

# The Week in Washington

A RESUME OF GOVERNMENTAL HAPPENINGS IN THE NATIONAL CAPITAL

Washington, D. C.—Most of the talking done in Washington from now on, for a while, will be on Capitol Hill, rather than at the other end of Pennsylvania Avenue, where the Executive departments are bunched. There are two reasons for this. One is that the members of the new Congress have a lot they want to say, and the other is that since Louis Howe, the President's real right-hand man, has recovered his health sufficiently to take an active part in affairs, word has gone out to Administration officials not to talk so much, without first finding out whether the White House approves what they want to say.

How far that goes for Donald Richberg is another guess. Mr. Richberg, who at the moment is at least the President's left-hand man, spoke out in meeting the other day, warning General Johnson not to say nasty things about him and threatening to sue for libel the publishers of the General's new book and the magazine which intends to publish some chapters of it, if they print some of the aspersions upon Richberg which are said to be contained in the General's manuscript. Folks who have been saying that there was really no ill-feeling between the General and his successor at the head of NRA have discovered that they were wrong. This is only the first of the intra-Administration personal hatreds and jealousies to break out into the open. There are plenty of others, and some may be aired soon.

**Carter Glass Speaks Up**  
Up on Capitol Hill some of the most vigorous language is coming from Senator Carter Glass of Virginia. The Senator is the foremost banking authority in Congress. Away back in the Wilson Administration he framed the Federal Reserve Act and pushed it through. He is a good scrapper and is always on the watch for anything he dislikes in the banking policy of the Administration.

Senator Glass is out with a denunciation of the order of the Federal Reserve and Federal Deposit Insurance Corporation limiting interest banks may pay to 2½ per cent. He asked the Administration officials where they found any law for that, and they admitted there wasn't any that would apply to State banks not members of the Federal Reserve. The fiery little Senator from Virginia also took a crack at the recommendation of the so-called Viner committee's recommendation that the law authorizing Federal Reserve to make direct loans to industry should be repealed. "Give it a chance," says Senator Glass, in substance.

The Viner report, named for Professor Jacob Viner of the University of Chicago, covers a lot more territory than that, however, and is regarded here as furnishing full confirmation of the situation, first pointed out in these dispatches, whereby the banks are hamstrung by confusing orders from different authorities and subjected to examinations by several sets of examiners, each with a different point of view. That situation has been to some extent corrected, but the Viner committee went out into the field and talked direct to business men, and is convinced that an intermediate credit system for industry is essential, whether administered by the RFC or the Federal Reserve.

**Davis Questions Laws**  
The statement by John W. Davis, who was once the Democratic party's candidate for President, that much of the New Deal legislation is illegal and unconstitutional, is expected to put backbone into some of the Conservative Democrats in Congress. Some 200 cases in which the constitutionality of the New Deal is at issue are now before the courts.

The recent conference of business leaders, in which the National Association of Manufacturers and the Chamber of Commerce of the United States agreed on what they would like to see done in the way of amending the New Deal, may have results. At least, it answers the challenge of the Administration spokesmen: "Well, what do you propose?" The business leaders agreed that direct cash relief was preferable to "work relief." In that they are in opposition to the Administration. They want reform measures subordinated to recovery measures. They would like to see the nation go very slowly in experimenting with unemployment and old age insurance. But on the whole their attitude is far more "socially-minded" than the critics of business expected.

Those who think they know the President's mind private that he is not out to attack private power companies, but only the financial system of holding companies which has resulted, he believes, in too high prices for electric current.

**On Federal Money**  
The latest estimate is that about 25,000,000 persons are getting Federal money, in one way or another. Six and a half million are on salaries or other direct payments; 400,000 are directly employed on public works and about 2,000,000 indirectly getting public works funds. About 700,000 are on regular Federal payrolls, while 750,000 single persons and 4,500,000 families are on Federal relief. How to switch this load to states and mun-

# WATAUGA DEMOCRAT

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## JAMES A. HARTNESS PASSES FOLLOWING A BRIEF ILLNESS

Heart Attack Proves Fatal to Former Secretary of State. Democratic Leader for a Half-Century and Former Newspaper Publisher. Funeral Services Conducted at Statesville Thursday Afternoon.

