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MORE BOND QUESTIONS AND ANSWERS

ON SATURDAY of this week, Oct. 3, the people of North Carolina will have an opportunity to go to the polls and approve the borrowing by the state government of $72 million—$30 million for new school buildings, and $22 for renovating, enlarging and equipping our inadequate mental institutions.

In several previous editorials, THE NEWS has sought to explain various phases of the two bond issues. Today we address ourselves to a set of questions asked by the public affairs committee of the Charlotte Business & Professional Women's Club.

The questions have general public interest. Here they are, with the answers:

Q. What is the time limit in which the bonds must be issued under the contemplated authorization?

A. There is no time limit at all. Nothing in the law requires any part of the bonds to be sold, nothing limits the time in which they may be sold.

Q. Is there a ceiling on the state's bonded indebtedness? And where would the added $72 million bring us in respect to the statutory limit?

A. There is no statutory limit on the state's bonded indebtedness, provided the people approve new bond issues at the polls. There is a limit, however, on the amount of new debt the General Assembly can create by its own vote and without a vote of the people. That figure is limited to two-thirds of the amount of indebtedness retired in the preceding biennium.

Q. What interest rates are paid on bonds presently outstanding?

A. There is no uniform rate. Bonds presently outstanding are in four different classifications, but the average rate of interest is 2.3 per cent.

Q. How much can the state's bonded indebtedness be increased before higher interest rates must be offered?

A. It is impossible to answer this question. There are two nationally-recognized bond rating services that determine for investors how good or how bad are the bonds offered by state and local governmental units. When the $200 million highway bonds were put on sale beginning in 1949, they bore AA rating. The $50 million in school bonds authorized at the same time bore an A rating. The highest rating is AAA. Currently, all North Carolina bonds bear a AA rating. Whether or not this rating drops, bringing higher interest rates, depends on several variables, including the general condition of the investment market and the ratio of State spending to State revenue.

Q. Do plans for school construction make provision for the possibility that the present practices with respect to segregation may be subject to change?

A. The question of segregation, and the related questions arising from possible Supreme Court rulings on cases now before it, do not enter in the present picture at all. North Carolina needs thousands of additional classrooms, will need them no matter what the Supreme Court does.

Q. What provisions for the care of the mentally ill and mentally handicapped are contemplated in arriving at the figure of $22 million?

A. The 1953 General Assembly spelled out very precisely, in far too great detail to repeat here, just how the $22 million for mental institutions would be spent. A broad outline, however, is as follows:

$4,398,450 for the State Hospital at Raleigh.

$2,925,000 for the State Hospital at Morganton.

$5,050,000 for the State Hospital at Goldsboro, including $4.5 million for a new institution for feebleminded Negro children.

$1,514,000 for the Caswell Training School at Kinston.

$9,082,000 for the State Hospital at Camp Butner, including $4.5 million for a new institution for feebleminded white children.

The legislative act authorizing the bond election spells out to the last dollar how each institution shall spend its share of the bond issue.

Q. What provisions are being made for the adequate staffing of the proposed new schools and institutions, and for providing adequate remuneration for competent personnel?

A. The bond issues are for capital investment only, i. e., the provision of plant facilities. The staffing of the schools and institutions and the provision of adequate salaries for competent personnel are operating expenses, and the sums for this purpose are made available by the General Assembly in biennial session. Citizens who believe school teachers and mental institution staff members deserve higher pay should so inform their representatives in the General Assembly.

The election is on Saturday, Oct. 3. Let no North Carolinian who is interested in his state's welfare fail to go to the polls and cast an affirmative vote for both the bond issues.

LEGALITY OF MERCHANTS PATROL IN DOUBT

A RULING by the N. C. attorney general's office last week casts doubt upon the legality of the Charlotte Merchants Patrol, operated by W. R. Stroupe.

A High Point man, Lee Boswell, wrote the attorney general to find out if his plan for establishing a merchants patrol would be legal. He asked:

"If a man planning to operate and organize a nightwatchman business . . . having officers with a distinct uniform different from police officers, highway patrol officers and the military but . . . wearing visible side arms and a badge representative of the organization under which they operate, would such a man be impersonating an officer?"

(That is substantially the system that Mr. Stroupe has operated in Charlotte for many years.)

Assistant Attorney General Wade T. Bruton told Boswell that the only special officers authorized by North Carolina law are those employed by railroads, electric or water power companies, construction or manufacturing companies, motor carriers and express agencies. And these, he added, must be appointed by the governor, and may act only for the businesses by which they are employed.

