



THE NEWS RECORD

SERVING THE PEOPLE OF MADISON COUNTY

81st Year No. 45

PUBLISHED WEEKLY IN THE COUNTY SEAT AT MARSHALL, N.C.

WEDNESDAY, November 17, 1982

15c Pl. Copy

American Greeting Cards Plans For Plant Construction

By ROBERT KOENIG
Editor

Officials of the American Greeting Card Corporation of Cleveland, Ohio have announced that they have cancelled plans to construct a \$10 million card finishing plant in Madison County.

Construction of the facility was halted last month when engineers discovered the gas at the landfill site.

Ralph White, company vice president for personnel and industrial relations, said that the gas discovery which halted construction was the major reason behind the decision to abandon the plans for the Madison County location.

On Friday, White said, "At this point in time, we've put it on the back burner. The methane problem was just

bigger than we anticipated. We're still interested in Madison County and the site will be considered for the future. If we hadn't run into the gas problem, we'd be well underway with construction by now."

The proposed Madison County plant was to have been built on property at the county landfill. American Greeting paid \$85,000 for the property earlier this year. When first announced, American Greeting Card officials stated that the new 400,000 square foot plant would employ some 400-500 people when fully operational. The Madison County plant was scheduled for completion in the fall of 1983 at a cost of \$10 million.

White said American Greeting had to proceed with plans to construct a new finishing plant and that the company

has decided to construct a new \$20 million facility in Bardstown, Ky. The local Bardstown newspaper, The Kentucky Standard, reported in its Oct. 4 edition that American Greeting planned to build the new plant there. Company officials told reporters for the paper that the new plant would employ between 500-600 people when it is completed next year.

Madison County officials received word of the company's decision during a meeting last Thursday in Cleveland. County commissioner James Ledford, county attorney Larry Leake and Phillip Elam flew to Cleveland to meet with the American Greeting officials to discuss the problems presented by the Madison County landfill site.

Speaking of the meeting, Ledford told reporters, "They told us that the

project is on hold for now. They said they were still interested in Madison County for the future. There are a lot of factors involved."

On Friday, White declined to estimate when his company might expand its operations to Madison County. He said that further expansion would take place only after the Bardstown plant was completed.

White said, "We needed to get this plant built, and Bardstown represented the best opportunity to do that. Our business had expanded at a rapid rate and we have to expand to keep up. We'll probably have to expand again after the Kentucky plant is completed."

Regarding when the plant might be built in Madison County, Ledford said, "I think they're going to wait and see if

the economy turns around."

Despite the decision to cancel the plant, feelings on both sides remain friendly. White told reporters, "I don't want to blame anyone for what's happened. We should have investigated the site more before we made our decision."

Ledford said, "I really feel good about them personally. I think this decision is just a temporary setback for us."

The decision not to build the plant will not affect the sewer bond issue recently approved by Marshall voters. Marshall mayor Lawrence Ponder said that the plant, and the taxes it would generate, would not have been used to pay for the improvements to the sewer system. The town will proceed with plans to furnish sewer service to the site.

Price Supports Cut As Burley Markets Open

With the annual auctions of burley tobacco set to begin Wednesday morning, the U.S. Department of Agriculture has announced a cut in the average price support for burley from \$1.81 to \$1.75. The USDA had announced the \$1.81 figure on April 14.

The announcement came on the eve of what is expected to be a banner year for North Carolina tobacco growers. Favorable weather conditions this summer created a bumper crop of the tobacco. Although an increase in the

cigarette tax is expected to lessen demand for the leaf, forecasts call for farmers to receive from \$1.85 to \$2 a pound in this year's market.

The success of this year's crop accounts for the cut in the price support. Congress

authorized the Secretary of Agriculture to cut the price support whenever supplies were in excess supply. Most area tobacco farmers have expected the cut in support prices.

Everett Rank, the USDA's

administrator of the Agricultural Stabilization and Conservation Services said that the move is designed to keep the tobacco on the open market and out of the burley stabilization warehouses.

Even with the cut, this

year's average support price of \$1.75 is more than nine cents higher than last year's average price of \$1.636.