Statesville, N. C.—Mr. James A. Hartness passed away Christmas night at 11:50 o'clock, at the B. F. Long Hospital, his death resulting from heart trouble.

Mr. Hartness had been suffering for a few days with what he thought was indigestion, and he was at a local drug store to get something to relieve indigestion when he suffered a severe stroke at about 11 o'clock in the morning and was removed to the hospital in an ambulance. He and members of the family were under the impression that it was an attack of acute indigestion, but his trouble at the hospital was at once diagnosed as a heart attack. Death came about 12 hours later. He was 71 years of age.

From his early youth Mr. Hartness was actively interested in the affairs of the Democratic party and its candidates. He served his native county as a clerk of the Superior Court for three decades, beginning in 1898 and continuing until his appointment as Secretary of State of North Carolina in 1928. He was chairman of the Democratic Executive Committee of Iredell County for about 30 years, beginning in 1899, and during his leadership the Democratic majority in his native county went over 3,000 votes.

In 1893 he edited the Statesville Mascot, a Democratic newspaper, and he was personally interested in that paper and its successors for a number of years.

**Led Fight Against Populists**  
He led the fight in 1896 to redeem Iredell County from the Populists and Republicans and was elected a member of the 1897 Legislature, where he was author of the Fellow Servant Act, giving right of suit to employees for damages on account of negligence of transportation companies.

In 1898 he vigorously participated in the campaign for the restoration of white supremacy and he was active in all succeeding campaigns.

Mr. Hartness resigned his position as clerk of Superior Court of Iredell in 1928 to accept the appointment as Secretary of State to fill out the unexpired term of W. N. Everett. At the State election on November 5th, 1928, Mr. Hartness was elected Secretary of State for the full term and served four years during the administration of Governor O. Max Gardner. On retiring from his State duties he returned to Statesville to practice law. At the time of his death he was a member of the law firm of Grier, Joyne and Hartness.

Surviving are the widow by a second marriage, eight sons and daughters.

Funeral services were held Thursday afternoon at 3:30 from the First Presbyterian Church, of which Mr. Hartness was a member. Interment was in Oakwood Cemetery.

## Doughton to Issue Statement Ere Long

Representative R. L. Doughton, dean of the North Carolina delegation in Congress, is said to be considering issuing a statement soon confirming or dispelling rumors that he may run for Governor.

In North Wilkesboro on business last Thursday Mr. Doughton indicated he would have a definite statement with regard to reports that he may run for Governor "within a reasonable time."

"I am receiving letters from all over the State urging my candidacy," Doughton said informally to friends. These come from all groups of people—farmers, laborers and business men. Should I make the race for Governor, however, I would not be the candidate for any single group but the candidate of the people as a whole.

## Bill Watts Dies From Injuries in Car Crash

William Watts, well known Lenoir young man who has many friends in this city, died last Wednesday from injuries received in an automobile accident near Valmead, the previous Sunday.

A crushed chest, suffered when the car pinned him underneath, was said to have been the direct cause of his demise.

Funeral services were held in Lenoir Thursday. Surviving is the widow, the former Miss Malta Nelson, his father and a number of brothers and sisters.

Deceased was a son of Rev. J. W. Watts and was well known in Boone where he and Mrs. Watts had often visited at the home of Mr. and Mrs. William Winkler.

## Hartness Passes



James A. Hartness, former Secretary of State, whose death last week in Statesville was ascribed to a heart attack.

## WADE BROWN HEAD OF PEOPLES BANK

Boone Attorney Named President in Directors Meeting Thursday. McNeil Elected Vice-President. Brinkley Remains Cashier.