For a long time, Mr. Stroupe personally held a governor's commission to act as nightwatchman for local companies. But the commission did not cover the men who are employed by him, and who make regular checks of a large number of establishments at night.

In view of the ruling by the attorney general's office, it would seem essential for the Charlotte city manager and the Mecklenburg county chairman, together with the official attorneys and chiefs of police, to clarify the legality of Mr. Stroupe's enterprise without delay.

If it is illegal, it should be discontinued.

If the service is needed, an effort should be made in the next General Assembly to legalize it.

THIS TAX RELIEF IDEA GETS OUR VOTE

WE NOTE, with crossed fingers, that one of the tax relief proposals now being considered by the joint committee on Internal revenue is a liberalization of deductions for medical and dental expenses.

On many occasions in the past, we pointed out the incongruity of the Truman administration's demand for compulsory national health insurance while restrictions were applied against deductions for medical bills. Millions of Americans could pay their medical expenses more easily if they were permitted full deductions, and hence would not need such full insurance coverage.

Details of the new proposal haven't been revealed, but the thing ought to be perfectly plain. Every taxpayer should be able to deduct provable medical, dental, and pharmacy expenses to the last penny, just as he does state taxes and interest and the other deductible items.

The Eisenhower Administration will store up treasures with a lot of American voters if it gets behind this revision of the internal revenue laws.

From The Columbia State

NORTH CAROLINA IRKED

THIS THING of South Carolina's per capita income being higher than North Carolina's seems to have gotten the goat of some Tar Heels.

Emphasis is placed by North Carolinians on the pay rolls of the H-bomb plant, etc., in this state but why our per capita is higher is not the point. The fact is that it is.

For years North Carolina has felt herself superior to South Carolina, financially. And for the very good reason that North Carolina has been ahead of us in money matters. But that day has passed. South Carolina no longer is sitting back, taking what is left.

We like to cite this state's achievements, not in a boasting manner, but to show our people that efforts on the part of many people to make this state a better state in which to live have not been in vain. We are not interested so much in whether we are ahead of this or that state, as we are in knowing that the people of this state are faring well. That our per capita is higher than North Carolina's is only an interesting side light. It is a gauge of improvement.

South Carolina's devastating twins—illiteracy and low per capita income—are being licked. Let no one get the idea, however, that the job is done. We are far from our goal but there is hardly a day that doesn't bring fresh evidence of this state's forward march.

New Zealand's prime minister wants the Western powers to accept the new Russian attitude at face value, "shake hands and let by-gones be by-gones." Trouble is that the by-gones have us in a shaky frame of mind about the new developments.—*Arkansas Gazette.*

Farm Prices Worry GOP

Democrats Counting Chickens

By STEWART ALSOP

WASHINGTON

DEMOCRATIC strategists unanimously concede the continuing — and even perhaps increasing — personal popularity of President Dwight D. Eisenhower. But they are nevertheless remarkably hopeful already about the 1954 elections. When they discuss these elections, they like to linger lovingly on the six seconds of tepid applause accorded Secretary of Agriculture Ezra Benson, when he made a major speech at a recent farm rally in Wisconsin.

The Democratic Congressional Campaign Committee sent out a scout to feel the farm pulse at this meeting — the national plowing contest at Augusta, Wisc. The scout timed the applause for Benson with a stop watch, and jubilantly reported that even during the short six seconds, hardly one farmer in ten bothered to clap. This frigid reception for Benson suggests the major reason why the Democrats believe that they can capture at least one House next year.

Month after month, farm income has been steadily falling. The Democrats claim that the result has been a sort of creeping disillusionment among farmers, not with the President himself, but with the Administration he heads and the party he leads. They point to recent farm polls in Minnesota and elsewhere to support the claim. And they claim further that even a rather minor shift in the farm vote next year will give them control of the House, and perhaps of the Senate.

It is certainly true that there is only one way for the Democratic party to go in the farm areas, and that way is up. It is now generally realized how frightful was the licking the Democrats took in the farm districts last year, while they were fiddling their own rpsemary and oil elsewhere.

Exclusive of Missouri, there is now just one lonely Democratic member of the House of Representatives from a heavily agricultural district, north of the Mason and Dixon Line. This is Rep. Fred Marshall of Minnesota, who beat crusty old Harold Knutson in 1948, and has held on since.

