

The Week in Washington

A RESUME OF GOVERNMENTAL HAPPENINGS IN THE NATIONAL CAPITAL

Washington, Nov. 17.—Congress begins its extra session in an atmosphere of political confusion and discussion which subjects any attempts to forecast results to heavy discounts. The best opinion here is that the acts of the special session will be governed more by the members' own judgment of national needs than by the desire of the administration for the further promotion of social and economic reforms.

Business Troubles First

The first need, as many leaders in both senate and house see it, is to encourage business. There are indications that the administration, too, is keenly aware of this need. When he called congress in special session President Roosevelt did not list tax law amendments in the immediate program of legislation. Farm legislation was No. 1. But that was several weeks ago, and in the interval a threatened business depression has appeared, with breaks in the stock markets and other signs of business unrest.

While the administration does not accept full responsibility for the market slump aggravated by the foreign war situation and other economic factors beyond American control, it takes it seriously enough to not laugh it off but make a careful study of the facts.

Taxes Are Blamed

The first remedy upon which there seems to be wide agreement among the members of congress is for repeal or amendment of tax laws which have been found, in practice, to slow down the operations of business and industry.

The two tax laws most severely criticized by business men are the capital gains tax and tax on undistributed corporation earnings. The capital gains tax is of pre-Roosevelt origin. It taxes as income certain increases in an individual's capital. If a man buys property, tangible or in securities, his profit, if any and as income for that tax year. In beyond certain exceptions, is taxed higher brackets this tax is so steep as to amount to practical confiscation.

Why the Speculator

This is naturally discouraging to men who usually risk funds to launch new enterprises. Such risks are necessary. Without proof that a new business will be profitable, the public cannot honestly be invited to invest. If the speculating investor loses, the public has been safeguarded. If he wins, he expects adequate rewards in the form of profits.

But with the government taking as high as 75 per cent of earnings, men who have capital to invest usually decide to play "safe" and put surplus funds into government bonds. This strangles new business, curtails expansion of business already under way.

The other tax which is blamed for a large share in the business recession, the undistributed profits tax, was written into the 1933 revenue act at the urgent insistence of the President. It provides that corporations earning profits in any year must distribute them to their stockholders as dividends in that year, instead of holding them as reserves or using them to expand or to pay off bonded debts. Corporations failing to make such distributions are taxed up to as high as 26 per cent of the amount.

Soaking the "Bad Boys"

The purpose of the undistributed surplus tax was two-fold. In part it was designed to punish a few large corporations which had built up large reserves for future expansion, but whose controlling management had incurred the displeasure of the administration. The economic justification was the assumption that, by paying out surpluses in dividends, in dividends, the incomes of stockholders would be increased and could be taxed at higher rates, thus bringing additional revenue into the treasury. It was estimated that this tax would produce \$800,000,000 a year of new revenues.

It not only has failed to produce anything like the anticipated revenue, but according to the hundreds of business men, industrialists, investors, bankers and economists who have appeared before the sub-committee of the house which is studying tax matters, the undistributed profits tax has proved a serious obstacle to business improvement and expansion.

The way in which all business enterprises have developed in the past is by "plowing back" profits into the business and the present tax penalizes that.

Tax Changes Are "No. 1"

Somewhat reluctantly, the administration has accepted the truth of the arguments against the capital gains tax and the undistributed profits, and Roswell Magill, assistant secretary of the treasury, has been working with the house committee, helping to shape revisions and amendments in those and some other taxes widely complained of.

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\$1.50 PER YEAR

Conference Speaker



MISS LAVINIA KEYS

MISS KEYS SPEAKS AT WELFARE MEET

District Welfare Conference Held Wednesday at First Baptist Church

Miss Lavinia Keys, regional representative of the social security board, Washington, D. C., was the outstanding feature of the Northwestern district welfare conference held at the Baptist church here yesterday. Miss Keys' subject was "A Forward Look in Public Welfare in North Carolina." Approximately 200 welfare workers representing sixteen northwestern counties were in attendance upon the conference, which got under way at 10 o'clock yesterday morning.

The annual message in the morning session was delivered by Miss Mary O. Linton, president of the Association of County Welfare Superintendents of Public Welfare. Following Miss Linton was "The County Welfare Superintendent at Work," presented by the Guilford county welfare department. The "Open Forum" was led by George L. Stanbury, chairman of the Guilford county board of commissioners.

Other features of the morning program was an address by Mrs. W. T. Bost, state commissioner of public welfare, on "The Development of an Adequate Program of Public Welfare." The closing address of the morning was by Nathan H. Yelton, director of the division of public assistance, on the subject, "Public Assistance."

