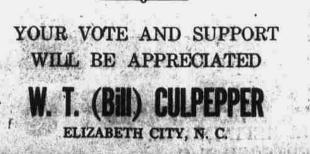


CANDIDATE FOR STATE SENATE

FIRST SENATORIAL DISTRICT SUBJECT TO THE DEMOCRATIC PRIMARY

MAY 27, 1944



taxes more willingly if we keep faith with them now," he said. McDonald declared that payment of this State debt as he has advocated and repeal of the Sales Tax by the Legislature of 1945 would still leave a current surplus of more than \$7,000,000 a year in the General Fund to use for increasing needed appropriations. "There can no longer be any reasonable argument against fulfilling the pledge on the Sales Tax," said McDonald. "If the Legislature back in 1941 had repealed the Sales Tax outright three years ago, we would still have a surplus piled up in the general fund. With the debt paid as I have proposed, there will be \$5,000,000 a year more saved in the General Fund.

"We can obviously do without the Sales tax and increase appropriations at the same time," MacDonald declared. "With \$7,000,000 of extra money in the General Fund each year, we could make the war bonus for employes a permanent increase and add another increase of 15 per cent above that and still have money left over in

North Carolina be greatly reduced, and that the State tax on real property be abolished altogether," said McDonald. "Since that time I have fought consistently to get rid of the State tax on real property and to keep it off." McDonald declared that his opposition to the State tax on real estate is based on the same principles as his opposition to a general sales tax. "After the State debt is paid, as I have been proposing for the past year, we shall have \$35,000,000 a year more revenue than the total expenses of the State government at present. I am emphatically proposing that we use part of this excess of \$35,000,000 for better schools and other improvements, and THAT WE GIVE THE OTHER PART OF THE EXTRA REVENUE BACK TO THE PEOPLE IN TAX REDUCTION BY GETTING RID OF THE EMERGENCY SALES TAX AND GRANTING CER-TAIN MODEST REDUCTIONS IN THE PERSONAL INCOME TAX. Under no circumstances would I ever permit a tax on real estate by the State."

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