

# Five Amendments to Be Voted On Next Tuesday

## Constitution Faces Change, With New Grants of Power to General Assembly

Five amendments to the constitution will be submitted to the voters of North Carolina on November 3rd, one of which proposes to enlarge the supreme court, permitting it to sit in divisions while the other four have to do with tax reform and regulation and the public debt. As the proposed new constitution was never submitted to the people because of advance supreme court decision, the 1935 general assembly selected certain parts and prepared them for submission to the people in the form of the five amendments to be voted on.

As there is no political issue involved in the proposed changes, very little discussion has been given these proposed amendments although they deserve the serious consideration of the voters who should become fully informed regarding the purpose for which they are intended.

The explanation in pamphlet form was prepared by the institute of government. The propositions submitting the amendments will be on the same ballot which the voter will use in casting his vote for the various candidates, but the voter will vote separately on each.

For the information of its readers, The Democrat submits the propositions and explanations as prepared by the institute of government:

### 1. Enlarging the Supreme Court and Permitting it to Sit in Divisions.

**A. The Proposition:** The voters will mark the ballot "For Amendment to the Judicial Section of the Constitution," or "Against Amendment to the Judicial Section of the Constitution."

**B. The Explanation:** Since 1863 with the exception of the fourteen years from 1875 to 1889, the constitution has limited the membership of the Supreme court to five members, and by clear implication of the constitution the intention was that the full membership sit in all cases, except in unusual emergencies.

The proposed amendment, if adopted, would (1) permit the general assembly, when the necessity appeared, to increase the membership of the court from five to seven, and (2) allow the court to sit in divisions of less than the full membership (except in passing upon constitutional questions), thus reducing the labor of the individual members or accomplishing the same work with greater dispatch. The proposal also embodies the requirement that at least four of the justices shall agree in any judgment of the court; there is now no such constitutional provision, although by statute three justices, as a quorum of the membership, may now sit as the court, and by decision a majority of those sitting may render the judgment of the court.

If the amendment is adopted, the increase in the membership of the court would not be automatic; this would be left to the discretion of future general assemblies.

### 2. Limited Property Tax Exemption For Homes Occupied By Owners.

**A. The Proposition:** The voters will mark the ballot "For Exemption From Taxation of Homes in the Value of \$1,000" or "Against Exemption From Taxation of Homes to the Value of \$1,000."

**B. The Explanation:** The present state constitution requires that all property shall be taxed except such as is expressly authorized to be exempted by the constitution. The proposed amendment, if adopted, would authorize the legislature, in its discretion, to exempt from taxation, up to \$1,000 in tax valuation, each home occupied by the owner. It is clear from the wording of the amendment that the legislature could not exempt homes which are occupied by tenants or renters. As to homes occupied by the owners, the legislature could exempt each to the maximum allowed. Thus, assuming that

the legislature should in the course of time, grant the full exemption of \$1,000, the home owner whose home is now valued at \$1,000 or less would pay no taxes on it, the home owner whose home is now valued at \$2,000 would pay taxes on the remaining \$1,000, etc.

### 3. Classification of Property For Taxation

**A. The Proposition:** The voters will mark the ballot "For Classification of Property," or "Against Classification of Property."

**B. The Explanation:** The present state constitution requires that all property shall be taxed by uniform rule, in accordance with its true value in money. As applied to the legislature from dividing the different types of property into various classes and levying different rates of tax on or applying different scales of valuation to each class.

The proposed amendment would, if adopted, require only that taxation shall be uniform on each class of property taxed. This would enable the legislature, in its discretion, to classify property for purposes of the ad valorem or property tax.

### 4. Raising the Maximum Income Tax Rate

**A. The Proposition:** The voters will mark their ballot "For Increasing Limitation of Income Tax Rate to 10%," or "Against Increasing Limitation of Income Tax Rate to 10%."

**B. The Proposition:** The present state constitution provides that the maximum rate of tax which can be levied on net incomes is 6%. It also contains certain provisions with respect to the personal exemptions which shall be allowed in arriving at net taxable income, but these provisions would not be affected by adoption of the proposed amendment. The sole change which would be affected by the amendment, if adopted, would be to raise the maximum rate from 6% to 10%.

### 5. Placing New Restrictions On Public Debt.

**A. The Proposition:** The voters will mark the ballot "For Limitations Upon the Increase of Public Debt," or "Against Limitations Upon the Increase of Public Debt."

**B. The Explanation:** The present state constitution provides that, without a vote of the people, the state may not borrow more than 7.5% of the total tax valuation of property within the state, except: (1) to fund or refund a valid existing debt; (2) to supply casual deficit; or (3) to suppress riots, insurrections or insurrections. The present constitution contains no limitations on city, county and other local debt except the provision that no debts may be incurred, except for necessary expenses, without a vote of the people. This "necessary expense" provision would not be changed by adoption of the proposed amendment. The legislature has placed certain restrictions on county and city debts, but these are of course, subject to legislative changes at any time.

The proposed amendment would, if adopted, repeal the above-mentioned provision with respect to state and local debts. This new provision would allow either the state or a local unit to borrow, without a vote: (1) to fund or refund a valid existing debt; (2) to supply a casual deficit; and (3) to suppress riots, insurrections or insurrections. It would also allow either to borrow, without a vote,

(4) in anticipation of tax revenues payable within the fiscal year, to an extent not exceeding 50% of such anticipated revenue.