Dr. B. B. Dougherty, president of Appalachian College, presided over the luncheon meeting at one o'clock. Counties in the Northwestern district are Ashe, Surry, Rockingham, Wilkes, Forsyth, Alamance, Stokes, Davidson, Alleghany, Watauga, Yadkin, Guilford, Davie and Randolph.

Play At Elkland High School Friday Night

On Saturday night, November 20, at 7:45, the students of the Elkland high school will present their annual fall play, "A Ready Made Family," a gay comedy in three acts.

The usual admission charges will prevail. And there will be string music by the local young folks.

Professor James J. Miller cordially invites all patrons and friends of the school to attend. The proceeds of the play will go toward buying much-needed books and equipment for the school.

C. L. SHUPING IS PONDERING SENATE RACE

Greensboro, Nov. 15.—C. L. Shuping, Greensboro attorney, said in a statement tonight that he was devoting serious consideration to suggestions that he become a candidate for United States senator in 1938. Representative Frank Hancock recently announced his candidacy for the office in opposition to the incumbent, Senator Robert R. Reynolds.

WOMANLESS WEDDING

There will be a womanless wedding at the Valle Crucis public school November 23 at 8 o'clock. The program is under the auspices of the Parent-Teacher Association, and an admission charge of 8 and 19 cents will be charged. The public is invited.

Almost unanimously senators and representatives predict a change in at least the undistributed profits tax, and Chairman Vinson of the sub-committee of the ways and means committee lists it as "No. 1" on the legislative program.

CHAPPELL GETS DATA ON TENANT FARM PROGRAM

Land Purchase Loans Not to Be in Every County at Present. But Rehabilitation Loans Are Available in Every County

Paul J. Campbell, county rehabilitation supervisor in charge of the rehabilitation program of the Farm Security Administration in Avery and Watauga counties, has received from regional headquarters an announcement listing the names of the newly appointed state FSA advisory committee and explaining the new federal program to aid farm tenants.

The state committee, nominated by FSA Regional Director George S. Mitchell of Raleigh and appointed by Secretary Wallace, to assist in carrying out the tenant land purchase loan program in North Carolina is as follows: Dr. Clarence Poe, editor Progressive Farmer, chairman; I. O. Schaub, director of agricultural extension and dean of the School of Agriculture, State College; T. E. Brown, state director vocational education, Raleigh; C. W. Allen, Guilford county tenant farmer; L. O. Leudeke, New Hanover county; Josephus Daniels, editor of the News and Observer; W. M. Bacon, Durham county tobacco farmer; J. Paul Davenport, Pitt county commissioner; and J. G. K. McClure, civic leader and active in mountain counties Farmers Federation, Asheville.

Tenant purchase loans will be made to aid tenant families to purchase and improve family sized farms and to make a better living by the adoption of improved farm practices. Each borrower agrees in accepting the loan to follow approved crop rotation and farm management plans suited to the community in which the farm is located.

The tenant purchase program will be administered in the field in conjunction with FSA's rural rehabilitation supervised loans, group loans and farm debt adjustment activities. In the counties, the program will be carried out by county rehabilitation supervisors of the farm security administration who also will serve as executive secretaries of three-man, voluntary all-farmer, county advisory committees. County committees, with the advice of county farm agents, will examine applications for loans, appraise the farms applicants propose to purchase, and recommend applicants who have the character, ability and experience necessary for successful farm ownership. County agents will also be expected to cooperate in farm management advice to the new purchasers.

Applications will be filed with the county supervisors, but county offices will not be ready to accept formal applications for tenant purchase loans until county committees have been named and the state advisory committee has recommended the counties where tenant purchase loans will be made this year. Because only \$10,000,000 was appropriated for the first year for the entire United States, funds will not be sufficient to make loans for the first year in more than a limited number of counties.

The counties in which tenant purchase loans will be made in this state will be determined by the secretary of agriculture upon recommendation of the state farm security advisory committee. The state advisory committee will also recommend members of county committees.

