

The Week in Washington

(Special Correspondence.)

Washington, June 12.—The real test of the Roosevelt policies will come after Congress has adjourned and has gone home and the President, with unexampled power of experiment and unlimited freedom of action, gets under way with the "New Deal."

So far about all that has been done is to set up the new machinery. Little of it has as yet started to work. The definite improvement in business and industry all over the country is still largely due to an improvement in the morale of the public.

The one positive action of the Administration which has brought results thus far is the suspension of gold payments, which has had a marked effect upon prices, first in foreign trade and now gradually being reflected in domestic commerce.

The tendency here is to suggest that if one single positive act, coupled with the mere promise of others can lift prices, what may not happen when the whole Roosevelt program gets into action?

Aiming at Higher Prices

The definite aim of the administration is to raise commodity prices.

Just which of the many powers granted to the President will be the ones which will do the most good, nobody tries to guess. It seems certain that there will be some sort of so-called inflation of the dollar, having for its purpose the raising of prices but which method of inflation will be adopted the President himself does not know yet.

Much will depend upon the outcome of the World Economic Conference which met in London on June 12th. There is a possibility of such a far-reaching international agreement on money and prices that it will not be necessary for any nation, at least not for the United States, to do anything else to bring about the restoration of the price level to where it was, say, 1926. But the whole conference is so complicated with Europe's internal disagreements on the question of disarmament, and with the growing insistence of our European debtors, that we forgive them their debts before they will play with us, that Washington is not really expecting much out of the conference.

Equipped Either Way

Many of the monetary powers which the President asked of Congress and received, had the double purposes of being good weapons to use in the economic battle in London and, if we fail to win there, very useful tools for a nation which decides to go it alone, regardless of what the rest of the world does.

And that is the real expectations among those on the inside: that the United States will work out its own program of rehabilitation, by controlling production both in agriculture and industry so that we shall not be dependent upon foreign countries to buy our surplus, since there won't be any surplus to export.

The first actual step toward inflation of the currency was taken a couple of weeks ago when the Federal reserve banks began to buy Government bonds with the new currency. The Federal Reserve is authorized to buy up to three thousand million dollars of outstanding bonds and to pay for them in new money which is not based on gold but upon the Government's unsupported promise to pay. As this is written, about \$25,000,000 of the new money has been issued. Taking these bonds out of banks, where they continue a frozen asset, and giving the banks instead of them, bright new notes which can be used for money, is one way of liquidating the banking situation.

Gold Dollar Value

There has been a great deal of talk about the possible devaluation of the gold dollar. The President is authorized to reduce the amount of gold in the dollar by as much as one-half. That is not saying that he intends to do that. Power and intent are two different things. But some of those on the inside believe that there will be no use of the power until and unless the price level reaches a point at which it seems desirable to stabilize it, and that then may be done by a declaration by the President devaluing the dollar permanently.

There are two ways of looking at higher prices. Mr. Roosevelt's friends point out. One is to call it higher commodity prices, the other is to talk of cheaper dollars. Just now the dollar is dearer than it has been for more than twenty years. That is just another way of saying that prices are so low that nobody can make a reasonable profit in producing and selling goods. Admitting that a cheap dollar raises the cost of living, its advocates point out that the dear dollar closes factories and leaves farmers with no surplus to spend, and they think preferable to have men employed and purchasing power of producers restored than to have millions out of work with no dollars wherewith to take advantage of the low prices.

Money in Commodities Now

Reports from all the financial centers and the banks are that, in anticipation of the dollar going cheaper, men and institutions with money in hand in considerable amounts are trying to protect themselves by putting their money in commodities or secur-

Two Extremes in Improving the Breeds



Above is Winterthur Gama, a 7 year old Holstein owned by H. P. DuPont of Winterthur, Del. who has just set a new record by producing 1,042.2 pounds of butter fat in one year on a strictly twice a day milking, exceeding the former world record by 145.8 pounds. She produced 23,444.6 pounds of milk. Below: A new animal called "cattie" which is being developed by the Canadian government by crossing domestic cattle with buffalo so they may better stand the severe winters. Its meat is tasty and the hide and coat superior to the domestic, it is said.

Lees-McRae Adopts Expansion Program

Banner Elk.—The trustees of the Edgar Tufts Memorial Association, at their annual meeting here Thursday, voted a million and a half dollar program of expansion, "to more adequately meet the growing opportunities." The Edgar Tufts Memorial Association includes Lees-McRae College, Grace Hospital and Grandfather Orphans Home.

The trustees' resolution follows: "Resolved: That after reviewing the achievements of the institution of the past, and its needs for the future, a program of expansion be adopted."

