

Self-Protection States Should Seize All Allowable Tax Credits

We trust that Governor Broughton, with his usual alertness to what goes on that affects North Carolina, has not overlooked the refusal of both Senate and House committees to revoke the exclusive income tax exemption which is now enjoyed by the residents of the eight "community property" states.

Under this community property law which affects Federal taxes, a husband who earns \$8,000 a year, say, and his wife \$4,000, may pay down the \$3,000 on his own income tax, return the other \$3,000 in the name of his wife, with the result that both pay in the early surtax brackets.

In North Carolina, however, which affords no such protection to its Federal taxpayers, the poor fellow would have to put down the \$3,000 on his own return and go ahead and pay the 20-odd percent tax that would be due on it.

It is clearly inequitable for residents of some states, by means of their own internal laws, to pay a lower tax than the residents of other states which have no such laws. The only defense against Congress's failure so far to correct the inequity is for the other 40 states, North Carolina in particular, to hurry up and grant equivalent exemptions to their own people.

Rebellious Democrat Casts His Lot With the GOP

Sam Pettengill has availed himself in the sum of the old political maxim, "If the wind blows hard enough, what the man has done is to decide to let it blow. Sam has done it to decide to let it blow. He couldn't let 'em he'd leave 'em."

An Indiana Democrat, which means that he was educated in one of the country's most practical political schools, Samuel B. Pettengill was sent to Congress last year by the Democrats in a district which was predominantly industrial in character. In 1939, not liking what went on, he got out and proceeded to conduct a campaign of great intensity against the present overlordship of the Democratic Party. He made speeches, wrote articles for national magazines, and wrote books, in one of which "Smoke Screen," issued in 1940—he said this to say:

"Who... can justly be called an alarm-bell if he thinks that by 1939 or before, as the times pressed on, he checked, there will be little or nothing remaining of the freedom our fathers left us?"

He said he believed the immediate threat to Communism, the outstanding confiscation of property and the over-crowded detention of liberty are the danger today. It is something else. It is a creeping collectivism, the New Deal, as it has been unveiled to us, by the Roosevelt administration, has set its feet upon that path.

As a rebellious Democrat, man with a party, Mr. Pettengill found that he attracted a great deal of attention which lacked any practical means of affecting the political destiny of the country. And so yesterday the Hon. Sam said what he probably disliked exceedingly to do but found he had to do. He went over to the Republicans, kit and caboodle, and was made chairman of the Republican National Finance Committee.

Tanks Somebody Has, at Last, A Brilliant Idea

Verily, necessity still is the mother of invention. It was months ago that the suggestion was first made in high Washington places (it had been made before in The News) to use the inland waterway as a barge canal to save the termination of sea-going tankers and, after the tankers were taken off the coast, run the barge canal along the coast. There was a good deal of talk about it and a good deal of indecision.

Tank barges could be built, all right, they would require precious steel, but the steel would be available. The steel industry wasn't sure they would be able to do it. At any rate, the matter moved along without making any progress until recently Jesse Jones' Defense Plant Administration made a commitment to finance the manufacture of wooden barges into a conversion of steel barges into wooden ones.

Then, after so many months, was getting somewhere. And, as so frequently happens, help came to those who had tried to help themselves. A group of oil companies offered to make available bulk gasoline storage tanks which could be built into wooden barges, six 20,000-gallon tanks to a barge.

That, now, is using the old bean. The wonder is that somebody did not think of it before.

Fractionous Press

A Little Discipline May Be a Good Thing

Something of a sequel to the Navy's vexation with the McCormick-Patterson papers for printing too much too soon about the Battle of Midway has popped up in England. It has been the Admiralty's policy to withhold announcements of warships sunk until the next of kin of the residents of other states which have no such laws.

The virtue of such a policy is manifest. It saves needless concern on the part of those whose relatives are safe and well, breaks the sad news less blatantly to others. However, when the aircraft carrier Eagle was sunk recently, and before the Admiralty had issued the usual notices to the next of kin, the German announcement of the sinking came through. The Admiralty, admitting the truth of the claim, asked English newspapers to withhold the story for a day or so, which all of them did except one.

When that one saw fit to print the news, it was not the Admiralty's fault. It felt obliged to go ahead and print the news, the sinking prior to notifying next of kin. No punitive action was threatened to the American incident wherein the Chicago Tribune, the New York Daily News and the Washington Times-Herald were indicted for disclosing confidential information. In neither case, we think it may be said, was anything done by the offending newspapers which could have given any aid or comfort to the enemy.

