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VOLUME LXXII Subscription \$1.50 a Year LOUISBURG, N. CAROLINA FRIDAY, OCTOBER 31, 1941 (Eight Pages) NUMBER 38

WARD SPEAKS TO CROWD

IN COURT ROOM FRIDAY NIGHT

State President YDC Present; Sen. W. L. Lumpkin Introduces Speaker; Delightful Barbecue Supper Enjoyed by Many

Quite a good number attended the YDC meeting at the Court House on Friday night and heard a most forceful and interesting address from Hon. "Libby" Ward, of New Bern.

The National organization got its "Young Democrats" from North Carolina, declared "Libby" in his opening Friday night address along with his statement that since the YDC was organized there were no old Democrats to be found.

Leave For Camp

Ten Colored draftees left yesterday for Fort Bragg, where they will be inducted into the Military Service of the United States. They were as follows:

PROGRAM AT THE LOUISBURG THEATRE

The following is the program at the Louisville Theatre, beginning Saturday, Nov. 1st: Saturday - Double Feature - Gene Autry in "Under Fiesta Stars" and The Weaver Bros. and Elvira in "Mountain Moonlight".

A Date For Hallowe'en Night

Entertainment will begin at 7:00 Hallowe'en night, October 31, at the Louisville Methodist Women's Missionary Circles will sponsor a Carnival.

WILLIE PEARCE DEAD

Mr. Willie Pearce was accidentally killed at his home in the Red Bud community early Monday night, according to information reaching Louisville.

FRED W. GREENE, N. C. E. A. SECRETARY ADDRESSES SCHOOL MASTER'S CLUB

At a meeting of Franklin County School Master's Club, held in the Home Economics Department of Mills High School on Tuesday evening, October 28, Mr. Fred W. Greene, of the N. C. E. A. spoke on the subject: "Waste in Education."

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Three Tobacco Companies Convicted

Declared Guilty on Four Counts of Violating Sherman Antitrust Law; Maximum Penalties Provided; Fines and Prison Sentences; Appeal From Verdict Indicated

Lexington, Ky., Oct. 27.—A Federal District Court jury today convicted the "Big Three" tobacco firms, one subsidiary and 13 officers on four counts of violating the Sherman Anti-Trust Law.

UNFOUNDR REGISTRANTS

The local draft Board lists the following draftees as unfound. Any information as to their whereabouts will be greatly appreciated by the Board.

MRS. LEWIS ENTERTAINS

Mrs. Harrell J. Lewis was hostess to members of her contract club Friday afternoon. High score prize for club members was awarded to Mrs. Frank W. Wheeler, Jr., and Mrs. George Ford.

LOUISBURG METHODIST CHURCH

"The Cup of Mercy" is the subject for the 11 o'clock service Sunday morning. At this service we will celebrate the Lord's Supper.

LOUISBURG BAPTIST CHURCH

Pastor Bagby announces the following program for Sunday, Nov. 2, 1941. Sunday School, 9:45 A. M. B. T. U., 6:45 P. M.

EUROPEAN WAR NEWS

Moscow, Thursday, Oct. 30.—The Red Army acknowledged evacuation of the great Ukraine industrial city of Kharkov today, but said most of the important factories and huge stocks of raw materials were moved out before the city was abandoned.

It said fighting continued in the Vioklamsk Mozhaik and Maloyaroslavsk areas of the Moscow defenses, all of which had been mentioned in previous communiques.

SOME WOOD CUTTING

Peter McLaren, representing the Plumb Axe Co., and the Seaboard Store Co., gave a demonstration of wood cutting to quite a good sized crowd Saturday at the rear of Louisville Supply Co. store.

MRS. WILLIAM BLEDSOE

Mrs. William Bledsoe, 69, of Louisville, Route 3, died early Wednesday morning and funeral services were held Thursday at Corinth Baptist Church, Franklin County at 2:30 o'clock with the Rev. W. R. Wagner in charge.

YOUNGVILLE P. T. A. MEETS TUESDAY

The regular monthly meeting of the Youngville P. T. A. will be held at the School Auditorium, Tuesday, Nov. 4th. The program will feature the Henderson High School Band, appearing in Youngville under the joint sponsorship of the Youngville P. T. A. and the Henderson Tobacco Board of Trade.

METAL WORKING COURSE

Prof. W. W. McClure announces that any out of school young men, between the ages of 17-25, are invited to attend a meeting in Supt. W. R. Mills' office on Friday night, Oct. 31 at 7:30. The subject will be on organizing a Metal Working and Welding Class.

Senator Bailey Urges Action Against Strikes

Washington.—Senator Bailey, Democrat, North Carolina, proposed in the Senate this week an amendment to the pending armed ship bill which would bring labor strikes within the category of sabotage when their intent was to retard defense production.