That this program consist of a very definite plan for the raising of one million dollars' endowment and one-half million dollars for additional buildings and equipment, this endowment to provide an adequate income for the Lees-McRae College, Grace Hospital and Grandfather Orphans Home departments, and the one-half million dollars to provide (a) permanent fireproof dormitories for the boys' department; (b) clinic building and nurses' home for the hospital department; (c) replacement of all frame buildings at orphanage by permanent fireproof structures of the cottage type; (d) additional equipment in the way of central heating plant, auxiliary power plant, auxiliary water plant, and modern dairy.

In keeping with the progress of the institution in all departments, the provisions as above outlined are deemed necessary that the institution be enabled to more adequately meet the growing opportunities."

Program Outlined

Edgar Tufts, president of the Association, outlined in detail the need for the million-dollar endowment and the half-million-dollar capital outlay.

Each department, college, orphanage and hospital, has grown tremendously right on through the depression. Lees-McRae College has twenty per cent. more students than last year, and the same size faculty of years ago, with the same limited physical equipment; Grace Hospital, although last spring its new building doubled its capacity, has still the same staff of only two doctors; while Grandfather Orphans Home is sorely in need of better buildings, repairs to those it now has, and some permanent means of support. The orphanage is always full to capacity, and even with the aid of the Duke Endowment, which also aids the hospital, it barely manages to exist from year to year.

The half-million dollars to be sought for capital outlay will be spent as follows: For the college, a new boys' dormitory, replacing the present overcrowded wooden structure, to cost \$75,000; an administration building, to include an auditorium, class rooms, administrative offices, instruc-

tions which tend to increase in dollar value, instead of keeping their funds in dollars. If a dollar is going to buy only half as much six months from now, the man who has a dollar today and hangs on to it is going to be worth only half as much. But if copper or cotton or silver or shares in companies producing commodities are likely to go up, then the dollar invested now may be worth two of the future cheap dollars, and the investor will come out even in the long run.

There is great assurance that the process of inflation will not be a runaway, in the appointment of Professor O. M. W. Sprague of Harvard to the post of Adviser to the Treasury. Prof. Sprague has been for several years the economic adviser to the Bank of England, although he is an American. He knows just how far inflation can go safely and brings a valuable experience to bear on America's financial problems.

tors' office, adequate science laboratories and a gymnasium, to cost \$100,000; five faculty homes, at \$2,500 each; a home economics practice house and laboratory, to cost \$4,000; and a library building, to cost \$20,000.

At present the college is without most of these facilities, even in a temporary form.

Orphanage Needs

For the orphanage there are planned a modern cottage for older girls, and one for older boys, replacing the present inadequate structures; an administration building to provide dining hall, kitchen, offices, recreation facilities, and assembly hall; a permanent cottage for smaller boys and girls, ranging in age from four to seven years; a small quarantine cottage, where children can be kept upon entrance for observation before being permanently placed with other group; and to be used also as an infirmary; and enough equipment for a program of manual training for both boys and girls. Also planned for immediate action are urgently needed repairs on present frame buildings, an improved heating and water system, and the beautification of grounds by landscaping, walks and drives. The total cost will be \$75,000.

Leading orphanage officials from the Duke Endowment and the Gould Foundation of New York, have said that Grandfather Orphans Home, with its eight houses arranged in a quadrangle under the shadows of the Beech, Sugar, Hanging Rock and Grandfather Mountains, and just below the new fifteen-acre lake now under construction for storage purposes, has marvelous possibilities for development.

Capital outlay for Grace Hospital will include a nurses' home, at a cost of \$20,000, and doctors' homes at a cost of \$10,000.

Self-Sustaining Projects

For the self-sustaining projects and industries of the Association, which give employment to boys and girls earning an education, and have introduced industries to this section of the mountains, the following equipment is needed: a modern dairy barn, \$5,000; a canner and cold storage plant for processing foods, \$5,000; a central heating plant and auxiliary power plant, \$20,000. Improvement of the grounds, walks, roads, shrubbery and landscaping is set down for \$5,000. The Association property, including lakes, river, virgin forests, farms and pastures, including 1,000 acres.

The million-dollar endowment sought for the association will likewise be divided among all three departments. The income will go to the support of eight instructors' chairs in Lees-McRae College, for which \$20,000 is needed; a yearly operating fund of \$10,000 for Grandfather Orphans Home; to supplement gifts and care for an increasing population; and a yearly income of \$20,000 for Grace Hospital, to supplement its charity work and to add to the medical staff, including an instructor's chair for the nurses' training school.

The present enrollment of the Lees-McRae College is 227. There are 85 children at the orphans' home, and the hospital, with a capacity of sixty beds, is always full. Grace Hospital is the largest hospital in America in a town of Banner Elks' size and is serving nine mountain counties.

