

# The Week in Washington

A RESUME OF GOVERNMENTAL HAPPENINGS IN THE NATIONAL CAPITAL

The outlook for adjournment of Congress before June 1 gets slimmer and slimmer. The main thing that is going to eat up time is working out a new tax bill. That a very large amount of additional tax revenues must be found somewhere, and that quickly, is now regretfully admitted by members of Congress. At any time the problem of taxation is a delicate one. Important new tax systems have to be discussed and considered from many angles besides the question of whether they will raise the money needed.

That sort of discussion has already begun in regard to President Roosevelt's proposal to levy a tax upon the undistributed surplus of corporations. That would mean that liquid funds in corporate treasuries, which are being held as reserves, either against a falling off in business or to finance improvements and extensions as business picks up, would be drawn upon as a new source of revenue.

The President's proposal is to abolish the existing taxes on corporate incomes, excess profits and capital stock, which now produce a revenue of about \$1,000,000,000 a year, and instead, levy a tax which is estimated at about one-third their total on the corporate reserves. This, the Treasury figures, would amount to about \$1,600,000,000, thus increasing the Government's income by \$600,000,000.

### Viewing New Tax Plan

The question of how the President's plan would work out is what is puzzling members of Congress. First, would it cripple corporations which have accumulated large surpluses? Second, would it result in an immediate distribution of large proportions of those surpluses in the form of dividends to stockholders, and so reduce the total to a point where the expected tax revenue would not be forthcoming?

It is pointed out on one hand that these surpluses are the property of the stockholders and ought to be distributed to them in the form of dividends. If that were done, they would be taxable as individual incomes.

On the other hand, the argument is set up that only the existence of large undistributed surpluses has enabled many industries to carry on, to keep their plant equipment up to date, continue to employ labor, and pay dividends to stockholders during even the depths of the depression, when they were actually running at a loss. How far can that protective reserve be drawn upon without incurring the risk of serious damage to industries and increasing unemployment?

These are serious questions, and are being taken seriously by the members of both houses.

### Looking Ahead

The best guess now is that the President's plan will not be adopted in its entirety, mainly because there is not time between now and the political conventions to examine all of its complications. There probably will be some experimental tax on undistributed surpluses, but existing corporation taxes are not likely to be repealed, although they may be scaled down.

Resistance is very strong to any increase in individual income taxes except in what are termed the "upper brackets." Incomes in excess of \$10,000 net a year may be taxed at a higher rate than at present. There is also a strong indication that there will be many excise taxes.

There is little likelihood of higher taxes on liquor and tobacco. There is much more likelihood of new taxes that will increase the costs of food and clothing.

The President has asked for nearly \$800,000,000 more a year in new taxes. The chances are that Congress will vote about \$500,000,000. This will not be enough to balance the budget of ordinary expenditures. Neither will it include anything for the continuation of direct Federal relief activities.

Somewhere between \$1,000,000,000 and \$2,000,000,000 will have to be provided for relief for the next fiscal year. Whatever it comes to, that and the budget deficit will have to be made up by additional Government borrowing. The prospect does not frighten Washington, in view of the eagerness with which the money market took up more than \$1,000,000,000 in a new Government loan a week or two ago.

### New Farm Act

No very definite program for the administration of the new Farm Act has yet been formulated by Secretary Wallace, who is in charge of its administration.

There will be no contracts with individual farmers specifying how much each may produce, as under the AAA. Some system of bonus payments to those who voluntarily retire acreage from cultivation and plant it to soil conserving crops of a nature that will not disturb the market for farm staples is what is contemplated.

It is not an easy thing to figure out a system that will accomplish the objective of taking 30 million acres out of cultivation and distribute \$500,000,000 to farmers for doing so.

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## SECRET LOVE

German Screen Star Mentioned as Enamored of Hitler



BERLIN, Germany. Miss Leni Riefenstahl (above), beautiful German screen star, is the person reported mentioned in the "Hitler's Secret Loves" story published in Par last Sunday.