Wade E. Brown, Boone attorney, was named president of the Peoples Bank and Trust Company by the directors of the institution in session last Thursday. C. D. McNeil of Ruthwood is the new vice-president, while Gurney D. Brinkley remains as cashier.

The new board of directors, chosen previously at a meeting in which more than 80 per cent of the stock was represented, is as follows: C. D. McNeil, Wade Brown, Mrs. Sarah Wagner, Charles Zimmerman, Stuart Barnes, and R. H. Vannoy.

Mr. John E. Allen, special examiner for the State Banking Department, presided over the gathering of stockholders and outlined the improved condition of the bank, which opened the same day under the plan of reorganization submitted to and approved by the State Commissioner of Banks.

Indications are that with improved collections on notes the Peoples Bank is facing a brightened prospect for the year 1935.

## CHRISTMAS WAS ORDERLY EVENT

Holidays Marked by Quietude in the City, and News of Usual Disturbances is Lacking. Mild Temperatures Prevailed in Watauga.

Christmas, the season of the year which, inappropriately enough, used to be associated with drunken orgies are fistfights, was an event this year in Boone of such marked quietude as to blend with the sacred significance of the festive occasion.

Citizens of the town for the most part stayed by their respective firesides or mingled in friendly fashion with neighbors, and practically no disorders were reported in the town. The explosion of innumerable small firecrackers along the streets was the only thing to distinguish the day from the usual Sabbath. Mild temperatures prevailed.

Likewise, reports coming from all over the county indicate improved conduct among the celebrants, and if any arrests were made in this section, the charge was not serious.

## Greetings Extended By Governor to Carolinians

By J. C. B. EHRINGHAUS

Raleigh, N. C.—I am glad to avail myself of the courtesy extended by the press to relay a message of greetings and good-will for the New Year to all the people of North Carolina.

We have ever reason to face the future with a high degree of hope for we have come through perhaps the most difficult time of a generation to the point where we can be certain of an appreciable progress and an increased confidence. Two years ago the fiscal situation of the State presented not only a problem difficult of solution but a danger to the stability of governmental operation.

Today, as a result of sound fiscal policies, the State's financial house is in order and we have been able to market its obligations at the most favorable interest rate obtained in the history of the commonwealth. Not only this, but in the se-

## BABSON PREDICTS 5 PER CENT GAIN IN BUSINESS OF U. S.

Noted Economist Expects Even Larger Increases in Second Half of the New Year. "Green Light" Forecast for 1936. Holiday Trade Largest in Years in Many Cities. Commodity Prices Expected to Rise.

From his winter home at Babson Park, Fla., Roger W. Babson, internationally famous economist, Sunday issued his forecast for the year of 1935 in which he predicted a 5 per cent gain in the nation's business during the first six months. The high spots of the encouraging review follow:

"General business will show a moderate gain in the first six months of 1935 over the first half of 1934. I am more bullish on the second half of the year, providing the capital goods industries, represented by building, show some life during the early months of 1935. The latter industry is the big 'if' in 1935. Sharply rising building totals will set the 'green light' for prosperity by 1936."

"Business has been slowly creeping upward since September and is today 9 per cent above last December's level. This rising trend should carry into early 1935. A year ago I predicted a 10 per cent gain for 1934. The increase was actually 8 per cent. Now I predict a 5 per cent improvement for the early months of 1935 over the first half of 1934. If building and allied industries make headway, the second half should run 12 to 20 per cent above the latter part of 1934. On (Continued on Page 8)

## Seven Cases Heard In Recorders Court

Seven cases were heard in Recorder's Court Tuesday as follows:

Dewey Eggers, Fred Musgrove, public drunkenness, not guilty.

Royce Collins, selling coal without license, to buy necessary permit and pay cost.

Chester Carroll, violation prohibition laws, guilty; assessed with costs and six-months sentence suspended.