Work Begun in 1900

The three institutions, the outcome of work begun here in 1900 by the late Rev. Edgar H. Tufts, are interlocking and self-sustaining to an unusual degree. A number of boys and girls after leaving the orphans home work their way through Lees-McRae College, some continuing each year as

Raleigh News Letter

By M. R. DUNNAGAN
Special Writer for The Democrat

In fully 20 North Carolina counties reports have been circulated freely that county welfare superintendents were getting a "rake off" of Federal funds distributed through the Governor's Office of Relief by taking a few cents of every dollar. Invariably the reports are almost identical in every county: that a worker expecting \$1 would get 75 cents, raise a kick and get told that was all he would get. The worker could turn out to be a Federal secret service man and would show his badge, thus catching the welfare worker redhanded, according to Ronald Wilson, acting relief director. None of the reports are true and Mrs. W. T. Bost, state welfare commissioner, issued a statement showing that the welfare officer never even touches the money, which is sent to the county treasurer and paid out on order of the welfare officer, approved by the county accountant, on check issued by the sheriff. Mr. Wilson says it may come about because city workers are paid \$1 and rural workers 75 cents, due to the difference in living costs.

Pictures of the seven State labor officials are to be put in the office of Commissioner of Labor A. L. Fletcher if all can be secured, and all but two have been promised. The position was established as the Bureau of Labor in 1887 and Wesley M. Jones, late law partner of Senator J. W. Bailey, was the first official. Others to occupy the post were John C. Scarborough, Chowan College president, 1889-92; Benjamin R. Lacy 1893-96 and 1899-1900; J. Y. Hamrick, Rutherford 1897-98; H. B. Varner, Lexington, 1901-5; M. L. Shipman, 1909-24; F. D. Grist, 1925-32, and now Major Fletcher. The printing placed in the name about 1900 was dropped by the 1931 General Assembly.

Governor Ehringhaus related that one man, calling on him, said he did not want much from him, just the appointment as Secretary of the N. C. Railroad Co. "It might interest you," the Governor replied, "to know that there have been more applications for that job than any other I have to appoint." D. F. Giles, Marion, now holds the job from the Gardner administration. Judge Wiley O. Barnes of the Raleigh city court, held it under Governor McLean. It's a part-time job with fair remuneration and railroad passes.

Tyre Taylor, who assumed his \$8-500 a year job in Washington Monday as a division attorney for the Reconstruction Finance Corporation, said before leaving that he plans to resign as President of the Young Democratic Clubs of America after he can confer with National Democratic Chairman James A. Farley, and that his successor will be probably elected at the national convention of the organization in Kansas City August 30 and 31 and September 1.

Mr. Taylor organized and was the president of the Young Democrats of North Carolina in 1930 and in 1932 organized and headed the national organization. That body was in close accord with the national organization Joutt Snouse and later Chairman, Farley, and is credited with effective political work. Mr. Taylor made plans to keep the North Carolina "You-Young Plan alive and active in efforts to re-

student nurses at Grace Hospital, a game farm where ruffed grouse, wild turkey, quail, and other game birds are raised; a poultry farm, a nursery, flour mills, carpenter shops, farms and a dairy are among the industries operated by students. Each year one-fourth of the student body is given work in Pinnacle Inn, owned and operated by the college. The meeting of the trustees marked the formal opening of the inn for the summer.

Raising of the million-dollar endowment fund for the Association and the half-million dollars capital improvement fund will be begun at once, Mr. Tufts said. The effect of each improvement in its turn, he said, will be not only the improvement of each separate function—the care of children at the orphanage, the education and practical training of boys and girls at the lowest possible cost, and the healing of the sick at the hospital—but will mean a strengthening of the entire association as a unit and the opening of unlimited possibilities for Christian service, and for its all-round study and improvement of life in the mountains.

The board of trustees of the Association consists of Dr. Frazier Hood, of Davidson College, chairman; Chas. A. Cannon, Concord, N. C.; Emery Flinn, New York City; Sam R. Sells, Johnson City, Tenn.; J. H. Beall, of Lenoir, N. C.; E. W. King, Bristol, Tenn.; J. O. Summers, Johnson City; Dr. E. D. Brown, Statesville, N. C.; the Rev. A. A. McLean, Lenoir; Geo. W. Hall, Hickory, N. C.; H. A. Rouzer, Salisbury, N. C.; F. H. Stinson, Banner Elk, N. C.; Dr. F. H. Thompson, Bristol, Tenn.; Dr. Russell C. Long, Greenwood, S. C.; and Dr. Robert King, of Johnson City.