The Democrats need to gain only five seats to organize the House, and one to organize the Senate (assuming Gov. Frank Lausche of Ohio finally makes up his mind to appoint a Democrat to the seat of the late Sen. Taft). President Eisenhower may still be popular a year from now, the Democrats point out, but he won't be heading any Republican's ticket. In view of the Eisenhower landslide, the Democrats claim that their representation outside the farm areas is their rock bottom strength.

Let farm prices and farm income drop a little more, and the farmers' disillusionment creep a little further, the Democrats reason, and the farmers will hand the Republicans the sort of unpleasant surprise they received in 1948, when the farm vote was generally credited with making possible Truman's victory. For their part the Republicans, while making light of Democratic claim of a brewing farm revolt, are admittedly worried.

The Republican farm program must be unveiled to the next session of Congress. Rep. Clifford Hope is presently touring the country on his own pulse-feeling expedition, and the Administration is counting heavily on him to come up with some sort of politically acceptable answer to the ancient farm problem. Meanwhile Secretary Benson and his aides are also wrestling unhappily with a new farm program.

Benson has made no secret of the fact that he opposes "rigid" farm supports, like the present mandatory 90 per cent of parity. The farmers equally have made no secret of the fact that they bitterly oppose the Benson theory that farm supports should be flexible, and a form of disaster insurance.

TWO-PRICE SYSTEM?

Ideas for a two-price system, in which the farmers would receive one price and the consumers pay another, lower price, with the difference made up by the Treasury have been floating around the Agriculture Department. These ideas smack of the New and Fair Deals, and even of the long-buried Brannon Plan. But if they are not to risk political disaster, the Republicans must find some device, however ideologically distasteful, for putting a solid floor under farm prices.

The Republican dilemma, in short, seems a painful one. The Democrats may, of course, be counting all sorts of unhatched chickens. The Oct. 13 special elections in the late Merwin Hull's heavily agricultural district in Wisconsin should provide a good test case.

If Arthur Peterson, the undistinguished Democratic candidate, should by any chance win in this normally Republican district, the Democrats will begin counting chickens in earnest. Then the scramble for the 1956 Presidential nomination, even now premature-ly but politely in progress, will start to shift into high gear.

Quote, Unquote

Pome in Which A small Paean Of Praise Is Chirped Versus The Outdoor Life:

I am a happy indoor man.
Sans chigger bite or coat of tan.—**Atlanta Journal.**

Did you ever see a small town that wasn't kind of proud of its big traffic jam?—**Asheville (N. C.) Citizen.**

We see our taxes are to be "clarified." We'd a lot rather have them reduced.—**Elizabethtown (Ky.) News.**

Harry S. Truman's autobiography that is to be published in Life will be interesting even if he tells of nothing but his nearly eight years' experience in the White House. But think of how interesting he can make it if he only opens up and tells about those good old days with Tom Pendergast in Kansas City.—**Oklahoma City Oklahoman.**

In the good old days a farmer could trade one bale of cotton for two barrels of flour. Now if he's a thrifty shopper, after paying for picking a bale he might have enough left to purchase a couple of loaves of bread.—**Pelham (Ga.) Journal.**

People who say they sleep like a baby usually haven't got one.—**Stonewood (Miss.) Commonwealth.**

A small town newspaper is a media of confirming or denying that which most folks have already learned during the week.—**Omega (Ga.) News.**

Drew Pearson's Merry-Go-Round

Beria Escape Story Came From Nicaraguan

WASHINGTON

HERE is the inside story of how Marshal Lavrenti Beria, ex-No. 2 man of Russia, popped up on the list of Joe McCarthy's potential witnesses.

Though the story hasn't panned out the way McCarthy hoped, real fact is that Joe had been saving this as the big piece de resistance of his whole spy-hunting, witch-hunting career. Revelation that the former secret police chief of Russia had surrendered to McCarthy was to be a sensational climax which would rebuild the public confidence that fell off after Joe hired, then fired, J. B. Matthews, the Protestant Red-hunter.

The man who sold McCarthy on the Marshal Beria escape is a colorful and delightful soldier of fortune named Flavio Gallo, a Nicaraguan who has been trying to dump the present regime in Nicaragua, and who also has some political axes to grind against the Arbenz Guzman regime in Guatemala.

Gallo operates in Mexico and on the West Coast and was the source of the report that a State Department official had been shaken down for $150,000 during the Truman administration. Gallo has had close contacts with Gene Fuson, a California newspaperman who first broke the story of the $150,000 bribe and also wrote the first report that Marshal Beria had escaped.