Chester Carroll, driving drunk, not guilty.

Fred Dickens, manufacturing liquor, guilty; six-months sentence suspended on payment of cost.

Wallace Greene, violation prohibition laws, three months sentence suspended on payment of cost.

H. A. Hagaman, charged with assault on a female, was dismissed when the prosecutrix withdrew indictment and paid cost.

W. J. Willard Norris, manufacturing liquor, not guilty.

## SCHOOL CHILDREN TREATED

The children of the Boone School had opportunity to see for themselves Friday before Christmas whether or not there was really a Santa Claus, as a jolly old gentleman, attired in scarlet peed out fruits and candies to 437 students. The gifts were sent by the Hodges Tire Company of this city, and more than twenty-five bushels of oranges were disposed of that day and Saturday in addition to a large quantity of candy.

## CHRONOLOGY OF YEAR

On page three today The Democrat again presents its readers a concise page showing what happened during the year 1934 both at home and abroad. This resume of practically every principal human activity during a twelve-month is a syndicated feature, which the publishers take pride in presenting. Many families would believe the page worth while as a clipping or as a scrap book piece, so that it might be used for reference during future years.

## Bank President



L. A. Greene, director of the Watauga County Bank for many years, was elected to the presidency of the institution last Thursday.

## SHERIFF CAPTURES 43RD DISTILLERY

Hundred-Gallon Copper Plant Captured on Beaver Dam Saturday. Officers from Tennessee Assist. One Man Taken in Raid.

The capture of a hundred-gallon copper distillery in Beaver Dam Township last Saturday by Sheriff Howell and his deputies marked the forty-third distillery plant to fall into the hands of the law during the two-year administration of Sheriff Howell. Two Tennessee officers assisted the local constabulary. One man was taken, Fred Dickens, charged with manufacturing, and two hundred gallons of beer and a small amount of low wine was destroyed.

Sheriff Howell's record for the destruction of stills includes the arrest of twenty-five men charged with their operation.

After Saturday's raid Sheriff Howell arrested and brought to jail Fate Dickens, who was wanted by the Tennessee officers. Sheriff J. B. Morley took Dickens to Mountain City jail Monday.

**Called to West Virginia**  
Sheriff Howell was called to Williamson, W. Va., on Christmas Day to get one C. D. Pendleton, wanted in this county for fraud and check flashing.

## STUDENTS FILE BACK TO CAMPUS

Christmas Holidays Are Over for Appalachian and Regular Winter Term Begins on Wednesday. Nine Hundred Sixty-eight Now Enrolled.

The holidays are over in so far as students of Appalachian College are concerned, and today (Wednesday) the collegians settle down to their regular classroom work, after having been on holiday leave since December 21. Very few of the students remained in the city during Christmas.

The last report of the registrar indicated that there are now 968 students in the college, which sets an all-time record for this season of the year. While the overwhelming portion of the campus population comes from North Carolina, twelve other states are represented and one student is enrolled from the continent of Asia.

## Junior Order Will Hold Zone Meeting

On Tuesday night, January 8th, the recording and financial secretaries of all the councils in Districts 1, 2 and 3, Jr. C. U. A. M., will meet in the hall of French Broad Council No. 97 at Asheville for a dinner conference. Dinner will be served in the hall promptly at 7 o'clock followed immediately by the conference.

Representatives of the national and State councils will be present and a general discussion of the work of the order and especially the duties of the secretaries will be entered into.

District No. 1 is composed of Clay, Cherokee, Graham, Jackson and Macon counties and has 12 councils with a membership of 531. Dr. W. P. McGuire is district deputy.

District No. 2 is composed of Buncombe, Haywood, Henderson, Madison, Polk and Transylvania counties with 21 councils and 1800 members. B. H. Harris of Biltmore is district deputy.