In Salesgirl Ranks



Anna Curtis Dall, daughter of President and Mrs. Roosevelt, joined the ranks of sales girls last week, selling frocks in a N. Y. department store for the benefit of a children's charity.

habilitate the state. That too, is his "baby."

The State Corporation Commission has granted the Winston-Salem South Bound Railway Co. the right to remove its one round-trip passenger train from Winston-Salem to Wadesboro under the 1933 law which allows the commission to order removal of passenger trains if there is no public convenience or necessity involved. But it continued indefinitely the petition of the Atlantic and Yadkin Railroad to be permitted to remove its daily round-trip train. Senator Robert R. Reynolds and Congressman Walter Lambeth asked that the hearing be continued, on the ground that pending Federal legislation might give the relief sought. Earlier petitions by both roads were denied on the ground that the commission did not have the authority which was granted by the 1933 act. No one protested the W. S. Southbound train removal, but a delegation opposed the A. & Y. petition.

In 1922, diphtheria caused 508 deaths out of 8,136 cases, the State Board of Health advises in its plea to parents to have their children immunized and thus help to eradicate this disease from which 75 per cent of the deaths are of children under five years of age. Most of the deaths occur in early fall, and a campaign is being waged this summer to get parents to have children between ages of six and nine months immunized before the fall. The advice is to take the child to the health department or family physician as early as possible. "Take no chances; you might lose!" is the warning.

The State highway fund increased about three-fourths of a million dol-

ars last month, to a total balance of \$7,500,043.41 at the end of May, but the state's general fund showed a slight deficiency, bringing the cash overdraft to \$1,035,558.00 May 31, the combined auditor-treasurer report shows.

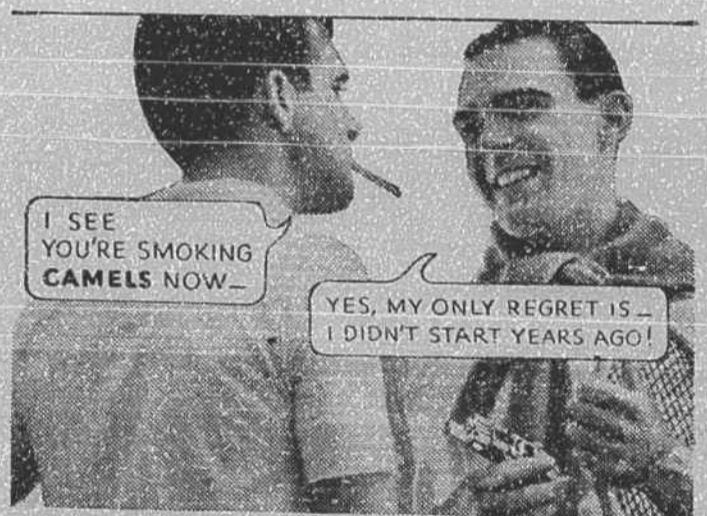
The general fund overdraft May 1 was \$961,283.81 and receipts for the month were \$948,639.07, leaving a continuing overdraft of \$12,644.74, to which is added the month's disbursements of \$1,022,915.26, bringing the total cash overdraft to \$1,033,558. Total receipts for the 11 months of the fiscal year are \$33,851,569.89 and the disbursements \$34,414,515.46, which, with the deficit of \$502,612.43 at the beginning of the year, makes the overdraft about a million dollars.

The highway fund balance May 1 was \$6,753,999.83, while the month's receipts were \$3,045,673.90, a total of \$9,799,673.73, from which disbursements of \$2,045,673.90, a total of \$9,799,673.73, from which disbursements of \$2,045,673.90 left a balance of \$7,500,143.41. Receipts of the highway fund during the 11 months of the fiscal year have been \$37,871,020.85, while disbursements were \$37,492,492.50. The balance at the beginning of the year was \$7,130,515.05, which is slightly increase to \$7,509,143.41 on May 31.

Whether or not there will be a state fair in 1933 will be determined soon after Governor Ehringhaus names the three new members of the Board of Agriculture, which appointments are promised soon. The board decides on continuing the Fair. No appropriation was made for it for the next two years, but it has been self-supporting for two years, when there was an emergency fund, and the improvement promised in agriculture may help to decide in favor of the Fair. The board is expected to be called to meet soon after appointment, and the Fair will be one of the first things considered, in order to give time for plans.

Mrs. W. T. Bost, commissioner of public welfare, refused to confirm the unanimous election by county commissioner and education board of Mecklenburg county of M. M. Grey as superintendent of public welfare, a post he has held for 11 years, on the ground of inefficiency and political activity. The joint boards do not expect to meet again to elect another person and plan to let Grey continue to serve. A restraining order may follow to prevent him from continuing. Mecklenburg officials tried to get the Governor to override Mrs. Bost.

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