This year's sale will be the first since Congress enacted the No-Net Cost Tobacco Act this summer. Under provi-

sions of the act, tobacco growers will be assessed on cent for each pound of tobacco they sell at auction. The assessments will be used by the Burley Tobacco Stabilization Corp. to offset the costs of buying up any excess tobacco

on the markets. The burley auctions which begin Wednesday morning, will continue each week through January. All burley markets will be closed Christmas week. Sales will resume on Jan. 3.

Court Hears DUI Cases

Judge Robert H. Lacey presided over a number of driving under the influence cases during last week's session of District Court in Marshall.

Ronald Charles Gentry, charged with DUI, was called and failed to appear at his hearing Friday. An arrest order was issued in the case. In other DUI cases heard during the session, Judge Lacey found Cathy Yvonne Hill Shelton guilty and sentenced her to a \$300 fine plus costs of court and ordered her to surrender her operator's license. Ernest Waldroup, also charged with DUI, was found guilty and fined \$200 plus court costs, ordered to surrender his license and attend alcohol and drug education school (ADES) and pay the school fee of \$100.

Troy Lee Meadows, charged with DUI and having no operator's license, failed to appear for trial, and an arrest warrant was issued. Nickey L. Adams, also charged with DUI, had his case continued until Dec. 23. Audrey Hensley, charged with DUI and no operator's license, has her case continued until the court's next session on Nov. 24.

Wayne Dale Roberts, charged with DUI and possession of a controlled substance, pleaded guilty to DUI and a misdemeanor charge of possession of marijuana. Lacey sentenced Roberts to pay \$100 fines for both offenses plus court costs and the \$100 fee charged by the ADES. Roberts was granted a limited drivers license.

Noah Edmonds, charged

with DUI, was allowed to plead guilty to driving left of center.

Judge Lacey also found former Mars Hill College student Randy Kirk Maney guilty of trespass on college property. Maney was arrested after returning to the campus against the order of Dean Michael O'Brian. Lacey sentenced Maney to 30 days in jail, suspended, and ordered the defendant to pay a \$50 fine, plus court costs and \$200 toward the expenses of his court-appointed attorney. Maney was also ordered to stay off Mars Hill College property without receiving advance written permission.

The court dismissed charges against Gregory Richard Roberts. Roberts was charged with a violation of the Alcohol Beverage Control laws.

The DUI case against Vonno Anglin, Jr. was continued until the Nov. 24 session. Assault charges against David Eugene Wheeler, Sr. were also continued.

William H. Stines, charged with two counts of hit and run driving, has his case continued, as did Robert Lee Johnson, charged with possession of a controlled substance.

The court also found Gilbert Goings of Mars Hill guilty of shoplifting. Lacey sentenced Goings to a \$25 fine and the cost of the court. Robert William Banks, found guilty of concealing merchandise, who also fined \$25 and the cost of the court.

Assault charges against Michael McKinney and Peter E. Savage were dismissed. The two were charged in unrelated incidents.

Hot Springs Health Program Board Approves Construction Bid, Raises Rates

The Hot Springs Health Program held its monthly board meeting Monday night and approved a contract for construction of a new health facility.

The board heard from architect Taylor Barnhill regarding bids submitted for the project. The low bid was submitted by Western Builders, Inc. of Sylva which bid \$231,000 on the project, some \$18,200 less than the next lowest bidder, C & S Contractors of Cincinnati, Ohio. Buntcombe Construction Co. of Asheville submitted the third-lowest bid at \$250,627.

Barnhill reported that the low-bidding firm had

neglected to include \$12,000 in site development costs when compiling its estimates. The Mars Hill architect said Western agreed to honor the bid rather than forfeit the bid bond it posted. The bond was in the amount of \$11,000. The company said it would like to wait until March to start work on the project.

Board members expressed opposition to having the project delayed until March. The Health program has assembled a package of grants, donations and loans totaling \$369,000 for the project.

The Appalachian Regional Commission has earmarked \$180,000 for the project.

Grants from the state of North Carolina and the Public Health Service account for another \$125,000 of the funds. The remaining \$64,000 was raised through donations, the program's cash revenues, interest accrual and depreciation fund.

After much debate concerning the project and the three lowest bidders, the board voted 9-1 to accept the lowest bid. One board member, Judy Major, abstained from the vote.