## NOTED AVERY CO. CRIMINAL TAKEN

Career of Much-Sought Criminal Ended as He Runs Afoul of G-Men.

On last Monday United States Department of Justice Agents took Ed Aldridge, the noted outlaw, who originated near Plumtree, Avery county, in the small town of Drift, Ky., according to a story carried by the Spruce Pine News. "The G-Men always get their man" was again marked up in this case of a hardened criminal who was a member of the gang that has for several years robbed banks, killed sheriffs and policemen, broken jail and in many ways earned the reputation of a public enemy.

Aldridge was arrested on the specific charge of having been a member of the gang which blackjacked a taxi driver between Blowing Rock and Boone, stole his car and finally took the latter into Tennessee. This gave the technical charge of interstate stealing of an automobile on which the federal officers could act. There are so many charges against Aldridge—several of them capital crimes—that it will be hard to decide on which one to prosecute him first. Legal experts consider that he will unquestionably be convicted and executed, unless some technical move is made to get him off with a life sentence.

Aldridge broke out of the North Carolina penitentiary about three years ago with Reese and Ray Bailey of Yancey county and a man named King. Since then they have cruised over a wide area of the South committing all sorts of crimes. Among those of which they are accused is the robbing of the Banner Elk Bank, stealing a car from a traveling man near Marion and robbing a bank at Clayton, Ga.

At various times they have been hiding in this section. Reese got away from the officers of Yancey county after he had been surrounded in his home there. Ray was finally caught and sent to the penitentiary for life for killing a policeman in Greenville, S. C.

With Aldridge in the hands of the Federal government, the second member of the gang is safely out of the way of the public. Local reports indicate that Reese Bailey will doubtless be apprehended in the near future. He is wanted on charges that would enable the G-Men to take him or shoot it out with him. Since he is doubtless desperate, now that other than local officers are after him, his arrest will not be a simple matter.

### MRS. REESE DEAD

Meagre information tells of the death on Tuesday of Mrs. Wm. Reese of Zionville. Due to impaired communication facilities details concerning the death and burial could not be secured at press time but will appear next week.

Privately endowed universities and preparatory schools might be wiped out by "tax the rich" legislation, says Dr. James Rowland Angell of Yale.

### THE WEEKLY NEWSPAPERS

(Arthur Brisbane)

The readers of the smaller newspapers, scattered all over the United States, forms the most important body of thinking Americans in this country. Editors of the smaller newspapers constitute a national intellectual police force that keeps a great majority of the 130,000,000 Americans informed as to public happenings. If the great advertisers of the United States could be made to realize the extraordinary buying powers and advertising value of the local newspapers, the publishers of such newspapers would be rewarded financially as they deserve to be.

## LINNEY TO SPEAK TO REPUBLICANS

Chairman of State Young Republican Clubs to Speak in Place of Patton.

Mr. Baxter Linney, chairman of the State Young Republicans Organization and one of the leaders in G. O. P. circles in this section will deliver the address when the Watauga county Republicans gather in convention at the courthouse next Saturday at 2 o'clock. It had previously been announced that Mr. Frank Patton, former district attorney of Morganton would be the keynote, but a conflict in speaking engagements precludes his attendance upon the local meeting.

Mr. Linney, the son of the late Hon. F. A. and Mrs. Linney and who moved from Boone to engage in the practice of law in Lenoir, is considered a leading figure in Republican circles and his addresses are delivered with a force and understanding which has made of him a popular platform orator.

The business of the convention will deal with the naming of a county chairman, members of the executive committee, and delegates to the state and congressional conventions. The precinct chairmen have been asked to call meetings in their respective townships on Friday afternoon at 2 o'clock for the purpose of electing their precinct officials and for the naming of delegates to the county convention.

### D. M. Sherwood Dies

From Brief Illness

Appalachia, Va., March 12.—D. M. Sherwood Jr., died early Wednesday morning, March 11, at the Pennington Hospital after a brief illness. He was born in Appalachia, March 22, 1914, and at his death was 21 years, 11 months, and 18 days old.

