TUESDAY, APRIL 6, 1954

The President Restates Some Truths

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We don't have to fear." said Mr. Eisenhower, in tones that recalled the late President Roosevelt's "We have nothing to fear but fear likely have nothing to fear but fear the wint the president was not also should be the latter of the fear of the Kremlin have some worries, too. One of them is the knowledge that aggression will bring immediate and deviate how the fear of the Kremlin have some worries, too. One of them is the knowledge that aggression will bring immediate and deviate how the fear of the fear than Mr. Eisenhower gave them last night.

Nor did TV Producer Robert Montgone home the fear than Mr. Eisenhower gave them last night.

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Sales Tax Revision Badly Needed

Will the state government revenue trend leveling off, after climbing steadily since 1940, Gov. Umstead and members of the General Assembly will be faced with a tough financial problem next January. To solve it, one of two atternatives will be necessary: (1) a reduction in specing, which, under tight N. C. budgeting, means a reduction in services; or (2) the tapping of new sources of revenue. Port of Revenue Gommissioner Eugene Shaw that trouble is ahead, Gov. Umstead is already thinking about ways to increase state revenue. As a starter, he would profit from a detailed analysis of the state sales tax made by Commissioner Shaw during the major shortcoming of the sales tax law—the large number (32) of exemptions by classes of purchasers and types of merchandise. Describing any exemption in a taxing statute as the "opening wedge which destroys the efficacy of government," Shaw wrote:

"It is like a small hole in a dam and begins first with a drip, then a trickle.

"It is like a small hole in a dam and begins first with a drip, then a trickle, then a stream, then a flow, then a gush, and finally a break which destroys the dam.

dam.

Since 1935, the General Assembly has repeatedly yielded to plees for sales tax exemptions. The result is that a great deal of revenue is pouring through the breaches in Mr. Shaw's revenue dam. Another and more current study would be necessary to determine just how much revenue is being lost because of the exemptions in the sales tax. But a good idea can be obtained from Shaw's analysis of the returns in the fiscal year ending in 1950.

He recommended first that all exempends

ending in 1950.

He recommended first that all exemptions should be eliminated except these three broad categories:

agencies; sales to educational, hospital and charitable institutions;

2. Sales of productive equipment actually used by farmers in producing agricultural products and by industry in actual manner, and produce and goods;

3. Raw materials becoming an ingredient or component part of agricultural or industrial production.

On the basis of 1950 sales tax collections of 42 million dollars. Shaw estimated that limiting exemptions to the three categories mentioned would have produced an additional 22 million dollars. In other words, the state lost roughly one-third of the revenue it should have received in 1950 because of the exemptions.

should never received in 1990 occasise or the exemptions.

Shaw said further that the single article limitation of sales tax (\$15 on each automobile, for example) should be eliminated. That would have netted the state another 10 million dollars in fiscal 1950.

1950.

And he suggested the taxing of services (amusement, lodging, repairs to property, etc.) as well as goods. That would have produced an additional 10 million dollars in fiscal 1950.

Had his three proposals been the law in 1950 North Carolina would have collected 84 million dollars from sales tax—double the amount actually collected. Presumably, sales tax revenue could be doubled today by the adoption of the Shaw proposals.

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A good case can be made out for each of the 32 exemptions permitted in 1950 Equally eloquent arguments could be made in behalf of other goods presently taxed. But in the final analysis, the sales tax should be enforced without discrimination. It should apply to everyon alike.

alike.

If the 1955 General Assembly is forced
to look for new revenue, we would commend to it Commissioner Shaw's threepoint program for a "sweeping revision
of the sales tax law (to restore) equality
of enforcement."

Bell Versus Georgia Belles

TRANSISTORS are little gadgets which we don't understand and Webstran's thash't yet defined. They can replace vacuum tubes, we're told, and are used in things like hearing aids, radar sets, radios and IV sets. Now Bell Telephone wivolate on rural lines, and it is exer-involate or rural lines, and rural lines and rural lines are rural lines. we don't understand and Wesstrais hasn't yet defined. They can replace vacuum tubes, we're told and are used in things like hearing aids, radar sets, radios and TV sets. Now Bell Telephone Laboratories is trying them out in rural telephone systems in Georgia. What the telephone people do is hang some transistors, capacitors and and resistors —whatever they are—from telephone poles. Then they feed the telephone with the site of the solution of the site of the solution of the site of the solution of the site of the sit



"It's a sure sign of spring . . . he doesn't get excited about the political news anymore."

People's Platform

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Fact is, I didn't see any police in uniform, hosever I am sore in the fourth grade teacher at Paw Creek, Anne Leete, was not breathless, and she didn't sweep past any police.
Fact is, I didn't see any police in uniform, hosever I am sore in uniform, hosever I am sore a manufacture of the proposed as a fixed to the

Trucking Official Objects To Editorial

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Over axle limit	413
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Free World Owes Debt To Dashing Col. De Castries

By JOSEPH ALSOP

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WASHINGTON
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Marshal Juin Is The Hero Of French Right-Wingers

By MARQUIS CHILDS

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Merry-Go-Round

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