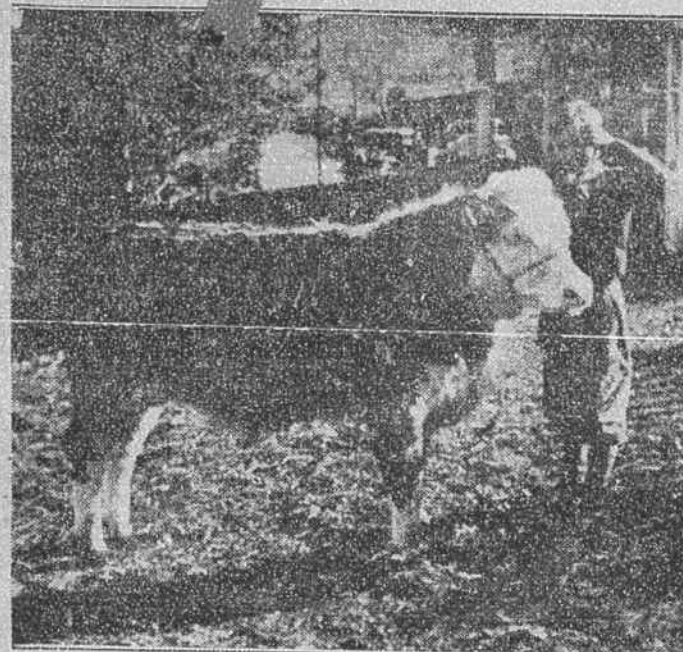
Although land purchase loans are limited, regular rehabilitation loans for crop production, livestock and equipment needs are available in every county to worthy farmers and tenants who cannot obtain suitable credit elsewhere, the announcement concluded.

JOE GISH



THE DOG FOLLOWS THEE FOR THE CRUMBS IN THY POCKET.

ANOTHER PRIZE WINNER



Gene Reese, 10-year-old 4-H Club member, of Vilas, and his 650-pound Hereford steer which won first place in the light-weight class at the recent Asheville fat stock show. Gene won \$29.50 in prize money on this baby beef.

CONGRESS MEETS IN EXTRA SESSION

President Places Farm and Wage Bills Before Taking Care of Industries

Washington, Nov. 15.—President Roosevelt suggested to the newly convened congress today that some of the tax burdens on business should be lightened, but he presented his Capitol Hill leaders with a vexatious problem by omitting to ask for immediate action on the recommendation.

Endeavoring to carry out his wishes for "early" legislation on such subjects as crop control and wage-hour regulation, they encountered an insistent demand in both houses that quick steps be taken to help business out of its present difficulties.

Whether the demands would reach such proportions as actually to delay the President's immediate program remained to be seen.

The chief executive's recommendations went to congress in a special message shortly after it met in response to his call for the special session, a call which went out before the current industrial recession began.

Aware that many members were disposed to measure the value of prospective legislation in terms of assistance to business, the President presented his proposals—crop control, the wage-hour bill, government reorganization and regional planning—a measure which would give such assistance.

He acknowledged the industrial decline, spoke especially of "lightening inequitable burdens on the enterprise of small businessmen and referred to the crop control and wage-hour bills as measures which would maintain and stabilize purchasing power. Government reorganization and regional planning he called "essential tools for the whole task."

"For the sake of the nation I hope for your early action," he said, in conclusion.

Receipts of N. C. Baptists Increase

Wilmington, Nov. 15.—M. A. Huggins, executive secretary of the State Baptist convention, said today receipts of the church in North Carolina had gone up \$70,000 the last year, representing the largest increase since 1920.

Secretary Huggins' financial report indicated a saving the last year of \$11,500 brought about by a refinancing program enacted by the convention last year. Under this plan debts of the convention were refinanced at lower interest rates upon recommendation of the general board.

Football Tickets Are Now Available

Coach Flucie Stuart tells The Democrat that those students who desire to attend the Appalachian-Catawba game in Hickory Friday should purchase their tickets before leaving Boone. The tickets are available at both drug stores and at the college book room, and if they are bought at Hickory the price will be considerably higher. Mr. Stuart expects some several hundreds from the county to be present for this grid encounter.

AN APOLOGY

Due to the fact that The Democrat was moved this week, and the subsequent confusion and disarrangement, it has been impossible to fabricate a newspaper of an acceptable type. Many items of interest have been unavoidably left out, and the publisher regrets exceedingly that there should have been an interruption in service. By next week we hope we shall have the plant arranged to such an extent that the normal newspaper service shall be rendered.

BOONE HI SCHOOL BAND PROGRESSING

Great Interest Manifested by Young Musicians in New Organization

The young musicians of Boone high school are progressing nicely, both individually and as a group. The students are manifesting a strong interest in the new band, and possibilities for splendid organization are unlimited. The enthusiasm is said to be amazing; it is also spontaneous.

The band is well balanced as to instrumentation as can be found in any new organization.

Although the formal registration period has ended, those who still wish to join the band may do so.