He graduated from Appalachia high school in 1932, and from this time until his death, had been employed by the Krogar Grocery and Baking Company. On July 15, 1935, he was promoted to the management of the Big Stone Gap store.

He was married April 21, 1935 to Miss Kathleen Bays of Pennington Gap who survives him. He is also survived by his father and mother, Mr. and Mrs. D. M. Sherwood, of Appalachia; two brothers, Olin and Lonnie of Detroit, Mich.; and two sisters, Mrs. Mack Wilson of Boone, N. C. The funeral will be held on Friday morning, March 13 at 10 a. m. at the Pennington Methodist Church, at Pennington Gap, Va. It will be conducted by Rev. E. L. McConnell, pastor of Appalachia Methodist Church; Dr. W. P. Eastwood, presiding elder; Rev. Leon Miller, pastor of Pennington church; Rev. W. B. Moore, pastor of Pennington Christian Church; Rev. H. C. Hamilton, pastor of Appalachia Presbyterian Church, and Rev. I. E. Greger, pastor of Stonegate Methodist church.

Burial will be at the American Legion Cemetery at Big Stone Gap at 1:30 p. m.

Active pallbearers will be Guy Peters, Carl Ward, Joe West, Ray Creech, Guy Pugh, Robert Smith.

### WILLIAM GROGAN

William Earnest Grogan, aged 22, died Friday after an illness with tuberculosis.

Funeral services and interment occurred at the Pilot Mountain Baptist Church Saturday, Rev. H. M. Winkler conducting the rites.

Deceased is survived by his father and six brothers and sisters: Mesdames Myrtle Norris, Boone; Agnes Younce, Brownwood; Ruby Brown, Laxon; Olen, R. L. Jr., and James Grogan, all of Laxon.

## AS WAR CLOUDS GATHER

Chancellor Hitler Tells Why German Armies Move into France Area in Violation of Pacts and Treaties



BERLIN, Germany. Chancellor Adolf Hitler (right), told all the world why he was sending German armies into the demilitarized area along the Rhine (shaded area on map), in violation of the Locarno pact and the Versailles treaty. He then dissolved Parliament and called for a general election for March 29th. Hitler's claim is that Germany is released from its treaty obligations by the recently signed Franco-Soviet mutual assistance pact. Lower left is a photo of General Von Blomberg, Minister of Defense, who is directing the German army in its occupation of the Rhine zone.

## SAYS FOLKS PERSIST IN HINDERING FIREMEN

Mayor Gragg has called attention to the disposition of a good many folks in the community to withhold all co-operation from the fire department, and says it is a common practice for local motorists to drive across lines of fire hose in the streets. This practice, says Mr. Gragg is strictly against the law, and besides much expensive hose has been hopelessly damaged by the procedure. He urges the people to refrain from such practices in the future, and solicits the full co-operation of all when the firemen are called out.

## SEEK LABOR FOR SCENIC PARKWAY

Applicants For Work on New Highway May Register on Given Dates.

Those desiring to work on the Blue Ridge Parkway are to be given an opportunity to register, according to information given out from the office of J. B. Hash, district manager for the state employment service.

A representative from the Employment Service will be at Deep Gap Friday, March 20, and Friday, April 3, for the purpose of registering those desiring this employment. He will be at the Arthur Green Service Station these two days from 9:30 to 12:00 o'clock, and all those interested are asked to meet with the representative on one of these days.

## TAX LISTERS ARE NAMED IN COUNTY

Effort Made to Get Early Listing of Taxes; Failure Is Misdemeanor.

Tax listers for the various townships of the county have recently been chosen by E. G. Greer, tax supervisor, and approved by the county commissioners, and actual listing will begin over the county after the first of the month.

Mr. Greer has issued a statement in an advertisement in the Democrat today calling attention to the fact that the law directs listing between the first Monday in April and the first Monday in May and says there will be an especial effort made this year to secure early listing. He also cites sections of the Machinery Act, making failure to list a misdemeanor, and providing penalties.

