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Road Needs Must Not Be Ignored

WHETHER Gov. Hodges goes along with the State Highway Commission's proposals for highway construction or not, the fact remains that North Carolina's primary road system has serious deficiencies.

One way or another, these deficiencies must be corrected. The imperative of the power age makes this absolutely essential: That the state have a network of primary roads designed according to the construction standards and geometrics which will provide highway pavements, widths, curves and gradients adequate not only to accommodate today's traffic but tomorrow's as well.

Yet it is a fact that many segments of North Carolina's arterial highways are already in an advanced state of deterioration and obsolescence.

For the first time in years, North Carolina got a clear perspective of its highway needs last November when the engineering firm of Parsons, Brinckerhoff, Hall and Macdonald announced the results of its vast 1954 survey of the state's road network.

The firm suggested a 10-year program of modernization. On the basis of this report, the State Highway Commission drafted recommendations which are believed to include a \$150 million bond issue proposal.

It is reported by some experts that currently available revenue sources would meet most of the costs of the state's

highway needs on a long range basis. But there is one complicating factor: That major portions of highway deficiencies require improvement during the first six years of the contemplated 10-year program. And during these years revenues will fall far short of needed expenditures.

If North Carolina goes ahead with piecemeal improvement projects as it is doing today, it will find old deficiencies piling up while many new needs are going unmet. This would result in additional direct and indirect economic losses to the state and its citizens.

Some sort of deficit financing may become necessary. But in the meantime, the state should make every effort to adopt all possible reforms in the operation of the State Highway Department. A long list of possible improvements was drafted by Parsons, Brinckerhoff, Hall and Macdonald. Some of the more important of these proposals are reprinted elsewhere on today's editorial page. They are needless to say, worthy of close study.

It is entirely possible that rather slight changes in highway department practices—changes designed to produce a sounder system of highway user taxation, for instance—would mean millions more in the kitty. In all equity, certain of these changes should be made—if not completely, then at least partially. A bond issue is not the only place to look when additional revenue is desperately needed by government.

A Break For State And Taxpayer

HAPPIEST news to come out of capitol corridors in Raleigh today is the report that support is growing for a pay-as-you-go state income tax plan. If sponsors of withholding tax legislation play their political cards right, the new tax collection system could be put into operation as early as July 1.

Pay-as-you-go income taxation is needed for two reasons: It would be an added convenience for North Carolina's harassed taxpayers and it would get additional names on state revenue rolls.

The latter point should be of particular interest to a state facing a proposed budget that calls for about \$26 million a year in new taxes.

The withholding system would not necessarily change present state income tax rates which begin at three per cent and go as high as seven per cent on individuals. Payroll deductions would simply be made on the basis of estimated taxes. At the end of the year—as is the case with federal income taxes—the taxpayer would pay the state the balance he owed or receive a refund if payroll deductions exceeded his tax liability.

Several U.S. states and territories have already adopted pay-as-you-go plans patterned somewhat after federal lines. The two most popular systems:

2.—Deductions on a fixed percentage of the federal tax calculations according to the ratio of the state tax to the federal tax.

State Revenue Commissioner Eugene Shaw believes, at present, that a deduction system would mean millions more in the kitty. In all equity, certain of these changes should be made—if not completely, then at least partially. A bond issue is not the only place to look when additional revenue is desperately needed by government.

The Shaw plan would work like this: Say, for instance, that the General Assembly should provide that 15 per cent of the amount of the federal tax should be withheld for the state. Then, if the federal tax withheld from a worker's salary amounts to \$1 a week, the employer would begin deducting \$1.15 a week. Of this sum, the federal government would receive its \$1 and 15 cents would go to the state.

Sen. David M. Hall of Jackson says that a pay-as-you-go system might produce an \$18.4 million windfall in additional taxes.

There would certainly be some additional revenue for it would unmask Tar Heels who have been dutifully paying federal income taxes while evading their fair share of the state tax burden.

The pay-as-you-go plan is the only worthwhile, convenient, thoroughly efficient approach to the collection of income taxes. We urge its adoption.

For Men's And The Nation's Sake

MILITARY manpower proposals, as we pointed out in some detail a few weeks ago, have been frequent and diverse during the post-war years. Most of them have not gotten out of the "talk" stage. Last week the President's diatribe on the program outlined by the Defense Department in December.

We sincerely hope it goes beyond the realm of debate and into law. The details supplied by the President indicate that his plan would center on the selective utilization of young men from the present system does, and more adequately compensate the career men.