The state could not borrow, during any biennium, without an approving vote of the people, more than two-thirds of the amount by which its outstanding debt of the unit was reduced during the preceding fiscal year.

To illustrate the way this amendment would operate, suppose a county desire to erect a new courthouse at a cost of \$100,000 and wished to borrow the money with which to do it. Suppose that during the preceding fiscal year it retired \$100,000 in outstanding bonds. If the strict intention of the amendment is followed, this county could borrow \$66,666 during the current fiscal year unless authorized to exceed that figure by a vote of the people. Consequently, the county would have to submit the issue of the courthouse bonds to a vote.

Because Australian railroads, after 80 years, still use three gauges of track, the economic loss is two billion dollars.

## Appalachian Actualities

Having been authorized by the N. Y. A. authorities, Appalachian State Teachers College this week gave employment to 22 students of the drought-stricken area of North Carolina who had not heretofore had employment with the college. Most of this number is being employed in the college library. Because of the new addition, several departments have been organized, namely: clippings, pictures, maps, dealers, catalog, government bulletins and publication departments. Approximately twenty-eight students from the same area have been added to the other offices of the college.

Professor Hinson, of Appalachian faculty, has been selected by the U. S. Forest administration as one of the representatives from this state to attend the third public deer hunt which is being conducted again this year on the Pisgah National Game Preserve of the Pisgah National Forest. With the exception of last year, at which time the hunt was postponed, Mr. Hinson has participated

in this event for the third consecutive year.

Dr. Rankin, dean of the college, has just returned from Salisbury, where he attended the annual meeting of the Western North Carolina Methodist church conference.

November 6-8 the North Carolina Methodist Student conference will convene at Trinity church, Durham, N. C. Representatives from the various colleges of North Carolina are expected in large numbers. The discussion groups will be led mainly by Duke professors, also other outstanding Methodist leaders, but the principal speaker for the meeting will be Dr. Wyatt Smart, of Emory University, Atlanta, Ga.

The Appalachian students attending the collegiate press association held at the Hotel Charlotte last week, report that they participated in every phase of the association's meeting and dissipated in most of the other activities.

Bermuda has not had a murder or kidnapping in 50 years.

## TWO PARTIES SPEND MORE THAN HUGE SUMS

Washington, Oct. 24.—The Democratic national committee today reported campaign expenditures of \$1,324,416 between September 1 and October 27, bringing its total disbursements since June 1, to \$2,333,256.

Campaign contributions since September 1 were set at \$1,408,947. Earlier donations raised the total to \$2,490,715.

The committee's statement, filed with the clerk of the house, showed a balance on hand of \$84,531.

The Republican national committee's report filed yesterday listed expenditures of \$3,161,617 between September 1 and October 18, or a total of \$4,949,428 since June 1. Republican receipts since June 1, totaled \$5,038,419, including \$2,987,765 since September 1.

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## PAID POLITICAL ADVERTISEMENT

# A Look At The Record

No attempt can be made to review in detail the achievements of the national administration during the past three years under the leadership of President Roosevelt, but the following summary gives some conception of what has been achieved:

Farm income in the past three years increased by \$3,000,000,000.

Unemployment declined from fourteen millions to nine millions.

Two million homes, in town and country, were saved to their owners.

The value of securities issued for new and re-financing purposes increased from \$1,732,000,000 in 1932 to \$3,526,000,000 in 1935.

The aggregate annual income of the American people increased from \$39,000,000,000 in 1932 to \$54,000,000,000 in 1935, an increase of \$15,000,000,000.

The value of securities listed on the New York Stock Exchange has increased from \$54,000,000,000 on December 31, 1932, to \$86,000,000,000 on the same date in 1935, an increase of \$32,000,000,000 in three years.

Commercial failures in the United States have dropped from 31,822 with liabilities of \$928,000,000 in 1932 to 12,185 with liabilities of \$264,000,000 in 1935.

Contracts for residence construction increased from \$250,000,000 in 1933 to \$550,000,000 in 1935; and home-building permits increased from 27,000 in 1932 to 40,000 in 1935.

The urban home-loan debt has declined from \$21,000,000,000 in 1931 to \$13,000,000,000 in 1935.

The total wealth of the nation has increased by more than \$50,000,000,000 since the advent of the Roosevelt administration, in spite of the false claim of its enemies that it is seeking to destroy property and the profits of property.

In 1932, American industrial production was 63 per cent of normal. In 1935, it was 88 per cent.

In 1932 employment in America was 64 per cent of normal. In 1935 it was 82 per cent.

In 1932 payrolls in America were 46 per cent of normal. In 1935 they were 70 per cent of normal.

The consumption of electricity increased from less than 12,000,000,000 to more than 13,000,000,000 kilowatt hours from 1932 to 1935.

The net income of the class 1 railroads in the United States for 1935 was the highest since 1931, and the prospects for still further advancement are acknowledged on every hand.

Inland water-borne commerce increased from 32,000,000 tons in 1932 to 57,000,000 tons in 1935.

Registration of passenger motor cars increased from 20,800,000 in 1932 to more than 25,000,000 in 1935.

The value of industrial production has increased from \$31,000,000,000 in 1932 to more than \$45,000,000,000 in 1935.

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