per cent tax.

Mayor Bellamy quoted the report of the Securities and Exchange commission on the investigation of the Associated Gas and Electric corporation as follows: "The financial statements of Associated Gas and Electric disclosed by failure to reveal significant circumstances necessary so that the information might be properly evaluated. They also failed to disclose the substantial amount of write-ups in fixed capital, and to disclose that the appraisals were not made by an independent appraiser."

"We are left with the feeling that the principal purpose of the company was not to disclose frankly, but to mystify, baffle, mislead and conceal and that the audits and certificates of the accountants did nothing to prevent the accomplishment of that purpose."

Mayor Bellamy charged that there was a discrepancy between the Tide Water's statements of valuations and earnings, as presented at the April hearing in Raleigh before the utility commission, and the excess earnings of the company for 1939, 1940, and 1941, as reported by the Federal Power commission.

"Has the utilities commission made any attempt to reconcile or justify the Tide Water's figures with those furnished by the Federal Power commission?" he asked.

"The discrepancy is too great to go uncorrected and it is of paramount importance in the reflection of the valuations."

"In conclusion, the rates paid by residential and commercial users of power in New Hanover county in the past 25 years would have exceeded those paid by like users in other parts of our state by many hundreds of thousands of dollars alone and this saving alone would have covered the entire cost of the construction of a municipally-owned plant, large enough to serve the people of New Hanover county for many years to come."

'PAY-AS-YOU-GO' TAX PLAN VETOED

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have required larger taxpayers to pay the remainder of their surtaxes over a period of two or three years.

The chairman emphasized that the votes taken on these proposals were tentative and Senator Clark (R-Ohio) said he and reopener Clark (D-Mo) would attempt to reopen the subject tomorrow by proposing that the Ruml plan be linked with a 5 per cent withholding tax.

The treasury already had insisted in a report to the committee if the Ruml plan were adopted it would be linked with a withholding tax at the source all of the normal and first bracket surtax levies that would be assessed against low income persons under terms of the new bill.

Taft said he thought that was too great a burden, but expressed

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will get under way at about 1:15 o'clock at the launching stand at one of the nine shipways, are being completed. Representatives of the parent company, the Newport News Shipbuilding and Drydock company, will be present.

The program will reach its climax with the launching of the Roger Williams, 26th ship to near completion at the yards, at 2 o'clock. The vessel will be sponsored by Mrs. William Chanler, of Syoset, Long Island. It is named for the founder of Rhode Island and a pioneer of religious freedom in America.

The "M" pennant is awarded to any shipyard when it consecutively delivers Liberty ships into service in 105 days or less from the keel laying to delivery from all its shipways. As this shipyard has nine ways, it delivered that number of ships with the time of construction of each of them ranging from 105 days to 72, the latter period a record for the North Carolina company.

The yard started on its path toward the "M" pennant and Maritime Labor Merit insignia for all employees with the laying of the keel of the J. Van Rensselaer on March 10, 1942. One hundred and five days later this ship was delivered into service. The construction periods for the remaining eight freighters were as follows:

Artemas Ward, 98 days; Edward Rutledge, 100 days; Abel Parker Upshur, 92 days; William Hawkins, 84 days; Hugh Williamson, 74 days; William R. Davie, 72 days for the yard record; William Gaston, 74 days, and William A. Graham, 75 days.

In winning the "M" pennant and the Maritime Labor Merit insignia, the yard also receives the right to fly the Victory Fleet flag.

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DESERT CONVOYS SMASHED BY RAF

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30 miles west of the main Egyptian battleline marked the first time in this theater of the war that members of the four forces had flown together on such an operation.

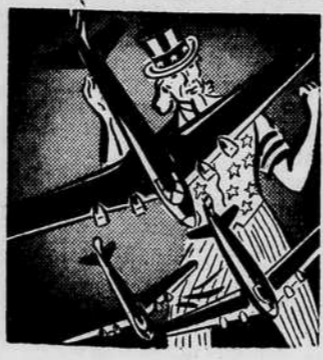
RAF medium bombers strafed the battle area elsewhere, scoring hits and starting fires among enemy tanks and vehicles.

In another attack the leader of a South African air force squadron, Lieut. Col. Brookhagen, deliberately flew into telephone wires beside an enemy landing field near Sidi Barrani, 200 miles west of the main battleline at Alamein, thereby breaking up vital communications at this important stronghold.

Lieut. Col. Brookhagen not only flew his plane home safely after this daring exploit, but he also led his entire force unscathed. The South Africans scored direct hits on a Junkers 52 transport plane on an airfield and machine-gunned others.

The committee rejected the Ruml plan, George said, largely because of treasury protests that it would be discriminatory in some of its aspects.

The opinion that 5 per cent would be a "reasonable" withholding levy.



"Plane" Talk By Mr. Roosevelt

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Rocker To Match . . .\$8.88



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Reg. \$1.89 \$1⁴⁸

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LIGHT BULBS

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High quality . . . American made "1000"-hr. bulbs 15, 25, 40, 50, 60, and 75-watt sizes!

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Extra value! Smart hexagonal design! Finest felt thoroughly saturated and surfaced with non-fading "Sta-So" slate.

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HI-CHAIR

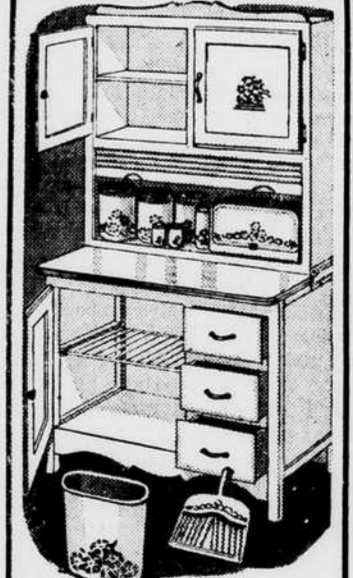
Sturdy \$7⁸⁸

Sturdy hardwood, finished in non-poisonous maple, wax birch, or ivory. Safety strap. Hard-tipped legs.

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