

Bond Purchases vs. Higher Taxes

The 1949 spring United States saving bond drive, labeled the "Opportunity Drive" opens Monday. The national quota is one billion forty million dollars. North Carolina's quota is \$12,000,000 and Carteret county's quota is \$46,000.

Beardsley Ruml, a former university professor and dean, a retailer, a director of several companies, and one of the group that organized the Committee for Economic Development, states that investment in United States Savings bonds is the only way to prevent higher taxes and the best means to finance government operation.

His comment, as it appeared recently in Collier's is reprinted here in part:

"The time has come when (government) statements about deficit and surplus, income and expenditure should be made in terms of the consolidated cash budget. The consolidated cash budget differs from the conventional budget in that it includes all the transactions between the government and the people. It is a cash budget. It shows all the intake and all the outgo on a cash basis in the year in which the transaction takes place.

If we examine the federal budget as it has been presented—the consolidated cash budget—we note the extraordinary fact that, even after anticipating heavy expenses ahead, a surplus of \$1,475,000,000 is indicated for the fiscal year 1950. This surplus assumes the increase projected for Social Security benefits, as well as higher rates of Social Security taxes which should be imposed from now on.

If the tax rates should be increased, as has been recommended, to provide an additional \$4,000,000,000, the excess of receipts over expenditures would be some \$5,500,000,000. There is no need at the present time for a surplus of this magnitude. In view of the uncertainty as to the business outlook and the level of employment, such a surplus is positively dangerous. Fortunately, we have an alternative to an increase in taxation. It is effective as a deflationary measure. It is much more flexible and much more appropriate than a tax increase to the present situation.

That alternative is the sale of U. S. government savings bonds to the public. The sale of savings bonds picks up purchasing power that might have to be withdrawn by taxation. It has a great advantage over taxation in that it is selective. It does not impose on those who cannot afford it the nonrecurring costs of government.

During the war we knew that the sale of War Bonds to private individuals was an alternative to taxation. We do not seem to have carried this idea over to the problem of financing present necessities.

In days such as these, when we are uncertain as to whether we are facing inflation or deflation, we need in our fiscal planning the kind of flexibility that a well-organized savings bond program would provide.

To sum up, the budget as presented by the President already projects a surplus in the consolidated cash budget without imposing any increase in the rate of taxation (except for Social Security). If we need to protect ourselves against possible new and unforeseen inflationary pressures we can do so by stepping up the sale of savings bonds to the public; in case of deflation, the sale of savings bonds can be curtailed.

If we make realistic plans to sell \$4,000,000,000 of savings bonds net to the public, we shall have accomplished all that is necessary in the Administration's tax proposals. We shall then have the flexibility that is so essential at the present time when we do not know whether inflation or deflation lies ahead. . . ."

BEARDSLEY RUMML

Love Thy Neighbor

One of the basic tenets of Christianity is brotherhood of man. There are some, we all know who fail to live by any one of the ten commandments, yet they call themselves Christians.

The atheists, agnostics, and plain non church-goers usually make up the vanguard of verbal blasters, who, seeing these back-sliding Christians, therefore feel free to call all church-goers hypocrites. Neither do they confine their name-calling to laymen.

Accepting the pastoral doctrine that has come down through the ages that we are the flock and the pastor is the shepherd, it follows naturally that where he leads, the congregation shall go. In actuality, this never happens, as any pastor well knows.

The ministers of Carteret county, however, are taking a valiant lead in an issue which has repeatedly put this country in travail ever since the middle of the 19th century.

Their county ministerial association is a practical, everyday demonstration of the Christian doctrine of brotherhood. Members of their group are both white and Negro.

They don't profess to be Christians, hang out the "whites only" sign, and then wink at the commandment, "Love thy neighbor." We know for a fact that there are ministerial associations north of the Mason and Dixon line which "tactfully" do just that.

Certain members of their congregations probably frown on the ministers' practice. Yet if these laymen profess to be Christians, what recourse have they?

It takes courage, nevertheless, to do what our ministers are doing. May we point out to the atheists and others of their ilk that our Christian leaders if, perhaps, not their flocks, are doers of the Word and not hearers only?

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PUZZLE PICTURE



Raleigh Roundup
By Eula Nixon Greenwood
Illustration of a bird flying over a building.

GOOD EXAMPLE . . . Sim A. Jordan of Saxapahaw. DeLapp of Lexington, State chairman of the Republican party, probably set a good example for State Democratic Chairman Capus Waynick last week when he said he could not serve as a vice president of Better Schools and Roads, Inc., the agency set up to push the adoption of the \$225,000,000 bond issue for roads and schools.

IN REFUSING THE POSITION, DeLapp said it is probable that there is a divided opinion regarding the bond issues and that he, as head of the party, should not take sides. He did not say how he, personally, felt on the matter.

IN CONTRAST TO THIS, Democratic Chairman Waynick is subjecting himself to some criticism by being one of the front-line proponents of the bond issues.

ABOUT NICARAGUA . . . Capus Waynick is the new emissary to Nicaragua. This country is a little smaller than North Carolina in size, having 50,000 square miles to this State's 52,000, and is much smaller in population—1,500,000 against approximately 3,500,000 for the Old North State. Nicaragua in 1940 had 150,000 white folks in its population.

