

# TAXATION, BORROWING, AND INFLATION

## Babson Is Not Worried

(By ROGER W. BABSON)  
Washington, D. C., April 11.—Tax returns and tax payments in March shattered all previous records. However, the taxes collectible this year will be far short of our requirements. Not only are our defense charges increasing rapidly, but the outlay of the civil departments of government has risen over \$3,000,000,000 in the past ten years. "Washington apparently expects sacrifices on the part of everyone except itself! Hence, taxes are being raised to support its increased costs as well as to bear the expense of defense."



BABSON

**Proposed Higher Taxes**  
The plan to tax all new government, state, and municipal bonds is a step in the right direction. This, moreover, should help general business and relieve unemployment by causing rich people and banks to invest more in industry. Mr. Morgenthau hopes that taxes can supply two-thirds of our spendings, while borrowing will carry the other one-third. This would mean for 1942 further increase of more than \$3,000,000,000 in tax payments. This seems to me to be too much, but unfortunately I am a statistician and not a politician.

Half of the needed money should come from higher tax receipts upon a larger national income without increasing the tax rates. The remainder, the Treasury claims, must come from wholly new taxation. Raised rates on corporation and private incomes can provide some of this new revenue. This may mean a 2% increase in normal taxes on private incomes with surtaxes beginning on net incomes of \$3,000 instead of at the present level of \$4,000. The defense tax of 10% may be raised. Estate and gift taxes may come in for upward revision. A raise from 24% to 30% for corporations earning over \$25,000 is possible. If these new taxes will help us "pay as we go" they should not be resisted. It is better to pay for our way of living in cash than in blood.

### "Good-Bye" To a Debt Limit

In the wake of the passage of the Lend-Lease Bill last month, we have seen negotiations to take over Britain's war contracts in exchange for her manufacturing plants and of her real estate. In this country as well as her securities. We have seen billions of new appropriations for our own defense measures. The passage of the \$7,000,000,000 "arsenal of democracy" bill increased our per capita debt by \$53. This alone boosted the per capita share from \$346 to \$399, or about \$2,000 per family.

When the latest debt figures for the quarter ending March 31 are available, the total will be found to be rapidly approaching the present ceiling of \$65,000,000,000. In so saying, I am considering this in terms of what we are already committed for and of what we expect to do. The original budget cost of the defense program for 1942, submitted by the White House to Congress in January as totaling \$28,480,000,000, has been raised to \$35,480,000,000. Of this latest \$7,000,000,000 appropriation, labor will get 40%; materials will cost another 40%; and 20% will go for management, interest, and overhead.

**Why, Not Cut Crime?**  
I have told readers of this col-

umn that I would try to warn them when the inflation situation becomes dangerous. That time is not yet at hand. The heavy taxes already assessed should postpone the evils of inflation. When taxes are raised above a certain amount, however, concerns fold up and new concerns dare not start in business. As a result, the nation's total income falls off and the government does not collect as much real tax money with the higher rates as it did from the lower rates. In cases where the government has taken over factories or public utilities, ALL the tax money is lost. This appears in those cities where new government housing schemes are under way. Therefore, every reader is justified in fighting taxes and working to keep them down.

Besides, there is a way to raise these billions needed to defeat Hitler besides resorting to taxation, borrowing, or inflation. We can cut down our crime bill. By doing this, we can keep from increasing either our taxes or our debt. Moreover, we can enjoy an even better standard of living. The annual crime bill for the United States is \$15,000,000,000 per year. This staggering cost does not include the billions spent on commercialized vice, illegal gambling, narcotics, etc. It includes only goods destroyed, buildings burned by criminals, and the cost of operating police systems, prisons, and insane hospitals, plus the loss of production by those involved. LET MR. MORGENTHAU GET SOME OF HIS NEEDED MONEY BY REDUCING THE CRIME BILL.

