

STATE TREASURER CALLS UPON LOCAL GOVERNING BODIES TO PREPARE FOR READJUSTMENTS

"During the last decade the people of our country have learned to look to national and state governments for social aid. The need for such benefits will be much greater when the war is over than at any time in our history. When post-war adjustments disrupt the economy of our State, citizens most affected will seek assistance first from the State government, and it is not beyond the realm of possibility that the State will be expected by the Federal government to assume in full the burden of relief. This possibility makes it all the more imperative that our State and local units of government should conserve their revenues to the greatest extent possible during this period of prosperity. After the war is over, if not before, we may expect an economic and social problem of nation-wide scope and I believe it will be disastrous for us to fail to recognize this and when the time comes that government spending is necessary we should be prepared.

This responsibility will very definitely rest on State and local governments because they are closer to the people directly affected and we have no right to expect the generosity of the Federal government which it has extended to us in the past for economic readjustment. Financing the cost of this war alone will be all the burden that the Federal government can bear.

Failure to make adequate preparation for social, financial and economic readjustments which must certainly follow the termination of the war will invoke consequences comparable to those experienced in the early '30s; namely, public borrowing, high interest rates and increased taxes.

Any prudent individual or business man plans for the future during periods of prosperity by setting aside a portion of his income or profits to protect himself against the day when his earnings will decline, and it seems to me that the State and local governments in North Carolina cannot afford to be less prudent by neglecting these cardinal principles of sound management and business.

Governmental costs should of course always be kept in reasonable bounds but it is absolutely necessary for us to increase some of our appropriations, with a substantial increase for the public schools. After this is done a logical application of the remaining surplus is to reserve for contingencies arising during or after the war and then when we are confronted with a crisis we will be able to meet it. We will be in a position to reduce taxes during a period of distress when the people are less able to pay them, and at the same time provide the means for carrying on all normal functions. It must be borne in mind that the citizens of the State always suffer from the same economic malady as government, and increased taxes at such times are a real burden and often cannot be paid.

Lack of reserves in the late '20s and early '30s compelled the State to create a deficit of nearly \$15,000,000, even though the operating cost of the State government had been drastically reduced which made it necessary to borrow over \$12,000,000 from banks at an interest rate of 6 per cent. There should be no criticism of the officials who were in office at this time. It was the only thing to do because they were faced with either taking that action or closing the schools of the State, and seriously impairing other functions of the State government which would of course have been the worst calamity which could have ever happened to us. It was very fortunate for us that the banks had enough confidence in the officials who were

in office at the time, and we had kept the credit of the State in such condition that we were able to borrow the money and to carry on. They had not had an opportunity such as we have now to accumulate a reserve—if they had, we could have saved \$5,455,051.56 which is the amount paid in interest on the notes and what will have been paid at maturity on the bonds issued to take up the notes.

We have now an opportunity to accumulate a reserve in order that this may not happen in the future. I am therefore recommending that legislation be enacted allowing us to set aside a substantial part of the surplus in a reserve fund. If it were not for the fact that we will, in all probability, need this money in the next few years the proper thing to do would be to put it in the Sinking Fund and buy our own bonds and reduce our indebtedness by that amount. The bonds could not, of course, be bought at par but at the present market price if we could set aside \$20,000,000 we could save \$400,000 yearly in interest since we would own the bonds, and the interest as it became due would belong to the State of North Carolina; however, since there is a possibility that we may need this money in the next few years and since it would be impossible to buy enough short-term North Carolina Bonds to absorb this surplus I am suggesting that we buy as many bonds of this type as it is possible to secure, and that we invest the balance in short-term bonds or notes of the United States government, and this can be reinvested as they become due until the money is needed. It would not help the Federal government for us to buy long term-bonds and then sell them long before maturity. It is my understanding that the United States Treasury Department is not recommending that bond purchases be made which will have to be liquidated long before they are due.