The listers for the thirteen townships will shortly announce the dates they will appear in the different communities, and following are their names:

- Bald Mountain, Clyde Howell.
- Blue Ridge, Don Kerley.
- Beaver Dam, D. F. Greene.
- Boone, E. G. Greer.
- Cove Creek, Scott Swift.
- Elk, G. P. Carroll.
- Laurel Creek, J. L. Shull.
- Meat Camp, J. B. Clawson.
- North Fork, Walter South.
- Stony Fork, H. E. Greene.
- Shawneehaw, Lee Ward.
- Watauga, J. B. Cole.

Yancey county farmers purchased co-operatively 5,000 pounds of lespeza seed for planting this spring.

## FIFTH SUNDAY IS DAY FOR MEETINGS

Annual Baptist Gathering To Take Place With Various Churches This Year.

(Special Correspondent)

The Fifth Sunday meeting of the Three Forks Association to be held March 29, promises to be one of the most interesting yet to be held in our association, due to the fact that this meeting is to be planned and conducted by the young people of the association.

The Fifth Sunday meeting has been turned over to the B. T. U. President for the purpose of presenting the work of the B. T. U., under the leadership of the president, the young people are to have charge of all the meetings.

The plan is to have a young person speak in each of the thirty-six churches on Christian Training. It is hoped that each church will give the young people a welcome and give the speaker the opportunity to bring his or her message after Sunday School.

The afternoon meetings are to be associational wide also, and promise to be very helpful. We want everyone to hear what the young people themselves have to say about their work. These meetings are to be held in three of the centrally located churches, Boone, Bethel, and Cove Creek.

The afternoon meetings begin at 2:30 and each church is urged to send as large a delegation as possible.

If any church has other plans for the day they are asked to notify the B. T. U. associational president at once and save a young person of the trip and disappointment in not getting to speak.

### The Details

The meeting is scheduled to be held in each church of the association at 11 and 2 o'clock, and the district meetings will be in Boone, Cove Creek and Bethel at 2:30 p. m. The young people will have charge and the theme of the morning will be "Christian Training" and the district meeting will use as the theme "Faith and the Bible."

The co-operation of each church is urged and each Sunday School superintendent is asked to introduce the speaker of the morning and urge everyone to come hear this message. Every church in the association is asked to send a large delegation to the district meetings. The meetings are association-wide and everyone is welcome.

## Preachers' School Will Be Held Here In April

A preacher's school for all the pastors and preachers old and young, in the following counties will be held in Boone beginning April 9, running through April 11: Alleghany, Ashe, Wilkes, Watauga, Caldwell and Avery counties. Brother preachers of all the Baptist churches, we want you to be here. It will be a meeting of prayer, fellowship, inspiration, Bible study and the deepening of our spiritual lives. Put the dates April 9-11 down for that school and let nothing hinder you from the blessing of these three great days together with your fellow ministers of these several counties. The good people of Boone will give you free beds and breakfast. We would like all to stay with us. J. C. Canipe will be host to the school.

## Most Severe Storm Of Year Is Now On

King Winter has played a return engagement in Watauga County, bringing with him the heaviest snow of the year, and while temperatures have not descended alarmingly, transportation is at a standstill for the first time in many years. A heavy downpour of rain Tuesday morning quickly changed to snow, and high winds during the day and night swirled it into giant drifts on the streets and highways, and foot travel is the only means of locomotion Wednesday morning. Numerous country visitors to the town Tuesday were snowbound, hotel rooms were filled, and numbers of transients set up in the lobbies or in cafes about the town.

### MISS RIVERS ILL

Miss Nannie Rivers is critically ill at her home here. Wednesday noon hopes for her recovery had all but been abandoned.

### AN EXPLANATION

Due to the serious illness of a member of the editor's family, the Democrat is going to press rather early and without as complete a coverage of local news happenings as is usual. The slight delinquency is regretted, and the next issue may be expected to be quite up to standard.