### Don't Worry Yet

In spite of our carrying much of the financial burden of other democracies, as well as the defense and civil expenses of our own country, our resources are enormous. Against our borrowing must be set the public and private wealth. We can go a long way before this is exhausted. No one, however, can afford to stand idly by as our government gets deeper into debt without helping in some way. We can at least reduce our private debts. I do not expect the time will ever come in this country when one will be penalized for saving money! I still believe in our dollar. Certainly, many people outside our borders believe in it too!

Savings, however, should be invested judiciously. What was safe in your father's day may not be safe today. New rules are in the making; but those who recognize them should have nothing to fear. Truly, these are wonderful times in which to live. As Thomas A. Kempis said, "It is good for us now and then to have some troubles and adversities." Until they can be solved, we should have faith in our leaders. Confidence, not fear, should rule our hearts and our heads.

## DON'T BE BOSSSED BY YOUR LAXATIVE—RELIEVE CONSTIPATION THIS MODERN WAY

When you feel gassy, headachy, lopy due to clogged-up bowels, do as millions do—take Feen-A-Mint at bedtime. Next morning—thorough, comfortable relief, helping you start the day full of your normal energy and pep, feeling like a million! Feen-A-Mint doesn't disturb your night's rest or interfere with work the next day. Try Feen-A-Mint, the chewing gum laxative, yourself. It tastes good, it's handy and economical... a family supply costs only



## FEEN-A-MINT

DR. PATTEN DISCUSSES NEW COURSES

Dr. Walter Patten, President of Louisburg College, in his talk at 10:30 o'clock in the college auditorium Tuesday discussed school activities for the coming year and presented a personal conference plan, so that students may plan work for the coming year. A committee of the faculty members have been appointed to aid the students in planning activities and work to better adapt themselves to their interest.

Dr. Patten also explained that new courses had been added for the coming year to those students who wish to receive further teacher training and transfer to another school and for Homemakers. These courses meet the requirements of the State Department of Education. In closing, Dr. Patten extended a welcome to those students who might wish to return to Louisburg College to receive further training.

The U. S. Department of Agriculture has announced the purchase of approximately \$10,000,000 worth of surplus food commodities during the period of March 15 through March 31.

# "I buy everything from homefolks"

**ARCADIAN**  
THE AMERICAN NITRATE OF SODA  
Made at HOPEWELL-VIRGINIA FOR THE BARRETT COMPANY

"I SIDE-DRESS CORN with Arcadian, The American Nitrate of Soda, when plants are knee-high. 100 to 200 pounds of Arcadian per acre adds 10 to 20 bushels to my yield at a cost of about 20 cents per bushel. Cattle, hogs and hens turn this corn into cash.  
"Arcadian is made by homefolks here in the South. Homefolks buy my milk, meat and eggs. Give me Arcadian, with Uncle Sam on the bag!"

THE BARRETT COMPANY HOPEWELL, VA. RALEIGH, N. C. COLUMBIA, S. C. ATLANTA, GA. MONTGOMERY, ALA. NEW ORLEANS, LA. MEMPHIS, TENN.

**DON'T COUGH YOUR HEAD OFF**  
FOR MENTHOMULSION  
FOR COUGHS FROM COLDS THAT WON'T TURN LOOSE TAKE ONE SIP OF MENTHOMULSION WAIT FIVE MINUTES  
IF YOU FAIL TO GET RELIEF ASK FOR YOUR MONEY BACK  
SCOGGIN'S DRUG STORE

**NEW PRESIDENT**  
Columbia, S. C., April 8.—W. Arthur Minor, Jr., assistant to the administrator of the Agricultural Adjustment Administration, at Washington, has been elected president of the Production Credit Corporation of Columbia. Harry L. Brown, general agent of the Farm Credit Administration of Columbia, announced today. Mr. Minor has been with the AAA for the past six years. Mr. Brown said, and prior to that time was engaged in extension work

in Georgia. He is a native of Stone Mountain, Ga., and a graduate of the University of Georgia. He will assume his duties as president of the Corporation on May 1. Mr. Minor succeeds Frank J. Towles who resigned as president of the Corporation several weeks ago.  
This marks the fourth consecutive year that the world supply of American cotton has been close to 25,000,000 bales and the world supply of all kinds of cotton near 50,000,000 bales.