Our laws governing the financial affairs of the local units of government provide that any surplus at the end of the fiscal year must be used for the reduction of taxes in the ensuing year. Under normal conditions and times this is a wise procedure to follow, but under conditions existing at this time and on account of the fact that most local units have a much greater surplus than they normally have, due largely to the fact that there have been greater collection of delinquent taxes than at any time in the past few years, and curtailment of capital expenditures through lack of availability of materials and equipment for which budget provision was made, I am also recommending that legislation should be enacted allowing them to set aside a part of that surplus in a reserve fund to be invested either in their own bonds coming due within the next few years, or in short-term United States government bonds or notes in order that they may be readily converted into cash when the money is needed."

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BLACKOUT TOO REAL

The blackout at High Point, N. C., was too realistic for George Maxwell. When firecrackers, simulating bombs, began to pop, he rushed out with his trusty shotgun and blew the top from his favorite shade tree. He thought it was a camouflaged airplane flying low.

THERE'LL BE NO 'JAPAN'

When the Tennessee Valley authority completes its giant Fontana dam in 1944, there won't be any Japan—that is, Japan, N. C. The unincorporated town will be 50 feet beneath the waters of Fontana reservoir.

County Growers Can Boost Cash Income By Group Marketing

Duplin County's 5,385 farm operators can increase their cash income as much as \$140,000 a year on fruits, nuts and vegetables alone by working with retailers in developing group marketing programs, it was estimated today by a leading distributor of North Carolina crops. "With approximately 40 farmers in this county and more than 5,600 farmers throughout North Carolina using farm marketing cooperatives to streamline wartime distribution, the general trend toward group action in marketing is one of the most important agricultural developments in the state," according to Earl R. French, marketing director of A and P's produce-buying affiliate, the Atlantic Commission Company.

"Our experience shows growers can boost their income 10 to 15 per cent by working together to provide adequate volume and standard grade and pack and by working with distributors to cut out unnecessary handling operations and costs. This 10 to 15 per cent would bring approximately \$92,000 to \$140,000 extra annually on fruits, nuts and vegetables alone to Duplin county growers, who in one recent year received \$922,549 from their sales of these products. Growers could similarly increase their cash income from other crops by group action," French explained.

As an indication of the effectiveness of cooperation between growers and distributors, French said economies worked out through group marketing programs were one important factor helping North Carolina growers to realize \$1,834,443 last year for fresh fruits and vegetables sold through the Atlantic Commission Company.

With wartime food supply conditions emphasizing the need for shortening commercial distances between growers and consumers, group marketing programs can not only aid the "Food for Freedom" program but also provide a vitally important key to post-war farm prosperity, French declared.

He pointed out that the groundwork for building these programs is already well prepared in North Carolina, which "group-markets" tobacco, cotton, dairy products, poultry, eggs and hogs.

New Rationing Board Member To Serve As Informational Contact

A new member is being appointed on Rationing Boards throughout the State to serve as informational contact with the public. The place for this member on the board of the Citizens Service Corps is obvious, and all members of the Community Service Committee which he heads should be closely associated with the Service Corps if maximum results are to be achieved in this essential field without overlapping and duplication of effort. It is stated that copies of this agreement between OCD and OPA on this subject have been submitted to County Chairman of Rationing Boards and County Directors of the Citizens Service Corps.

GIVE UP RIFLES

At a meeting of Clinton county (Ia.) American Legion posts at Wheatland last week all posts voted to give their rifles to Company I of Clinton for use in the war.

BONDS TO BOMB HOME

Gus Diakoumes of Spokane, Wash., read that Americans had bombed his native Pylos in Greece. He rushed down to buy \$1,200 worth of war bonds—so they can do it again. "All Greeks feel as I do," he said.

Beer Retailers Working Jointly To Get Results

North Carolina Retailers in Meetings Held in Wallace and Other Towns in Eastern North Carolina Pledge Cooperation to Law Enforcement.

