

The Rocky Mount Herald

VOLUME 5, NUMBER 26

ROCKY MOUNT, NORTH CAROLINA FRIDAY, JULY 1, 1938

\$1.00 PER YEAR



Looking at WASHINGTON

Relief, Recovery and Reform Are Still the Nation's New Three R's
The three R's, famous in educational circles not so many years ago, have become in this year of grace, 1938, Relief, Recovery and Reform.

Which Comes First?

During President Roosevelt's first term of office, there was constant debate as to whether relief and recovery should precede reform. The debate continues today, as the nation again faces a severe economic flop, and officials continue to study its causes, and by investigation, and legislation to find out why it happened, and how it can be prevented in the future.

In 1938 we find some twelve million persons totally unemployed and many more have only part-time employment. Business activity has slumped almost to where it was in 1933, but actually there is a vast difference. Then, private charitable resources and the funds of state and local communities were practically exhausted. There had been no acceptance by the Federal Government of its responsibility in providing relief for the unemployed.

Employment Trends.

Continued unemployment, in spite of all that has been done, is explained, in part, by basic economic conditions. According to the Public Affairs Committee, official statistics show that there were only three-fourths as many jobs in industry in 1936 as in 1920, although population increased twenty per cent in the interval.

Since 1929, employment in industry has decreased one-fifth. In addition, there has been retrenchment on many sides, throwing thousands of professional and white collar men out of work, and large numbers of farmers, small tradesmen and proprietors have been forced into bankruptcy where they are unable to support themselves in their usual occupations.

The Spending Policy

While the spending policies of the Administration from 1933 thru 1936 had a great deal to do with the measure of recovery which followed, critics point out that once the purchasing power of the Government was checked the recovery movement ceased. Advocates of spending, however, declare that it stopped too "abruptly," was pushed too high by the payment of the soldiers' bonus which the President opposed, and that the ground gained was thrown away by over-production and the control of prices in 1937 when the Government was trying to step out of the picture gradually.

Road to Recovery?

Anti-New Dealers insist that permanent recovery can be had only through the activity of private industry and assert that a change in Administration or the adoption of new policies by the present Administration, would point the way toward prosperity. They continually demand a "changed attitude" on the part of the President, a real "breathing spell" and the restoration of "confidence." This has been the argument since 1933 behind the cry "recovery before reform."

It was repeatedly asserted that the nation's tax laws were largely responsible for the upset in business last Fall. Congress was told by many business leaders that if it would revise drastically the tax laws, recovery would begin. However, the congressional revision of the tax laws, as repeatedly suggested, has been followed by nothing to indicate that this was the formula for curing the troubles of American business.

Reform Barriers

The idea that the President, in pressing his reforms, has done so at the cost of recovery is another widely advanced theory for business' troubles. For this reason, there have been repeated efforts to persuade the President to "stimulate confidence." This, it is said, (Please turn to page four)

ENROLL MANY FOR CLASS IN LIFE SAVING

Classes Are Instructed At Municipal Pool At 12 O'clock And 1 O'clock Daily

Two classes in Red Cross life saving are now being taught daily at the municipal swimming pool. Because of the large number of applicants enrolling in the course, the one class begun earlier in the week has been divided and Leon Grimes life saving examiner, has been secured as an additional instructor, it was announced today by Mickey Bennett, manager of the municipal pool.

One of the classes is taught by Mrs. Bettie B. Straub, also a life saving examiner. The staff of the municipal pool assists in the instruction of both classes.

The 10 day course includes instruction in junior Red Cross life saving, for applicants 12 to 17 years of age, and senior Red Cross life saving, for applicants 17 years of age and older. The instruction is free and the classes are open to the public, it has been announced.

Persons 20 years of age and older who wish to take the examiners' course in Red Cross life saving, which will be offered later in the summer, may register now at the office of the municipal pool, the sponsors announced. Requirements are that the candidate be 20 years old and of fair swimming ability, it was stated. A Red Cross district examiner from Washington, D. C. will teach the course.

Junior members now enrolled include the following: C. G. Walton, Tom Dunn, J. D. Price, Frank Walker, Jane Gay, Ruth Summerell, Ula Garland, Frances Dorsett, Leon Robbins, Irvin Nichols, Verne Shives James Corinth, George Valentine, Howard Turner, Teddy Poplin, Jimmy Rieks, Alvin Moore, Glenwood Smith, Edgar Williams, John Poplin, William Bryant, Louise Harper, Jack Robbis, Bobby Adams, Russell Proctor, and Julian Hunt.

