

CAPITAL REPORTER

Scott Summers

Raleigh, N. C., Dec. 6.—Lots of folks are wondering why the State—with a \$12,000,000 balance five months ago—needed to borrow \$10,000,000 last week to tide it over the next three months.

Administration critics will make the most of it. They'll try to make it appear that the State is headed for bankruptcy under Governor Scott. Nothing could be further from the truth.

It's just that expenses for the last several months and for the next few months are outrunning income. But a big swing in increased income to the State comes every year when the income taxes are paid—mostly during the first six months of the year. Then is when the year's surplus is made, with income far outrunning expenses.

It's sorta like a tobacco farmer. He has plenty of money on hand in the fall of the year, after he's sold his tobacco. But come spring, and planting time, he often has to borrow money to buy fertilizer and plants.

Actually, you could blame the present borrowing on the 1949 Legislature.

It left Raleigh with the general fund facing a \$3,000,000 deficit for the 1949-51 budget. In addition, it put a rider on the appropriations bill calling for a teacher pay bonus. That last was put on by administration opponents, with their tongues in their cheeks. They never expected it to be paid because they were sure the general fund would wind up in the red. And they wanted to be able to go home to the teachers and say, "see, what we did for you—we tried to get you a raise."

That expected \$3,000,000 deficit plus the more than \$7,000,000 it will take to pay the teachers their bonus will make up the \$10,000,000 that was borrowed. Actually, the contingent pay boost, or bonus, was authorized when the Advisory Budget Commission saw that revenue for the current fiscal year apparently would warrant it.

So, despite having to borrow the \$10,000,000, the State will wind up with the budget in balance by June 30, 1951—the end of the current fiscal year. In fact, the way things are going, there might even be a few million dollars surplus by that date.

December 12 at 11 a. m. in Washington, U. S. Senators and representatives from North Carolina will gather in the House Ways and Means Committee Room.

There they will meet with Governor Scott, members of the State Ports Authority, and Wilmington representatives to coordinate efforts in influencing the Maritime Administration to lease a portion of the idle Wilmington shipyard to Jack Buncher of Pittsburgh.

Buncher has agreed to lease the 13,000-ton Navy drydock set aside for Wilmington, if he can get part of the shipyard. The drydock is stored in Panama awaiting a decision.

Ironically, the drydock was secured for Wilmington by then-Senator Frank Graham. His successor, Willis Smith, who won in a bitter primary fight, will be asked to help make it possible to get the drydock to North Carolina.

Opposition to the idea is expected from shipyards and drydocks operating along the Atlantic coast, and in-

fluence—or pressure—of the entire North Carolina congressional delegation may be the deciding factor in getting the drydock in operation at Wilmington. However, recent developments indicate that the Maritime Administration may be willing to lease a part of the Wilmington shipyard, and that will be the deciding factor.

In addition to bringing employment to between 300 and 400 persons, plus revenue from ships being refitted at Wilmington, the drydock would augment the \$5,000,000 State Port terminals and dock now being built at Wilmington under the recent bond issue. Development of a ship repair center there also would aid in the effort to get steel mills to locate in eastern North Carolina, since shipbuilding is a tremendous consumer of steel.

Notes from Washington:

An attempt to raise the federal tax on cigarettes from 7c to 9c a pack is not expected to succeed. A boost from 9c to 10c per gallon in the U. S. liquor tax is expected, however.

A plan that will aid North Carolina in getting new industry—particularly war industry—is being worked out. The government is working on a plan for on-the-job training in the plant using local workers. In other words, the idea is for a plant that moves to North Carolina to train Tar Heels for the jobs rather than bring in personnel from elsewhere. The main idea of the plan is to prevent mass migration of workers from one area to another, such as the movement of thousands of people to California during the last war to work in airplane plants.

Price controls may be put on meat by spring.

A report that tire rationing is not in sight brings laughs from auto supply houses. Tires aren't rationed to them by the government, but they get only a small "quota" from tire manufacturers.

If you see a United Nations flag floating above the Agriculture Building here, it's one Commissioner L. Y. Ballentine got from the home-folks. The UN banner was made for Ballentine by the women of the Oakwood Community Club in Wake county. Ballentine has lived on a farm in that Wake county community all his life, and learned the three "R's" in the old one-room Oakwood school, now consolidated with others in the area. He was given the flag at an annual community dinner.

A lot of North Carolinians are glad that the Tar Heel state wasn't picked for the H-bomb materials plant site. In fact, some of them have been heard to say that they thought it was still too close, being in South Carolina.

The South Carolina site was taken because: (1) not too many people, comparatively, would be displaced; (2) because a large, flat area of land was available; (3) because there are seven hydro-electric power plants in the immediate vicinity; (4) because plenty of water was available.

A big—in fact, one of the biggest—rubber companies has its eye on North Carolina in the search for a place to build a \$25,000,000 plant.

Officials say these things are the most important in selecting a site:

cost and availability of labor; closeness to markets; cost of transportation; and, cost and availability of power.