Last summer Gallo privately peddled the rumor that Beria had escaped from the Kremlin early in July and was hiding in Spain. According to Soviet announcements, Beria was arrested on June 26. According to Gallo's story, he escaped a short time later and went to Spain.

Long Silence

GALLO conveyed this information to McCarthy in midsummer so the Wisconsin Senator had known about the report for more than two months. During this time, so far as can be ascertained, he did not pass the word on to the State Department until last week. This in itself is highly unusual; for reports of extraordinary activity behind the Iron Curtain can be of great value to Central Intelligence and the State Department, and are supposed to be passed on immediately.

This, however, apparently was not done. For State Department officials said the first thing they knew about the matter was when they read the Beria reports in the newspapers.

Vice President Nixon substantiated advance knowledge of the matter when he said in New York last week that he had known of the alleged Beria escape for about a month.

Yet not a word was dropped to the State Department, which customarily takes every possible step to check reports that affect Soviet foreign policy.

Instead, soldier of fortune Flavio Gallo shipped his Cadillac to Italy in August, then went himself to Italy and Spain for a rendezvous with the alleged Marshal Beria.

In hiding with Beria, according to the McCarthy-Gallo reports, are two other Russians, one a top atomic scientist and the other an expert on North and South America and China.

The decidedly skeptical State Department and Central Intelligence Agency have sent two men, who have seen Marshal Beria and would know him if they saw him again, to Spain in order to interview the man who McCarthy's agent says is the ex-No. 2 ruler of Russia. They can't conceive that he is Beria, but they want to leave no stone unturned to get the true facts.

$1-A-Year-Men

SENATOR Kefauver of Tennessee, who's suspicious of the way the Commerce Department has pushed around American newspapers and the Cuban Government regarding newsprint from Cuban sugar cane, is looking into the role of $1-a-year men inside the Commerce Department.

Last May the Cuban Government took the good-neighbor policy seriously and wrote a letter to the State Department asking for the loan of Jesse Friedman, the Commerce Department's expert on making newsprint out of bagasse—sugar-cane waste. After two months' delay, the Commerce Department wrote back that Freidman couldn't be spared—though the Cubans offered to pay for his time and expenses, and though actually he was doing so little inside the Commerce Department that he's about to resign.

The Cuban Government wrote back on Aug. 3 wanting to know when Mr. Friedman could be spared—since he's the only government expert available on this subject. As this is written, almost two months have passed and Cuba still hasn't received a reply.

Meanwhile it develops that a key official inside the Commerce Department is Leonard Fasek, who advises on newsprint matters, is loaned to the government by the Kimberly-Clark Co. of Wisconsin, manufacturers of newsprint and pulp. Fasek recently wrote a report on newsprint from saw grass which made the flat statement: "It is unlikely that any fibres produced by grasses or processes done will displace ground wood pulp as the principal fibre content of newsprint paper."

This statement is in flat contradiction to another Commerce Department report sent to the House Judiciary Committee which states that newsprint from bagasse —a chemical process — is practical and feasible.

Mr. Fasek's company manufactures paper from wood pulp. And Senator Kefauver wants to know what part any Commerce Department official or loan from a paper company may have played in blocking Cuba's request for advice in developing newsprint from a competing process.

Criticized On All Sides, General Cramer Tells All

By ROBERT C. RUARK

(NOTE: Robert C. Ruark has interviewed Maj. Gen. Kenneth Frank Cramer, commanding general in Germany in the Southern Area Command, central figure of a recent Congressional investigation into morale destruction among the officer corps in his command. Cramer's handling of cases came into the spotlight with the court-martialing of Lt. Col. William Lane, and this moved Ruark to dig into the accepted torpor pictures that every so often flurries into headlines. This is the first of a series of seven articles on General Cramer. Eds., The News.)

By ROBERT C. RUARK

MUNICH

IN PAST years we have heard a so much about morale of our armed forces, or the lack of it, that I have made a special effort to pursue an isolated case of officer versus troop, and adopted the recent flurry of hysterical publicity about Maj. Gen. Kenneth Frank Cramer as the guinea pig. Herewith follows a series of seven articles concerning the case of Cramer versus morale.

Kenneth Frank Cramer is a stubby, plump little hasting man who wears eyeglasses as well as the Silver Star with three clusters. He is a highly moral man, is Gen. Cramer, a man who neither smokes nor drinks and who, unlike Dr. Kinsey, thinks sex is not sanctified, is more wicked than natural.