Senior members are as follows: Charles Marshburn, Robert Thompson, James Suiter, Billy Averera, George Fox, Sneed Low, Woodall Rose, Robert Grimes, Edward Carter.

Doom Sealed For Zion City, Seems

The gigantic religious colony of Wilbur Glenn Voliva at Zion City, Ill., which for one-third of a century has held together as one of the most ambitious colonization schemes in America is facing almost certain ruin.

For the first time since John Alexander Dowie realized his dream in 1899 of a religious-industrial community on the shores of Lake Michigan, title to most of the land in Zion is about to pass from the name of the church he founded.

Threats of the break-up of the Voliva empire came the past week with the lifting of a \$50,000 income tax lien against 2,100 pounds of land in Zion. Frank T. O'Brien, counsel in bankruptcy for Voliva, Dowie's successor, had the federal tax lien lifted so the property can be sold to satisfy more than \$1,000,000 in debts to 500 creditors.

When the community was founded at the turn of the century, Dowie had a following of 20,000. He transformed the marshes and dunes into a 6,600,000-acre subdivision. Under his magic touch, thriving factories sprang up. The bank, the lace and candy factories, the farmers and the town merchants all paid a tenth of their profits as a tithe to the Christian Catholic Apostolic church in Zion.

Dowie turned the wilderness into a \$7,000,000 property. Hundreds of converts were attracted by the magnetic character of his teaching and healing, and his power to arouse his followers.

(Please turn to page four)

Honored by University of Miami



Receiving the honorary degree of doctor of philosophy from President B. F. Ashe of the University of Miami, Mrs. Grace Eames Doherty also accepted the degree of doctor of science for her husband, Col. Henry L. Doherty, who was unable to attend the university's annual commencement.

No Justification For Gross Sales Tax Now

The State Merchants Association at its annual meeting at Blowing Rock, passed a resolution requesting the Governor to use his influence to have the sales tax repealed. The resolution described the sales tax as a "crushing and entirely unjustified burden upon the poor class and that it was said to be established as a temporary measure and with a 15 million dollar surplus in the State Treasury there was no longer any need for the poor to be called upon to pay and the merchants to act as collectors of this tax."

The Rocky Mount afternoon paper in commentation on the Merchants resolution stated "that this resolution had put the Governor on the spot and proceeded to justify the sales tax by stating that the Federal Government was spending so heavily and was so much in debt that it was very necessary for North Carolina to keep its finances in fine shape."

With the free spending that has gone on in North Carolina for the last few years there has accumulated a 15 million dollar surplus and it will be well remembered that when Governor Gardner went out of office he left an 18 million dollar deficit considering the surplus that was in the Treasury when he took hold. Now can any economist stand before the people of North Carolina and say that this sales tax is necessary to keep a balanced budget when this deficit of 18 million dollars has been covered and there has accumulated a 15 million dollar surplus besides and nothing has been said about practicing economy yet. With each year we see hundreds and hundreds of new offices and jobs created that never existed before. When Governor Morrison was Governor there was not ever a pardon clerk now there are more than 50 people connected with the pardon office. This all may be good but I believe that the sales tax which was described by Commissioner of Revenue, A. J. Maxwell, "as the most successful way ever devised by human ingenuity to tax poverty." The gross sales tax is a tax on poverty as stated by the Commissioner of Revenue. His views have changed since he made this statement, but, nevertheless, the facts have not changed. The Governor should recommend that this gross sales tax be removed for there is no apparent need for it and the Merchants Association realizing that the Governor was in control of all of the state tax money collecting in North Carolina and naturally this control of this amount would have its effects on the Legislature and therefore very aptly directed their petition to the Governor rather than the Legislature.

ROCKY MOUNT TOBACCO MARKET MAKING PREPARATION FOR BIG FALL

Preparations are now going forward for the opening of the tobacco market in August. Repairs are being made by the warehousemen to the warehouses.