Gov. Scott stole the show at the National 4-H session in Chicago when he told the kids he was in favor of 18-year-olds being given the right to vote.

"If they're old enough to be responsible for a half-million dollar jet plane, then they're old enough to accept the responsibility of voting," he said.

The Governor's attitude is new. In his inaugural address, he said much the same thing.

At the Southern Governors' Conference, Gov. Scott and Gov. Sid McMath of Arkansas were the only two who did not yell for federal aid for civil defense programs.

Ironically, neither of the two states fall into the States' Rights category, and some of the governors who have hollered the loudest about states' rights were the first to want federal aid.

It was reported at the meeting that Texas and North Carolina have the best civil defense programs in the South, with the Texas program being considered one of the best in the nation.

Scott's comment about civil defense was that "the people seem more interested in the program than do the leaders."

It always has seemed funny to me, that the folks who yell loudest about states' rights are among the first to stick their hands out for federal government money.

How can they expect to take the money and not take some form of federal control?

Folks who don't want federal government telling state governments what to do should remember this:



MOTHER OF THREE LEADS GRADUATING CLASS . . . Mrs. Elizabeth Strachan Freret, 29, reads a story for her three children, Norman, Payne, and Charles (from left), at her Washington, D. C., home after she led the graduating class of 131 law students on receiving her diploma from George Washington University law school recently. Her success formula, she says, is "Going to school makes keeping house interesting, and keeping house interests me in school."

The only time you have complete control over the way something is done is when you do it yourself.

If you want someone else to do the job, you have to pay.

Just like you can't expand state services without paying more taxes—that's just simple arithmetic.

Incidentally, the Advisory Budget Commission will unanimously recommend a balanced budget to the General Assembly. Their recommendations will not call for new taxes—not even for lifting exemptions on the sales tax.

And the recommended budget will be very little more than the one for the current biennium.

However, Gov. Scott will point out some things he thinks should be done

in his message to the legislature. These probably will include a stream sanitation program, expansion of the highway patrol, and reinstatement of the motor vehicle inspection law—a different version from the last one, however.

In other words, the legislature will be told: "Here's what we can do on an 'as is' basis. Here's what ought to be done—but you can't do it without more money. And you can't get more money without more taxes."

Which probably means that very few, if any, new or expanded services will be added by the General Assembly, because legislators are notoriously a spineless lot when it comes to raising taxes.

The Governor got a "Thanksgiving

Day" note from Shallotte, in Brunswick county.

It came from Dr. R. M. Holden, who expressed thanks to Scott and his administration for "the wonderful things that are being done for us here in Brunswick."

Holden said the road and school program was putting the county on the way to become "self-supporting" and that the only "fly in the ointment now" is a 40-mile square area without a telephone.

The State's automobile dealers have a friend in Congressman C. B. Deane of Rockingham. He's fighting to get the Federal Reserve Board's "Regulation W" changed in respect to auto sales.

That regulation cuts the number of months allowed for car-payment installments from 24 to 15.

"Fifteen months is not long enough to pay for an automobile for persons of an average income," Deane said in a statement to the Federal Reserve Board of Governors.

"An automobile is not a luxury. It is a real day-to-day necessity to millions of our people . . . There is a great segment of our population who must have automotive transportation to reach their work. Particularly is this true in my district which is semi-rural and where thousands and thousands of workers travel from five to fifty miles daily for industrial employment."

Under Regulation W, Deane said, everybody "except the few who can afford extreme terms" is denied this needed transportation.

"I therefore . . . ask that your board reconsider its action . . . and increase the number of months to a minimum of 18 for the purpose of installment credit for the purchase of automobiles."