He is a passionate advocate of discipline. He believes in absolute economy of operation, and he is a devout disciple of cutting his government's costs to the absolute minimum. He demands and gets peak performances of work from his troops, and he is the boss man of the Headquarters, Southern Area Command, as well as the Munich District of United States Army forces in Europe.

On the face of the matter the worst thing that you can say about General Cramer is that he believes in discipline, hard work in full measure, and in saving his government some money.

Yet, General Cramer is largely unloved. He has been recently the subject of a Congressional investigation, on charges of morale destruction. He has been the subject, before, of highly derogatory writings in the public prints, and his adequacy to command has been questioned.

He recently convened a court martial of a long-service Boston ant colonel on grounds of immorality, and was reported to have a jaybird of other officers, including two colonels, facing similar charges. He is thoroughly disliked by a great many men of his command. But the general has explanations for everything, most of them logical if true, and there can be no measure of truth except the word of an officer presumed to be a general and gentleman.

We will attempt here to straighten out the Cramer story, in the first personal interview Cramer had granted to the press since Art Noyes of the New York Daily News broke the story of the unusual court-martial of Lt. Col. William Lane of Brooklyn, N. Y. The boss first said no. We made a phone call to Heidelberg. The boss stiddenly said yes. The files were thrown open and Cramer was the soul of cooperation.

I did not see Colonel Lane, who was then on the high seas after being dismissed with loss of all pay and allowances for adulterous relations with a German woman named Else Ackermann, for being publicly drunk, for throwing a glass of Coca-Cola at another German girl, and for "fondling the breasts of his maidservant against her will."

I did not see Miss Ackermann, who had miraculously disappeared, no one knew where, when I tapped at the door. What I saw was the court-martial information and the judge advocate's office had most pertinent papers and General Cramer.

OTHER CHARGES DENIED

There was a flat denial by General Cramer and his staff that any other officers whatsoever were being held pending court-martial, despite a charge by Noyes that 16 officers were "facing" trial. As one man pointed out, "If the word 'facing' is used, we're all facing court-martial."

It was also pointed out that, as the convening authority of the area, it was Cramer's duty to hold courts-martial for all the service troops under his area command. Colonel Lane, for instance, was recommended for trial by Brig. Gen. Mason Young of the Nurnburg district. He was not under Cramer's direct command, but was merely forwarded on for due process of trial.

Income Taxes Coming Down, Social Security Going Up

By JAMES MARLOW

WASHINGTON

WHAT'S the tax outlook for you in 1954? At this moment, if you're an individual taxpayer, you can be virtually sure of only one cut.

That reduction, a drop of about 10 per cent on individual income taxes, goes into effect at the start of 1954.

It won't be a cut in the tax you pay on the 1953 income you're now earning. It will be a cut in the tax you pay on your 1954 income.

There are two reasons for saying this reduction is coming: (1) the law passed by Congress calls for it and (2) the Eisenhower administration says it won't oppose this cut.

But what some people save by this reduction in their 1954 income tax may be offset by an increase in their social security, also scheduled to start Jan. 1. On that date the social security tax, which employers and employes both have to pay, goes up from 1½ to 2 per cent.

There are other cuts which may go into effect in 1954 and mean a saving for many people. They are on the excise taxes on a number of items people buy.

These reductions, under law passed by Congress, are scheduled to take effect next April 1.

There are excise taxes on many items. Not all of them take a dip April 1. Only some. For instance, on liquor, cigarettes, new cars, the tax is due to go down.

Congress, though Congress by law set April 1 for this excise reduction, it cannot be said positively now that this cut will take place.

The Eisenhower administration may need money badly by April 1 and urge Congress, which will be in session then, to pass another law delaying the reduction to some future date. President Eisenhower has already made such a request, but he did not press it this year.

This drop in excise taxes would cost the government about a billion dollars. Whether Congress would listen to the administration and delay the reduction remains to be seen.

In 1954 Congress will be in a mood to cut taxes, not raise them, for 1954 is an election year for all 435 House members and one-third of the 96 senators.

Congressional committees which deal with tax matters are now busy looking at the tax laws with the idea of bringing them up to date and perhaps making changes to save some taxpayers dollars.

The committees face this question: Should a taxpayer with an under-18 dependent who earns $600 or more a year be allowed to claim that person as a dependent?

Also there is the problem of parents with over-18 children going to school. If one of these children earns over $600 during summer vacation, should the parent, providing more than half the support, still be able to claim that child as a dependent?

Under present law you can't claim as a dependent anyone who earns $600 or more even though you pay more than half his support.