We saw a press account of a recent meeting held by the Smithfield Tobacco warehousemen in Smithfield at the Gabriel Johnson Hotel bringing together those interested in the welfare of the market for the purpose of promoting the Smithfield market. They had a fine supper and after much discussion it was agreed the best way to help the Smithfield market was that all interested in the Smithfield market should go out over the area which should sell in Smithfield and see and mix with the people. The merchants were asked to spend the Wednesday afternoon in which the stores were being closed for visiting the farmers out in the tobacco area rather than spending their time at a base ball game and at the beach.

We believe this same mode of procedure for the promotion of the Johnston County capital market, would be a fine thing for Rocky Mount. Eating among ourselves is a fine thing but the best way to bring tobacco to Rocky Mount is for the Rocky Mount citizens and businessmen to go out over the tobacco area which should sell in Rocky Mount and see the people personally and acquaint them with advantages of selling tobacco in Rocky Mount.

BANKERS SAY FINE CRUISE

Retiring President F. P. Spruill Is Elected State Vice-President Of A. B. A.

F. P. Spruill, president of the Peoples bank and retiring president of the North Carolina Bankers Association, was elected North Carolina vice-president of the American Bankers Association during the state associations annual convention and cruise, returning Rocky Mount bankers reported.

Millard F. Jones of the Planters bank was elected representative to the nominating committee of the American Bankers Association at a business meeting during the cruise.

He retired as a member of the A. B. A. executive committee, being succeeded by R. E. Kerr, a Charlotte banker.

Retiring President Spruill was presented a gift of silver service by the North Carolina Bankers Association as he relinquished the office.

The convention cruise to Nassau and Havana, which began June 18 was described by local bankers and guests and out-of-state guests, including New York and Richmond bankers, as "the most successful and enjoyable" convention the association has held.

Aboard the cruise ship Reliance, Miss Kate Spruill was awarded a prize for deck tennis and R. Graham Dozier, also of Rocky Mount received three prizes for deck sports.

SET RECORDS IN FINANCE

North Carolina Finishing Biggest Revenue And Expenditures Year In History

North Carolina, despite the recession and a new set of tax weights on the revenue scales, will end the 1937-38 fiscal year with record tax collection and a balanced budget, Revenue Commissioner A. J. Maxwell predicted.

Altogether, the State has spent close to \$78,000,000 in the last 12 months—a record sum nearly double the expenditures of a decade ago. The total, however, includes several million dollars given the State by the Federal government and road construction and Social Security payments.

The 1937 General Assembly raised the pay of all public school teachers and other State employees, to compensate partially for salary slashes during the leanest years of the depression. The Assembly authorized Social Security payments to the indigent aged, blind and dependent children. It appropriated \$1,500,000 for free textbooks for children in elementary schools; \$2,344,000 for permanent improvements at State institutions; \$650,000 for new office building here and \$250,000 for a State advertising program.

The textbooks, new buildings and permanent improvements are being financed through bond issues. Other expenditures are coming, for the most part, out of this year's tax receipts.

What accounts for the record receipts?

The General Assembly increased slightly the personal income tax in the higher brackets. Income tax collections this fiscal year will exceed by several hundred thousand dollars the record of \$11,013,081.59, set in 1936-37.

The Assembly enacted a State tax on intangibles, which will gross close to \$900,000, of which half will be turned over to the counties.

The State tax on liquor was increased from three to seven per cent and will set a new record of more than \$1,500,000.

Although the tax on gasoline was not increased, increased consumption of the motor fuel will result in record collections of more than \$23,000,000.

Although the Legislature exempted certain basic foods from the three per cent sales tax and reduced the cost of automobile license tags, the sales tax and the license tax almost will equal the records of \$11,325,661.48 and \$7,422,723.15, respectively, set in 1936-37.

Tobacco Farmers Get 53 Percent Of State Farm Income

North Carolina tobacco farmers received a total of \$143,115,000 last year, representing 53 per cent of total farm cash income from all sources, W. H. Rhodes, chief statistician of the State Department of Agriculture, announces.

North Carolina growers led the nation in production and sale of flue-cured tobacco and collected 73 per cent of the total cash income from all flue-cured tobacco types produced in the United States during the calendar year.

The revised estimate of tobacco production and income for the 1937 crop revealed:

1. North Carolina's 1937 crop was the largest on record, but brought \$26,575,000 less than the 1919 crop.
2. Growers produced 595,530,000 pounds of tobacco in 1937, or an average yield per acre of 884 pounds on 674,000 acres.
3. Acreage devoted to tobacco last year was an increase of 12 per cent over 1936.