Young men of military age would have a wide choice under his proposal. They could enlist at 17 and serve three years in the Army or Marines, or four in the Air Force or Navy, and then complete their commitment by serving in the reserves until age 25.

They could wait for a draft call and serve two years, followed by six years in the reserves.

They could, before age 19, enlist in the Marine Corps or Navy reserve for eight years, with the understanding that they might withdraw to go to school or on active duty for at least two years.

Or they could, between the ages of 17 and 19, take six months training (if the annual quota of 100,000 has not been

filled) and then spend nine and a half years in the reserve.

This plan would take in most young men. It would fill the reserves with young men, as should be, instead of well-worn retrainees, which many present reservists are. And it would give young men the opportunity to fit their military training into their own plans for education, marriage and careers.

Furthermore, the President's plan would provide pay increases for career soldiers. And it would provide several fringe benefits, removal of which was reflected in sharply decreased re-enlistments. There would be more hazard pay, more per diem, more housing for service families where present facilities are inadequate, a special allowance for men who must move dependents, more medical care for military families.

Details of the plan could be argued until the cows come home. But that unfortunately, is what has happened to previous, essentially sound manpower proposals. Let's pass this one, so young men approaching draft age, older reservists and active servicemen know where they stand and can plan accordingly, and so this country finally gets a stable military manpower policy which will augment its defenses and help deter aggression.

From The Monroe County (Mo.) Appeal

THAT FIRST AUTOMOBILE

OUR FIRST CAR started the delights out of horses in both town and country. One Sunday afternoon out near the county infirmary, we saw a horse that was kicking, plunging and bucking as a man and a woman rolled out of their buggy. As the man struggled with the horse the woman took her stand in the middle of the road and waited for us to arrive. She really was mad, and she made no effort to conceal the fact.

"Why don't you town folk that thing around and go back to your own town belong," she demanded, following which she expressed the sentiments of practically every Monroe County farmer to the effect that there ought to be a law against such things on country roads.

Later, she forgave us. They finally had a car of their own.

But in our county, as in many others, farmers petitioned the legislature to prohibit the operations of automobiles on public roads. More than 300 signatures were obtained on one of those petitions in the Paris vicinity.

However, not every Monroe County male was afraid of cars. For instance, as Dol Hanger was driving his Buick car from Paris to Santa Fe, he encountered a mule on the road near the Gleason schoolhouse. He slowed down as the animal walked slowly and defiantly across. Just as it was about to clear the track it suddenly paused and kicked the radiator off the car.



"Have you got something that won't give me cow-like complacency about the world? ... I want to be concerned, stimulated, stirred, worried ..."

Practices, Policies, Taxes

Highway Reforms Suggested

Sweeping changes in policies, practices and tax rate structures of North Carolina's State Highway Department have been recommended by the New York engineering firm of Parsons, Brinckerhoff, Hall and Macdonald.

By instituting many of these reforms, the state could tighten up the department's financial structure considerably. Revenue sources might even be increased to the extent that only a small bond issue—or no bond issue at all—would be necessary to correct North Carolina's highway inadequacies. (See editorial.)

Here are some of the more important recommendations made by the experts:

1. Consideration should be given to establishing a diesel fuel tax rate of approximately 11 cents per gallon to provide equivalence between the charges levied upon gasoline trucks and diesel trucks of the same weight classification.

2. If the present refund privileges are retained, it is suggested that all motor fuels subject to refund be given a distinctive color to the original container. In this way the inspectors policing refund applications would be better able to detect misuses of fuels intended for non-highway use.

3. It is suggested that the present method of charging motor vehicle registration fees upon "declared gross weights" be replaced so that all registration fees be paid upon a basis of the manufacturer's statement of the gross weight for each vehicle.

4. Because it is now possible for a vehicle to make extensive use of the highway facilities without purchasing fuel within the state and thereby escape paying any North Carolina motor fuels tax, it is proposed that a method of collecting this impost be adopted that would require all vehicles of 16,500 lbs. or more to contribute their proportionate share of the highway-user revenue which accrues from the highway tax structure.

5. It is proposed that the state adopt a mileage tax which would be applicable to heavy vehicles registered in other states, but which from time to time use North Carolina's highways. It is suggested that the tax be calculated on the basis of the differential between the motor vehicle registration fee for any particular classification of truck in North Carolina, and the registration fee charged in the state where the vehicle is domiciled. As in the case of Recommendation No. 3, the charge would be made on the ratio of mileage traveled in North Carolina to total mileage traveled.