Following are the members of the Boone high school band:

Trumpets—J. B. Hagaman, Jr., Blanton Miller, Robert Lovill.
Clarinet—Laura Ruth Hagaman, Helen Winkler, William Wilson, Ted Hagaman.
Flute—Josephine Miller.
Xylophone—Caroline Miller.
Mellophones—A. Y. Howell, Jr., A. E. Hodges, Jr., Vera Norris.
Trombones—Greer Hodges, Gene Bingham, Baxter Howell.
Baritone—Lester Miller.
Bass—Charles Rogers, Jr.
Drums—Blaine Miller, Tom Beach, Palmer Blair.

MANUEL CHURCH

Manuel Church, for the past several years caretaker of the Snyder estate at Blowing Rock, died November 13th at the age of 65 years.

Funeral services and interment was at the Laurel Fork Baptist church in the Aho section Sunday afternoon by Rev. G. Sexton Buchanan and Rev. Bob Shores.

Surviving are the widow, Mrs. Lizzie Church, and the following sons and daughters: Granville, Ben, Hub and Kent, and Mrs. Ella Kent, all of Blowing Rock. There are three brothers, Winney and Pleas of Lenoir Miles, of Buffalo Cove; three sisters, Mrs. Sallie Adams and Mrs. Arthur Hodges of Newton, and Mrs. Vertie Storie of Catawba.

MISS STARNES IN HOSPITAL

Stitesville, No. 13.—Miss Mabel Starnes, associate secretary of the training union department of the Baptist State convention, was transferred by ambulance from Davis hospital here to Norburn hospital in Asheville. She sustained a fractured back and bruises in an automobile accident near Mocksville October 18. Her condition is improved, but she will remain in the Norburn hospital for about seven weeks. The transfer was made to Asheville because her home is there.

STREETS TO BE LIGHTED FOR THE HOLIDAY SEASON

Merchants Plan to Inaugurate Christmas Shopping Season Early in December; Stores to Carry Outstanding Array of Gift Items

The Christmas shopping season will be officially opened on December 4, when the Boone Merchants Association and the New River Light & Power Company will work co-operatively to make the shopping district a maze of bright lights and twinkling stars. Christmas trees are to be scattered here and there and the town will take on a holiday air which is expected to draw shoppers from all the surrounding counties.

The merchants gathered at the Junior Order hall Tuesday evening and representatives of the power company pledged complete co-operation in the lighting of the shopping district. At the same time it was explained, the shops of the city would be filled with the most outstanding array of gift items ever shown in this territory and that a comprehensive publicity program would be launched to better acquaint the people of this and the surrounding territory of the advantages being offered holiday buyers. The local newspaper will carry full details of the Christmas opening the first week in December.

REVIVAL MEETING WELL ATTENDED

Throngs Hear Rev. Mr. Rozzelle in Impressive Sermons at Methodist Church

The revival meeting which began at the Methodist church Sunday and which will continue throughout the week, is drawing an increasing attendance, and the sermons being delivered by Rev. C. E. Rozzelle, of Gastonia, have brought about much favorable comment. The services will come to a close with a vesper service Sunday afternoon at 4 o'clock. Subjects of sermons for the remainder of the week are as follows:

Wednesday—"The Sin of the Secular."

Thursday—"Everybody Can Be Somebody."

Friday—Special service for young people, "A Question Paul Asks Three Times."

Saturday—"The Strangest Thing Jesus Ever Did."

Sunday morning—"Why I Go To Church."

Vesper, 4 p. m.—"The Old Book in a New Light."

4-H County Council Met Here Saturday

The 4-H County Council met in the courthouse here Saturday afternoon, November 13. The council is composed of all officers of the 4-H clubs of the county. The meeting was called to order by the president, Miss Margaret Perry, of the Bethel 4-H Club.

The first part of the meeting was devoted to a business discussion. The group discussed the importance of making some money to send the 4-H Club delegates to the annual state short course at State College in July.

A short program followed the business meeting. Joe Brown of the Deep Gap club, gave an interesting talk on his experience with feeding and showing his grand champion baby beef.

Miss Elizabeth Bridge, home demonstration agent, explained in an interesting way what the 4-H Club girls were planning to do in 1938.

R. H. Hamilton, assistant county agent, outlined the boys' 4-H Club work for the coming year.

The following clubs were represented at the meeting: Bethel, Valle Crucis, Deep Gap, Green Valley and Todd.

BETTY AND BOB

Betty and Bob, internationally known radio artists, whose programs over WGN, Chicago, have been particularly popular with local radio listeners, came to Boone last week, stopping at the Caro-Jean Inn and had many words of praise for the mountain region they traversed. Betty and Bob promise that they will return for a more extended visit during the coming summer.