But there are reasons why newspapers should lean over backwards in deciding what and what not to print. In war time, a request from responsible military authority should carry as the weight of a command. If the press fails to give ready compliance, it is a simple matter for the request to be issued in the imperative form. What's more, no Government can afford to tolerate laxity by the press in minor matters, such as the two incidents here, for if the press is not called strictly to account, there is a chance that some day truly vital intelligence will be buried away.

It's hard, in a trade that has always carried a chip on its shoulder which it dared constituted authority to knock off, suddenly to knuckle down and let the press get its light on good stories. There will be many earnest orders issued not to print what clearly does no harm, but that's a risk the press should take in good spirit. The greater risk lies in giving away information which would harm the common cause.

By The Heels

House Tackles a Slander, Brings It Down

It would take a thoroughly cynical opinion of Congress to suspect it of having deliberately put off until two days before election the passage of accumulated allowances to dependents of men in the service. The reason Congress advanced in first setting this day—that the War Department could not complete its bookkeeping until Nov. 1—was preferred not to distribute the checks until all were paid—was a pretty flimsy one, but it has been reiterated.

It was over the War Department's express objection that the House passed, and sent to the Senate, a bill directing that the checks be distributed as soon as possible. Not a great many days ago the Eastern Representative, since Congress was taking an unofficial recess, but all 30 of them voted for the bill.

And one of those, Eberhart, a Democrat from Pennsylvania, gave out with assertions that acquit him at least of any desire to make political capital of benefits granted dependents if those checks weren't in the mails three or four weeks before the election, said the Representative, then, by George, sir, he'd see to it that a bill was offered to withhold them until Nov. 4, the day after election.

Trouble In DC Kaiser Gets The Brush-Off

By Raymond Clapper

A PHONY wave of public confidence has been perpetrated out of official mouths in the last few days. It is the work of Washington officials gave a misleading impression that the Government was behind Henry J. Kaiser in his spectacular plan for building giant cargo planes. The Government is behind Mr. Kaiser—so far behind that they have run out on him.

He has been given a sly brush-off. All he has to show is two or three letters from Donald Nelson, chairman of the War Production Administration. But are those the same rubber stamp. I have examined the letters and they show nothing. The rubber stamp is genuine. The faint outlines of the shoulder of the stamp show in the ink blur around the alleged signature.

More Trouble Search For A Goat

By Paul Mallon

WASHINGTON.—Last Sunday a troupe of Government officials on the radio, in an arranged program, to tell the country Mr. Roosevelt's war production program was not meeting the need.

Up to that time, the official news except for a few warbling hints was that everything was fine, in fact running ahead of schedule. And the comment since then, it is apparent that everyone agrees that the single cause of the trouble is the shortage of raw materials (copper, steel, chromium, tungsten) causing war industries to shut or slow down.

Now, again, accusing fingers are beginning to be pointed round at Government officials and industries supposed to be responsible. It appears we are in for another of those periods of trying to place blame for our disappointments. The usual course followed in such periods is for everyone involved to blame everyone else. A more or less defensive attitude without any real basis has been fired off or passed on quietly up to a better job than War Production Board, or whatever its initials happen to be at the moment, is generally reorganized.

This time the goat-searchers seem to be after Donald Nelson, a search not requiring much effort or ingenuity, as Nelson is the top man. Latest WPB talk suggests he has slid out to some place in New York to revive his whole WPB set-up for another try. It seems to be at least one jump ahead of the critics. A head-start he gained because he knew of the deficiency.

It must be evident to everyone that what we need this time is not a goat, or a debate, but the raw materials. Indulgence in the usual effort to find fault with an organization will only delay those materials.

his phenomenal record of production was just the man to help out. Mr. Nelson promised that "This Army and Navy are cool. Mr. Nelson finally backed away from Mr. Kaiser and emerged Monday with his grudging rubber-stamp letters, which merely told Mr. Kaiser to come back when he had anything to report. He could do that without a letter and a signature."

"Well, the rubber-stamp letters haven't got Mr. Kaiser very far around here. One official told him he could expect to see the man in the chair with him down below the fellow who gets a B card for gasoline. You can't turn around in any kind of industrial work now without a B card."

When Mr. Kaiser began checking into engine production and other airplane matters to see what he could do on his own, he was placed back by officials who told him they couldn't tell him any military secrets—Kaiser already doing millions of dollars' worth of secret Army and Navy work.