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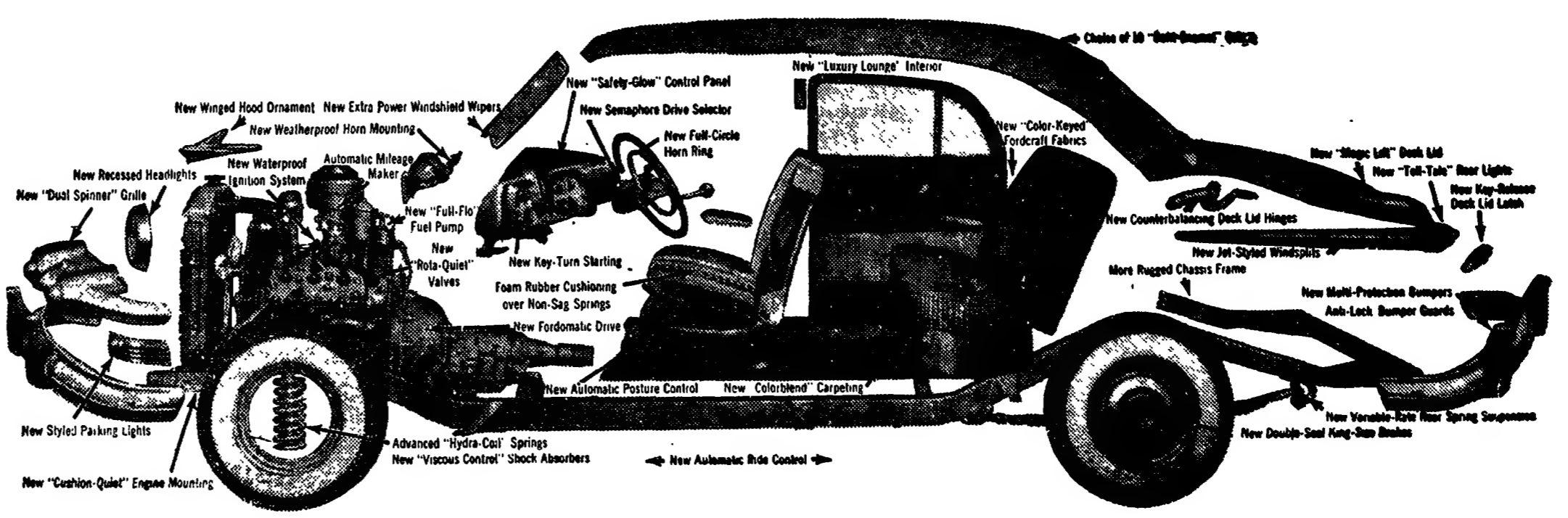
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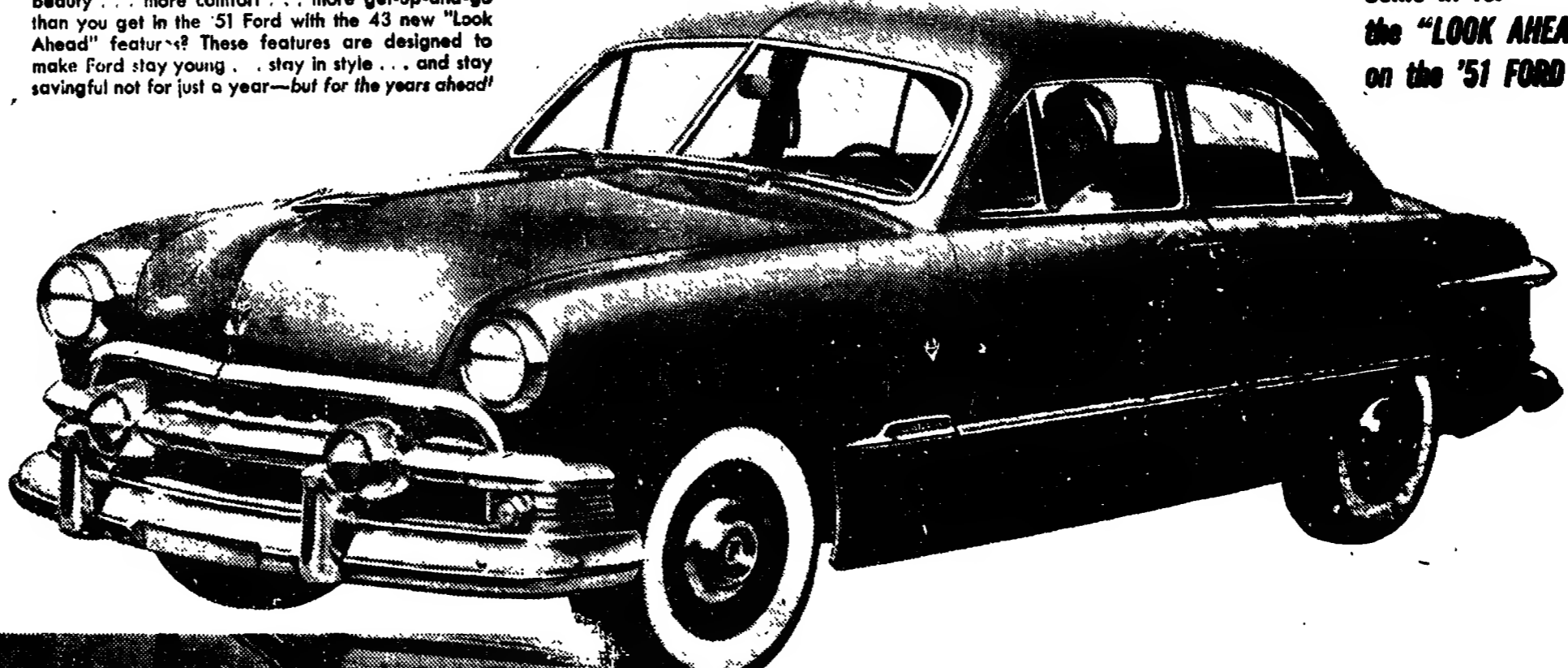
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THURSDAY-FRIDAY DEC. 7-8
"WYOMING MAIL"
—with—
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SATURDAY DEC. 9
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Plus: Chap. No. 9—"Desperadoes of the West" Also Dog Show Cartoon

SUNDAY-MONDAY DEC. 10-11
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JAMES STEWART—BARBARA HALE
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TUESDAY-WEDNESDAY DEC. 12-13
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—with—
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