THIRTY-THREE JOINT MEETINGS WERE HELD

Beer Retailers Met With Police and Foundation Officials During Month

Raleigh, Dec. 24.—North Carolina retailers set a high mark in November and December for cooperative participation in the Brewing Industry Foundation's self-regulation and Army camp program to eliminate undesirable conditions and practices in licensed retail beer outlets.

Thirty-three meetings were held. Total attendance exceeded 900. With all gatherings approximating 100 per cent attendance of neighboring outlets, retailers met with police and Foundation officials at Goldsboro, Greensboro, Hickory, Statesville, Mt. Olive, Wilson, Pikeville, Fremont, Henderson, Kinston, LaGrange, Selma, Smithfield, Wilmington, Wallace, Dunn, Lillington, Durham, New Bern, Ayden, Washington, Williamston, Elizabeth City, Edenton, Windsor, Hertford, Bethel, Tarboro, Enfield, Whitakers, Rocky Mount, and Greenville.

In Durham, Captain Ballard, provost marshal at Camp Butler, heard tavern men and dealers pledge cooperation to the North Carolina Committee of the Brewing Industry Foundation, to law enforcement agencies and military authorities.

At Wilson, retailers voluntarily agreed to stop sale of beer at 11 p. m. and during church hours on Sundays. Tarboro dealers agreed to close at midnight and to refrain from sales during church hours. Elizabeth City retailers fixed 11 p. m. as closing hour, and decided not to open on Sundays until 1 p. m.

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Workstock Bulletin Issued By College

Horses and mules are the largest, and one of the most important, classes of livestock in North Carolina. Their value is two times as great as that of all cattle and calves, and five times as great as the value of all hogs and sheep.

With this, and the rationing of power machinery on the farm in view, the State College Extension Service has issued a new workstock bulletin to suggest better care of horses and mules on the farms. The publication is War Series Extension Bulletin No. 12, "The Feeding and Management of Horses and Mules." A copy will be sent free upon request to the Agricultural Editor, State College, Raleigh.

The text for this eight-page pamphlet was prepared by Sam L. Williams who was Extension animal husbandry specialist at the college before he was recently called into the Army as a reserve officer. The publication is well illustrated and it contains suggested grain mixtures for adequate feeding of workstock.

"Raising of horses and mules," wrote Williams, "is a profitable business when they are used as a source of farm power and as a means of increasing the farm income from the sale of surplus animals produced. Four good animals can plow four acres, disc 15 acres, or harrow 30 acres a day in the spring season; do other kinds of farm work at a proportionate rate; and raise enough colts for replacements—if properly managed."

"In this way, the work animals reaching an age of 6 to 7 years can be sold each year and younger animals used to replace them. A good team of well broken horses or mules will demand a much higher price than matched pairs of yearlings or two-year-olds."

Edenton tavern men decided to close nightly at 10:30 p. m. Retailers of Wilmington voted to close at midnight Saturday and during church hours Sunday. Dunn dealers fixed 10 p. m. as closing hour Saturday night.

Colonel Edgar H. Bain, State Director of the North Carolina Committee, warned the nine hundred dealers that "any violation of a beer license will see you without a license."

Railroaders Warned Against "Loose Talk"

Norfolk, Va., Dec. 24.—Due to the constant and increasing danger of "loose talk" concerning military activities the Seaboard Railway is furthering its efforts in this campaign by distributing a leaflet on the subject to every employee of the system. "Travelers, also, should be on guard," C. E. Bell, passenger traffic manager, pointed out. "Wherever one travels he sees impressive evidence of the war effort. Discussion of any military activity, even though it is felt to be of common knowledge, may easily put a military

secret in Axis ears. "Axis agents are everywhere," the booklet says, and points where they are likely to be found. How a small slip of tongue may divulge a military secret and prove disastrous to many of our men is given against reports, rumors and stories, and Hitler's principle of "the masses by a long campaign of lies and exaggeration and misleading facts," and up with "you can't tell me you can tell him an agent by the little things you

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