District No. 3 is composed of Avery, Mitchell and Watauga counties, with 6 councils and 316 members. Clyde R. Greene of Boone is district deputy.

The Caldwell County curb market at Lenoir has sold \$9,003.98 worth of produce for the farmers and farm women of the county this year.

## L. A. GREENE NEW BANK PRESIDENT; COFFEY CASHIER

Dr. B. B. Dougherty Quits as Head of Watauga Bank, while G. P. Hagaman Named Active Vice-President. Directorate. More Than a Hundred Attend Meeting. Allen Presents Figures.

L. A. Greene, one of the county's most successful and oldest active business men, was named president of the Watauga County Bank last Thursday by the directors, when Dr. B. B. Dougherty, who has headed the institution for many years, found it impossible to continue his active financial connections due to his ever-increasing responsibilities as president of the State Teachers College here.

G. P. Hagaman, cashier of the bank practically since its formation, was named active vice-president, while Paul A. Coffey was elected cashier. Mr. W. W. Mast is again chairman of the executive committee.

A resolution calling for the payment of an additional ten per cent to depositors of record prior to the banking holiday was passed by the board, this making a total of forty per cent which has been released to preferred stockholders, together with interest in full.

**Stockholders Meeting**  
The executive session of the directors followed closely the stockholders meeting at which they were elected. More than one hundred stockholders were present and the vast majority of the voting stock was accounted for in the meeting. The session was opened by President Dougherty, who in turn asked Mr. W. H. Gragg to preside. Attorney Baxter M. Linney briefly stated that the stockholders were gathered for the purpose of electing directors, a trustee for the fractional shares of stock, and for the purpose of transacting such other business as might appear proper.

Mr. Linney was elected trustee for the fractional shares of stock, and the following were named to constitute a board of directors: P. G. Carroll, B. B. Dougherty, S. E. Gragg, L. A. Greene, G. P. Hagaman, Dr. R. H. Herdla, Baxter M. Linney, W. W. Mast, J. M. May, R. C. Rivers Jr., Mrs. Luna P. Robbins, W. F. Winkler.

**Allen Gives Figures**  
Mr. John E. Allen, special examiner for the State Banking Department, who has worked incessantly toward the reorganization of the bank, spoke encouragingly of the condition of the institution and stated that deposits were on record at this time of \$196,955.76; that the bank held cash, government and other bonds to the amount of \$177,342.62, and that loans and discounts totalled \$233,519.54. Mr. Allen insisted that it was most important for all notes to be kept in current condition. He suggested that a special man be employed for a short time to look after renewals. Inasmuch as the State Banking Department does not longer tolerate notes running indefinitely without payment or renewal. When the directors met Mr. Allen and Commissioner of Banks Gurney P. Hood were given a vote of thanks for their fruitful efforts in helping to bring the bank into reorganization.

**Railway Head Speaks**  
Mr. Hammond Prosser, active head of the East Tennessee and Western North Carolina Railroad Company, a heavy stockholder, was present and took occasion to felicitate the officials for the manner in which they had brought about the safe and sound reorganization of the bank.

The meeting was carried out in perfect harmony and those in close touch with the local banking situation predicted for the Watauga County Bank a bright future.

Mrs. Jasper Moore spent last week with her husband at the Carc-Jean Inn. Mr. Moore is a member of the Government Acquisition Survey party located here.

**ROGER BABSON ON ADVERTISING**  
Roger Babson, internationally known statistician and economist, says of newspaper advertising: "Many concerns curtailed their advertising during the depression to an extent that was 'penny wise and pound foolish.' In continuing this policy they are even more short sighted. . . . Certainly the first step toward increased sales lies in getting your products before the public. . . . The newspaper is better equipped in many ways to aid in this campaign for it is the eyes and ears of the community. . . . Hence, I want to make a personal appeal for EVERYONE TO GET BEHIND HIS HOME PAPER AND BOOST IT. In this way you contribute strongly to further recovery of business in your community."