6. The registration fee advantage enjoyed by privately created commercial vehicles over

contract carrier vehicles should be eliminated or at least reduced. The differential no longer appears to be equitable, inasmuch as the amount of highway use by heavy vehicles in private commercial use does not appear to be demonstrably less than the amount of highway use by vehicles in contract carrier operation.

7. Reciprocal should be made of the extreme advantage in registration fees now extended to heavy property-carrying vehicles in farm service. A special study should be made to determine the relative average use which farm service trucks make of the highways as compared to the same classifications of trucks in commercial operation. Adjustments in rates should be made in accordance with the findings of the study.

8. Provisions should be made to credit the inspection fee revenues to the highway fund. Present administrative and operating practices of the inspection service should be reviewed to determine improved and simpler methods of controlling the quality of motor fuels.

9. Consideration should be given to establishing what might be deemed a highway pricing board within the highway commission. This board would be staffed with professional personnel, capable of making continuing studies required by the General Assembly to assist it in maintaining an optimum level of equity in the highway taxation structure. This board would provide a basis for coordinating the functions of revenue control and cost control, and would therefore, make possible more effective methods of fiscal planning and control of highway commission activities.

10. Consideration should be given to supplementing the pricing of highway services to users of the highway facility by contributions from those special beneficiaries who secure extraordinary advantages.

11. The full cost of operating prisons should not be imposed on the highway fund. This cost is primarily a general fund responsibility. If the present practice of using prison labor on the highways is continued, only a selected number of convicts should be used instead of rendering maintenance and improvement activities with a surplus of men. Only a minimum number of inmates can be used to advantage in almost all types of highway work. The maintenance and improvement of moderate highways is a highly mechanized activity which makes the extensive use of convict labor an extremely uneconomical practice. Where this type of labor can be used appropriately in highway activities, arrangements should be made to reimburse the general fund from the highway fund to the extent of the value of service rendered.

12. To insure timely action in maintaining optimum equity within the structure of the highway-user revenue, there should be a greater delegation of authority for administrative action than now exists. This would require that the General Assembly formulate a comprehensive highway taxation policy to serve as a basis for administrative action and to guide frequent review by appropriate committees of the General Assembly.

Here's Where It Goes—IV

Roads Get Big Share

By JULIAN SCHEER, Charlotte News Staff Writer

THE next time you ride over a segment of the state's sprawling highway system, it might be well to remember that 23 cents of your tax dollar goes for highway construction and maintenance. Ninety to education, 47 cents on the dollar, the highways of North Carolina eat up the biggest portion of state finances. It will take \$187,139,000 to keep the state's 67,000 miles of primary, secondary paved and secondary unpaved roads in good shape during the next biennium, according to budget recommendations.

For maintenance of county and state highways the cost is estimated at \$68 million, construction at \$46 million, betterments at \$38 million and to cities \$10 million. Maintenance and improvements in cities and towns \$5 million, while administration is less than a million dollars a biennium.

UNCLE SAM HELPS Federal funds are not included in the budget, but about \$10 million of Federal funds are used in construction.

Another use of our revenue is the operation of general government. These are agencies not included under highways, health, agriculture and education. This money is derived from general funds and is used this way: The executive departments and agencies get \$18 million, the judiciary gets nearly \$2 million and the legislative gets \$500,000. The total for general government is \$18,532,544.

In 1954-55 it is recommended that \$13,725,500 from the highway fund be used for the highway fund and motor vehicle regulation. Eight million is used for the farm program.

FARM FUNDS The agriculture and general fund appropriation for the biennium will consume \$11,000,527. Four million of this is used on the state's extension service and \$3 million

on the department of agriculture. The Department of Conservation and Development will use \$2,858,454 for the biennium, according to recommendations, in natural resource conservation and development. This is the greater part of the total for all resources and development uses, a figure estimated at \$4,778,700.

Two other items of little interest to the state as a whole are retirement and pension costs (nearly \$23 million) and debt service (\$58 million).

This series has made little mention of general funds to the state of North Carolina. Actually, it is expected that the federal government will allot to the state \$139,200,807 for operation and maintenance of state agencies. The major share of this money comes on a matching basis, leaving a state figure picture at this time since the recommendations and appropriations used in this presentation are unsettled at this time.

BENEFITS DIVIDED However, if the federal government does use the figures as such, welfare and health will get about 70 per cent of the federal aid of \$29 million. Highway construction and maintenance will get 30 per cent and the remainder is divided among Employment Security, education, agriculture, natural resources use and development and general government. These funds are not for permanent improvements.

In conclusion, the total state revenue for all state functions during the next biennium is estimated at \$543 million. Of this amount, 75 per cent is the state's own revenue or \$387 million, 18 per cent federal or \$139 million, and seven per cent receipts from departments and institutional receipts or \$56 million.