All of us need to be sparing in criticism. Obviously I know nothing of the merits of Mr. Kaiser's plan to build a fleet of super cargo planes. But we desperately need cargo planes. The Government is full of experts. They must know whether the plan is worth serious effort. If it is, then for God's sake why not let Kaiser try it? He has the money. He has the honest effort instead of brushing him off with a rubber-stamped letter? If the plan isn't worth any effort, then let Mr. Kaiser back to building ships, or doing what he does with such speed. Don't waste the time of such a valuable man. Why kid a man who has his production records? Why kid the public into thinking Washington is behind him while nobody here has any intention of lifting a small toe to help him?

This is a piece of monumental fakery and present-day Washington. It is a piece of fakery and present-day Washington. It is a piece of fakery and present-day Washington. It is a piece of fakery and present-day Washington. It is a piece of fakery and present-day Washington.

On top of all this, you had the Army and Navy trying to stock up in the particular lines in which they were interested; civilian industries trying competitively to build up secret inventories, so they could keep in business as long as possible; a divergence of opinion within WPB as to what projects were worthy, and between WPB and taxes, the Army and Navy, delays caused by internal WPB politics, such as the confusion and delay on synthetic rubber production—and inadequate stock piles of all raw materials in the first place.

Looking back on it, you may wonder why no one realized this item was inevitable. Well, nearly everyone appreciated at least some phases of the situation. Many warnings were published. For months now WPB men have been hitting all round the trouble almost continuously, but no one had what it took—responsibility, perception, initiative—to cut through and avoid it. That must be done now. The only disastrous blunder would be to allow time now to be taken for argument as to whether or not to do it. The whole business is short-sighted or who were, or for the wholesale firings of the responsible parties.

You can see from the above listed causes that practically every factor connected with the matter is in blame in one way or another. Thus raw materials must be obtained in some way. White House has to sacrifice that tall, elegant iron fence surrounding it.



"Tell mother your grandma is very busy working as a captain in the bond campaign—run along now, and come back and we'll play Sunday!"

At City Hall

Time Now To Plan

By Dick Young

CHARLOTTE is going to be pretty shabby and run-down-at-the-heels just now and for some time to come, no doubt, the City Government can't carry out any construction projects or undertake any improvement program because of the lack of materials. It can hardly hurdle enough priorities to keep a reasonable maintenance program going. So because of the first claim of the war on many kinds of material, this fair city is going to need major repairs when the glorious days of peace come again.

To meet this situation and to be prepared for a reserve fund ought to be set up so that sufficient funds are available for any construction projects or improvements and to put our house back in order. A reserve fund built up when expenditures can't be made will have to be used when the need arises.

There is legal opinion for a Council policy of providing a reserve fund in current budgets, but the Charlotte City Government, if previous years' records are to be sustained, will have a chance to develop a surplus amounting to slightly more than \$100,000, and in the previous years the surplus totaled \$141,000. If such a policy had been started two years ago there would be a current reserve fund of \$339,000, which would go a long way toward getting things in shape again after the war.

It is a simple matter for the request to be issued in the imperative form. What's more, no Government can afford to tolerate laxity by the press in minor matters, such as the two incidents here, for if the press is not called strictly to account, there is a chance that some day truly vital intelligence will be buried away.

It Costs. But...

From Coronet

A FRIEND of mine finds that his shoring costs him considerably more than the upkeep of his automobile. He has observed that lines in gravel accustomed to such raucous noises but he had to separate rows. This meant when traveling, they must have had counted on.

At Work And At Play From The New Yorker

AN ex-broker, now happily married to a Government department official, has discovered that the word "trillion" has at last turned up in routine finance. He has been watching it for years," he said. It finally appeared in a Dow Jones news release: "War Appropriations: War Quarter Trillion Dollar Mark."

Four trillion, in cash you have four trillion and twelve cents like this: 1,000,000,000,000. To be quite exact, it is a thousand billion. We asked our friend whether he felt that there was any special significance in the emergence of this word, and he said yes, it was clearly a turning point in Federal arithmetic. Like the moment on the roller coaster when you stop holding yourself in and say "Whoeeeee!"

Everybody Wins A TRAVELER back from the mountains of California told us about a party he went to in the movie colony. Contrary to what he had heard about the sobriety of the performers, there was a good deal of whiskey and dancing. He suggested a game of Whist and, or going to Jerusalem. On the start of these shenanigans are then tried into another room, where he sat down with a book. After about an hour, he was hearing the music starting and stopping and wondering how the scene could go on so long without somebody winning. The reader got to have a look. To his amazement, all the original players were still marching tenaciously around the chairs and sitting down with little squeals of excitement whenever the lady asked.