Heavy fines and imprisonment would be imposed on leaders and participants in strikes, under Bailey's proposal.

Louisburg College News

Last week-end was observed as Homecoming at the College. About 150 alumni returned to the campus for the occasion.

Recorder's Court

Franklin Recorder's Court held only a short session Tuesday morning disposing of two cases and continuing a number of others.

YOUNGVILLE P. T. A. SPONSORS HALLOWE'EN PARTY

The Youngville P. T. A. will stage a Hallowe'en Party, Friday, October 31st in the Youngville School Auditorium, at 7:30 P. M.

CURRENT LITERATURE CLUB

Miss Louisa Jarman was hostess to the Current Literature Club at her apartment on Tuesday evening, October 28. The subject for the program was "Garden Design Journalism."

Ambulance Almost Ready

Raleigh, Oct. 27.—Expressing gratification over the possibility that a mercy ship or airplane ambulance, bearing the name of "The Old North State" would soon be available for presentation to the people of England as a gift of citizens of North Carolina, Governor J. Melville Broughton declared today that "the progress of the Old North State Fund campaign, as outlined in a report by Judge Frederick O. Bowman, state chairman, reflects great credit upon the many counties which have reached or exceeded quota in this humanitarian movement."

Emphasizing the fact that North Carolina has so far outstripped Maine and Massachusetts in the race to be the first state to show sympathy and esteem for the British through such a gift, Governor Broughton stated "the need for additional airplane ambulances is constantly growing more acute and I am extremely anxious to see North Carolina speedily make it possible to present the English People with this gift. While our State will receive a tremendous amount of favorable attention by being the first to forward a mercy ship to England, the most important phase of the movement is the actual aid the airplane ambulance will provide. It will undoubtedly be the means of saving many scores of lives."

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STORE UP RESERVES

Babson Urges Tax Changes

(By ROGER W. BABSON)

Babson Park, Mass., Oct. 31.—This morning I noticed the squirrels storing up nuts for the winter. We are so accustomed to these simple instincts of the animals that we fail to realize their great significance. How is it that these squirrels, which have never been to school, know that winter is coming and store up advance supplies in such a systematic manner? Yet, many humans with our public school system, newspapers, and radio fail to take these ordinary precautions. Is it possible that "education" is undermining these basic important instincts?

TALKING WITH ROOSEVELT

A few years ago when I was once at the White House on business, President Roosevelt asked me to come into his private office. He said the Treasury Department believed that corporations were not declaring enough of their earnings in dividends and this enabled certain stockholders in the higher brackets temporarily to escape taxation. The corporation would, of course, pay the taxes on its earnings whether or not declared in dividends. To the extent, however, that the earnings were not declared as dividends, a stockholder would have a smaller personal income tax to pay.

I answered the President by saying that at certain times in the business cycle, as during a depression, it might be well to have such a tax law. His plan certainly would then put more money into circulation and help employment for the time being. I stated, however, that to have such a law apply at all periods of the business cycle would be very dangerous. He thanked me and that was the end of the conference. He certainly is a charming man with tremendous persuasive powers.

FAMOUS "SECTION 102"

Shortly after this interview, I learned that Representative Doughton's House Tax Committee was considering this same problem. In the old law there had been a clause prohibiting "unneeded" undistributed profits but the law was difficult to enforce. Secretary Doughton's Committee, therefore, at the earnest request of the Treasury Department, prepared the famous "Section 102" as a part of the tax law revision of 1938. This section certainly had teeth in it and has great powers for evil.

In short, Section 102 provides that if an Internal Revenue agent, who examines your books, thinks you have put aside too much as a reserve, he can inflict a severe penalty on ALL your reserves, not simply on the portion which he thinks is excessive. There have been informal rulings that a corporation may set aside 30%; but even these rulings have caused much trouble. As a result of Section 102, corporations and employers have refrained from setting up proper reserves rather than risk the terrific penalty.

TAXES CAUSE UNEMPLOYMENT

It, therefore, was a happy surprise when Mr. Ganson Purcell, a member of the Securities and Exchange Commission recently told the National Business Conference here at Babson Park that large reserves SHOULD be set up today as a cushion to avoid after-war unemployment. Where it may be well to force employers to pay out as dividends a most of their earnings during a period of depression, the reverse is now true. Mr. Purcell stated specifically that the country's industries should now build up reserves to offset the repercussions which the end of the War will bring. Let me quote him definitely.

"Corporate structures which are streamlined now will be that much better able to make a transition from production for war to peace-time production without having to drop men from their payrolls. Reserves not needed for defense activity must be carefully stored up against the day when they will be needed for this vital post-war purpose. Where those reserves are in excess cash they can, in the meantime, be put to defense work by investment in government

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