On that amount we must meet our needs until the 1957 General Assembly acts.

People's Platform

Please keep letters brief, and give name and address. Names will be withheld. The News reserves the right to condense.

Sports Editor Quincy No 'Pure Race' Put It On The Line In North Carolina

Charlotte Laurinburg

Editors, The News: A FEW days ago a gentleman editor to Cal Quincy wrote me in a letter to this column that the people of North Carolina believe in a pure race. I live in North Carolina and I have heard that more times than I can remember. But as I sat reading the Washington Post, I could not help thinking that there were no Negro with blond hair and fair complexion, an Indian with red hair, and a white man with kinky hair and a very dark complexion. Yes, we may have a pure race. We may want it but we disagree sure don't have it—in North Carolina.

—JEFFERSON HOPE

Do not lose any more money, Mr. Brains. Sell the park to real estate broker and we will sell the tennis club. Tennis clubs which will give you the game of your life.

—BOBBY MILLS

Do Jim Crow Laws Mean Racial Purify?

Bennettsville, S. C. Editors, The News: I'VE A LETTER to the editor a few days ago a gentleman from North Carolina told me his views on the Supreme Court's segregation ruling said, "The people of North Carolina believe in a pure race." Well this correspondent is hardly in position to express the wishes of the people of North Carolina, but as a former resident, I saw more white people that looked like Negroes and more Negroes that looked like white folks and more Indians that looked like a combination of the two than any place that I ever heard of. I have been a lot of places.

I don't believe that the gentleman can claim that this is the result of mixed schools or Jim Crow laws. North Carolina Jim Crow laws are endorsed as far as it is within the power of the law to enforce them. Like all good southerners, North Carolinians preach racial purity but never practice it.

—HANNIBAL BARCA

Quote, Unquote

Blessed is the man who, having nothing to say, keeps patiently still while his wife says it. —Deerwah (Iowa) Journal

Drew Pearson's Merry-Go-Round

Here are the highlights of what Dag Hammarskjöld, persevering secretary general of the United Nations, ran up against on his historic mission to Peiping.

He had arranged the meeting with Foreign Minister Chou En-lai through a relative who is attached to the Swedish Embassy in Peiping. And before leaving he had telegraphed Premier Nehru of India that he would stop there for important talks and with the hope of getting Nehru's cooperation. Nehru, he felt, would have persuasive influence with the Chinese Reds.

Wet Blanket

In New Delhi, however, he got his first wet blanket. Not only did Nehru refuse to go to the airport to meet him, but later Nehru outined his own

terms for the release of the 11 Americans and wouldn't pay bail unless he, Nehru, ran the show. Hammarskjöld, left with no support from Nehru went to Peiping, where he met Madame Pandit, later hauled Nehru out and told him he was becoming increasingly anti-American.

In Peiping, Hammarskjöld found the Chinese foreign minister in no mood to trade easily. He wanted a pound of flesh, plus a lot more, for the release of the 11 Americans. One officer in particular may not be released at all—a lieutenant colonel who signed a "confession."

Chou En-lai showed the confession to Hammarskjöld, together with other documents supposed to be "incriminating evidence."

The lieutenant colonel's signed statement admits his guilt as a spy and states that he was over Red China

Reds Want Their Pound of Flesh

when he was shot down. The lieutenant colonel, according to information gathered by Hammarskjöld, also appeared in a Red propaganda film which will soon be released throughout the Communist world to prove American espionage. His statement will undoubtedly be broadcast over Radio Peiping.

Chinese Demands

Briefly summarized, what the slim Sledge, who took the bit in his teeth by flying to Peiping, got was this: 1. American flyers would be released piecemeal—not all at once—depending on how the USA cooperates with Chinese Red demands. Thus three or four flyers would be released, then three or four more, and so on.

2. In return, China complained about the following and wants the United States to act accordingly:

A. Presence of the U.S. Seventh Fleet in the Straits of Formosa.

B. Lack of U.N. recognition of Red China.

C. Freezing of Chinese funds in American banks.

D. The return of Chinese students. Incidentally, very little was said about them. Chou mentioned the students and said the United States should release those whom China would name. However, he seemed to consider them a comparatively minor issue.

The meeting, together with the U.N. secretary general making it clear he had no authority to bargain for the United States, shows that the United States, with all its power to speak for or commit the USA as to what it would do about such internal problems as unfreezing Chinese funds. Therefore, no final agreement was made.



PATTERN FOR TOMORROW? Not Unless North Carolina Finds New Revenue