AFTER JUNE 4 . . . Waynick has said he will not go to his new position, which will pay him in the neighborhood of \$25,000 per year, until after June 4, the date of the roads-and-schools bond vote.

HIS POSITION AS PARTY CHAIRMAN is expected to go to L. P. McLendon of Greensboro or Everett

representative (a bigger position than it sounds like), is being boosted for Commander of the State American Legion.

THE CONVENTION WILL BE HELD in Raleigh on June 18-22, and the GI bushes are being shaken for support for Godwin, a 30-year Legionnaire and at present a Department Commander.

CONCENSUS AMONG RALEIGH veterans seems to be that Godwin, as both veterans employment man and State Commander, would be in a unique position to be of tremendous service to veterans and their families in what is now becoming known as the "leveling

NOT UNTIL FALL? . . . The committee named to find a successor to Dr. Frank Graham who resigned a few weeks ago from his position as president of the Greater University of North Carolina to become U. S. Senator, is not expected to have a name ready for the Board of Trustees when they meet on May 26. Chances are that the new president will not be chosen until late this summer. Acting Secretary of the Army Gordon Gray says he feels he is not qualified. Comptroller Billy Carmichael says likewise.

THE NAMES OF FORMER GOVERNOR J. C. B. Ehringhaus and L. P. McLendon have been tossed about in the speculation, but since neither is an educator the committee is said to be looking in other directions.

IT IS JUST POSSIBLE THAT Chapel Hill Chancellor R. B. House, despite his modest disinterest so far, will be drafted for the job.

COMMANDER GODWIN? . . . R. C. Godwin of New Bern and Raleigh, who since 1939 has been State Veterans Employment Rep-

WALKING . . . Patrol Corporal Harold Minges rolled the Governor's big packard up to the north door of the Capitol one afternoon last week and stood for a half-hour lounging about awaiting passenger. Being chauffeur to a Governor requires patience, and Minges has it. Finally, one of Scott's friends came by and said: "You waiting for the Governor? He left here about 40 minutes ago. Said he needed some fresh air and exercise. I saw him hot-footing it down Blount Street like a worn out team trotting to the barn after a hard day in the field." With that, Minges smiled, gave an understanding grunt and eased the Packard back around to the Mansion.

GOOD AND BAD . . . Those 25 counties which have within the past 18 months voted special school bond issues will be in excellent shape if the \$25,000,000 State bond issue is passed. However, this amount and the \$25,000,000 allocated by the Legislature is only a drop in the bucket when compared with the \$250,000,000 which is needed right now for schoolhouse construction in North Carolina.

THE 75 COUNTIES WHICH HAVE NOT voted local school bonds are going to find it flatly impossible to get along on the money they get from the State; and the people, having voted on the State's \$25,000,000, will feel they have done enough and will likely defeat any local school bond vote put to them within the next two years.

MONEY HAS BEEN SET UP TO reduce the teacher load, but you must have rooms for teachers to work in. Therefore, the teacher load will change very little and the next Legislature will be requested to prepare the way for another bond issue for schoolhouses.

HIT THE TRAIL . . . John Marshall, publicity man for Better Roads and Schools, Inc., and Scott Secretary Charlie Parker are now busily preparing speeches and a tour for the Governor during the next few weeks.

ONE OF GOVERNOR SCOTT'S main speeches for the bond issue will be made at the 47th annual convention of the N. C. Merchants Association at Charlotte on May 23.

Thoughts for an open mind. . .

You pride yourself on how much you know. How much are you doing to pass it on to others? In making your living, try and make yourself agreeable to others, and help to make the world go round more harmoniously. Don't let ambition kill your scruples. It doesn't help a great deal to know more than others if you don't put your knowledge to work. The life of this world is a play and a sport; but if you believe and fear God, he will give you your hire, and every soul shall come—with a driver and a witness.

Whatever that be which thinks, which understands, which acts, it is something celestial and divine, and upon that account must necessarily be eternal.

Realizing it would be extremely difficult to keep Governor Scott off his favorite topic, the merchants have reserved sufficient time on the program for him to talk on anything he wishes.

He remarked with studied casualness last week that his subject would be "The Importance of Transportation and Education to the Merchant." He said if there had been a network of good roads and telephone lines 50 years ago, the merchants would not be plagued with so much mail order competition today.

WILL PASS . . . Consensus about the State is that the bond issues will pass. Road contractors have been a little cool on the matter, having heard that the highway forces would do most of the work, leaving them out in the cold.

Reports are that they have now been assured that they will be given all the work they can handle. Much of the money to publicize the vote and carry it will come from these contractors. Since there is no organized opposition, the bond issues will probably be adopted and all school busses will run on time, for the first time, by 1952.

CONVENTION HALL WHERE THE finals of the Miss America Pageant will be held is the most famous and one of the largest halls of its kind in the world. It seats 39,000 and has a 160-foot runway.

RABIES VACCINATION
—and
DOG TAGS
Morehead City Town Hall
May 18th & 25th
9 A.M. to 4 P.M.
Dr. C. E. Paden,
Veterinarian

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