4. Producers' tobacco marketed on the warehouse floors of North Carolina during the 1937-1938 season averaged 24.4 cents per pound as compared with 22.9 cents received during the previous season.

Rhodes said the increase in prices paid for the flue-cured crop last year was "a result of the greatest increase in demands for cigarette (flue-cured) tobacco since the World War and a reduction in demand for most other types."

FIGURE TOB. DAMAGE IN NASH COUNTY

County Agent J. S. Sugg Estimates \$50,000 To \$75,000 Loss From Hail Friday

Nash county's tobacco crop loss as result of the hail storm last week-end will amount to \$50,000 or \$75,000, County Agent J. S. Sugg estimated after looking over the damaged sections Monday.

About 500 acres of tobacco in Nash suffered a 30 per cent average loss from the hail, the severest of which fell late Friday, the county agent reported.

The damage is as much as 200 acres amounted to as much as 75 per cent, Sugg said, and in some places the tobacco was totally destroyed.

The county agent said Monday afternoon that the severest hail damage he saw was on the farm of Percy Richardson, a negro farmer, who had 15 acres of tobacco totally destroyed.

Most of the hail damage in Nash done by the storm Friday was reported in a mile-wide area extending from near Flood's Chapel eastward along the eastern edge of Spring Hope to a point two miles east of Castalia. The storm seemed to vary in severity in that area, the county agent reported, causing more damage in some spots than in others.

The hail also struck in another section of Nash near Silver Lake.

Colored Farmer Has First Cotton Bloom

Harry Powell, elderly Negro tenant farmer of nearby Edgecombe county was showing folks around Rocky Mount today the first cotton blossom seen here this summer.

Powell said the blossom came from a farm owned by Dr. M. L. Stone and Walter Bulluck of Rocky Mount located about a half mile east of here.

The bloom grew on Mexican strain cotton planted April 4, he added.

DANIELS OFF TO MEXICO

Ambassador Ends 60-Day Vacation Stay; Accompanied By Mrs. Daniel.

Washington, June 25.—Ambassador Josephus Daniels returned to his post at Mexico City today after a stay in this country of exactly two months, the longest vacation period he has spent since assuming his post in 1933. He was accompanied by Mrs. Daniels.

Mr. and Mrs. Daniels came home especially for the celebration of their golden wedding anniversary on May 2. Mrs. Daniels has remained at Raleigh practically the entire period, but Mr. Daniels has spent much of the time in Washington, conferring with President Roosevelt and State Department officials concerning conditions in Mexico, including the situation created by the action of the Mexican government in expropriating the property of American and British oil firms several months ago.

When Ambassador Daniels' leave expired on May 19, he was requested by Secretary of State Cordell Hull to remain in this country for further conferences. Ambassador Daniels held the last of several conferences today with President Roosevelt shortly before taking a train for Mexico City.

The Ambassador declared upon leaving that he had enjoyed his stay in this country, but maintained his policy of silence as to official matters, saying that any statement about the Mexican situation which might be made would come from the State Department.

Newell Demands Separate Books

Deplores Republicans' Tendency to Vote In Democratic Primaries

Charlotte, June 25.—Jake F. Newell, state chairman of the North Carolina Republican executive committee, today demanded separate registration books for Democrats and Republicans.

He issued the statement after writing a letter to P. M. Caudle of High Point, in which he deplored what he said was the tendency of the State's Republicans—especially in Guilford County—to vote in the Democratic primaries.

Newell said that he believed the State Board of Elections is just as anxious to bring about clean voting conditions as he.

"A Republican should be too proud of himself to seek hospitality where he is not wanted," Newell said. "He should be too proud of himself to go in company where he is not wanted, though he be paid for his presence during the day."

"The Democratic party is entitled to have a primary controlled by Democrats. The Democratic party should be solely responsible for its nominations and its conduct."

"My position is that Republicans going into the Democratic primaries cannot fail to have an evil effect on both the Democratic party and the Republican party."

"We cannot blame the Democrats for the election of The New Deal administration. There were not enough Democrats to elect it, and Republicans, by their weakness, are responsible for putting it in."

Pilots to be trained at five fields in use of new device to land airplanes despite storms.

4-H club members who have been in the work for a few years are in better physical condition than new ones, find the home and farm agents of Cleveland County. This applies particularly to teeth, eyes, nasal passages and the like.

NOTICE

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