Because of the miscalculation, the construction company may need to make changes in the construction plans. The board's acceptance

of the bid was not conditional upon these adjustments.

Before hearing the presentation by Barnhill, the board heard a financial report from program director Monica Teutsch. The new director told members that the program was on sound financial footing. It was reported that the program showed a cash surplus of \$9,847 at the end of the first six months of the current fiscal year. Previous debts of \$15,853, however, wiped out the surplus and created a deficit of \$6,006.

Teutsch also recommended that the program raise its rates for home health visits. The program currently

charges \$40 for a visit by a registered nurse. The board accepted the director's recommendation and voted unanimously to raise the rates to \$47 per visit.

Saying the program had "naively low rates in view of the costs," Teutsch also recommended that the board approve increases in charges for after hour treatments. She also recommended doubling the charges for after hour treatment at the program's three centers from the present \$15 to \$30. Also recommended was an increase in the charges for

that the increases might lessen the number of frivolous calls the program's physicians must attend to. The board approved all of the rate increases.

In her financial report, the director told board members that the program has received some \$24,000 of an expected \$30,000 in donations. She also told members that the program is currently trying to get the state to pay on some bills owed to the health program.

Weaverville Firm Plans Expansion

Reliance Electric in Weaverville is expanding to make new lines of couplings and sheaves (metal pulleys), creating 25 to 30 new machining jobs.

The company, which has been in Weaverville since 1979, already employs about 65 people and makes couplings, sheaves and bushings for elec-

trical equipment. The company is looking for people with machining background to fill the new jobs but will not accept applications at the plant. Those interested in applying should contact the Employment Security Commission, 48 Grove Street, in Asheville.

Bell Moved

The bell that rang for over 50 years from the Rector Chapel overlooking Marshall has a new home in the tower of Grace Episcopal Church. Grace Church Parish includes north Asheville and the Weaverville area.

The bell was removed when the Rector Chapel was razed recently. Mrs. W. Edward Nash gave it to Grace Church in memory of her husband, and her parents, William Creighton Hartwell and Madeline Dunlop Mann. Dedication of the new bell was Sunday, November 14.

Inflation hit house purchases hard

By PAUL T. O'CONNOR

RALEIGH — Since 1971, the costs of buying a house have increased faster than the costs of renting, a study by an N.C. Agricultural Extension economist concludes. M.L. Walden reports in the October issue of Tar Heel Economist that inflation in the house buying market increased faster than the general inflation rate over those 11 years. Rents, however, increased at a rate below the general inflation rate, he says.

Using the dollar's 1967 value, Walden has created separate indexes for rent and home ownership costs. By 1977, the housing cost for homeowners had increased by 37 percent over the previous four years. For renters, the increase had been only 18.9 percent. Since 1971, homeowner

inflation has been 260 percent while rental inflation has been 112 percent and general inflation 124 percent.

But this year's high interest rates, when combined with a small decline in the average price of houses, have sent the formula over into the positive column. That means that this year it did not pay to borrow money for a house.

The investment prospects for home ownership in an era of high interest rates and stagnating prices are not good. Walden says that a \$50,000 house bought this year with a 16 percent mortgage must sell for almost \$60,000 within three years to prove out as a good investment.

There are other factors which might tarnish a house's investment reputation. If the

flat rate tax is approved in Washington, the tax exemption for interest payments will be gone. The indexing of income tax rates beginning in 1984 will relieve some of the pressure for middle class tax shelters, thus reducing housing demand, he says.

In the past year and a half, Walden reports, the nationwide recession has slowed the inflation rates for both buying and renting housing. But high interest rates have still pushed the annual cost of a mortgage up eight percent.

If you're gnashing your teeth as you try to decide whether or not you should buy that first home, several points Walden makes further confuse the issue. Although home ownership costs have risen much faster than those for

renting, the tax refund to homeowners and the investment aspect of owning real estate cannot be discounted.

Walden formulates an "after-tax mortgage interest rate" and says it suggest "it paid individuals to borrow funds to buy homes" during the 1970s. He has the homeowner subtract from his monthly payment the amount of taxes he'll save by owning a home and the projected

amount of profit he'll make from the eventual sale of it. On average, during the past decade, mortgage rates were negative. That means you made money by borrowing to buy a house.