To Relieve Misery of  
**COLDS**  
Take **666**  
LIQUID, TABLETS, SALVE, NOSE DROPS  
Science now says that love is a form of electricity. Which is probably the reason old folks called it "sparking."

**COOPERATIVE INSURANCE IS SELF-HELP INSURANCE**  
Farm Bureau cooperative insurance gives you, the policyholder, economic control over your protection needs and costs.  
For Farm Bureau Automobile and Life Insurance, call MRS. HODGIE W. REDWINE, Agent  
Office over Dr. W. C. Perry's Office Home Phone 417-4  
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Farm Bureau Insurance Companies  
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# Everybody's Talking About

## The New Hotpoint ELECTRIC RANGE

HEY ALICE, LOOK AT THE NEW HOTPOINT ELECTRIC RANGE

I'VE SEEN IT AND MADE A DATE FOR YOU TODAY WITH THE HOTPOINT SALESMAN

MY MOM SAYS, HER HOTPOINT RANGE IS FAST, CLEAN AND ECONOMICAL!

SURE AND IT'S SAFE BECAUSE IT'S FLAMELESS

ONLY \$99.95  
F. O. B. FACTORY CHICAGO  
Installation Extra

THE New Century Hotpoint's greatest accomplishment in producing a high quality range at a real low price.

## Hotpoint ELECTRIC RANGE With Measured Heat

- FEATURES WORTH TALKING ABOUT**
- Three new improved Hi-Speed Calrod Surface Units, each with 5 Measured Heats.
  - New 5-Heat Thrift Cooker with Flavor-Seal Lid.
  - New All-Purpose Flavor-Seal Oven.
  - New Calrod Baking Unit with new Heat Deflector.
  - New Radiant Broiler Unit—larger than ever.
  - All-Porcelain enamel inside and out.
  - New Indicating Switch Buttons.
  - Battleship construction. Frame is electrically welded.
  - FAST as fire without the flame.
  - CLEAN as electric light.

**LADIES: Please Accept This Handy Hotpoint MEAL PLANNER As A Gift!**

To induce you to cordain and see the grand new Hotpoint Electric Range we offer you, without charge or obligation, this remarkable Hotpoint Meal Planner. It contains 32 balanced menus. Select the main dish, twist the dial and the Meal Planner shows what other dishes may be served to provide a unified meal. Just fill in this coupon and bring it to our store today.

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# MAKE MORE COTTON PER ACRE



## IN 1941

### GETTING BETTER SEED

## F. H. ALLEN

Louisburg, N. C.

is offering Cokers 100 the best on the market by test, thoroughly suitable to Franklin County soil, thoroughly re-cleaned and fully treated with Ceresan. This variety is as nearly disease resistant as can be made.

I will loan you all the seed you need for your 1941 crop. These seed were saved in a separate gin especially for planting.

In the fall I will buy your seed at top market prices.

I am here to serve you with your Cotton Crop from the planting to the sale, so come on and lets get together.

## F. H. ALLEN

Kenmore Avenue Louisburg, N. C.

**GOOD REASONS WHY QUINTUPLETS use MUSTEROLE for CHEST COLDS**

Mother—Give YOUR Child This Same Expert Care!

At the first sign of a chest cold the Quintuplets' throats and chests are rubbed with Children's Mild Musterole—a product made to promptly relieve the DISTRESS of children's colds and resulting bronchial and croupy coughs. Relief usually comes quickly because Musterole is MORE than an ordinary "salve." It helps break up local congestion. As Musterole is used on the Quints you may be sure you are using just about the BEST product made. Also in Regular and Extra Strength for those preferring a stronger product.

**MUSTEROLE**