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Sen. Royall Proposes 1% Sales Tax Increase

State Sen. Kenneth Royall (D-Durham) introduced legislation in the General Assembly Friday to increase the state sales tax one percent. Titled "The North Carolina Anti-Recession Public Works and Tax Equity Act of 1983," the bill would also increase the sales tax on autos while phasing out the present sales tax on food.

The Royall bill also calls for spending the increased tax revenues on water and sewer projects for local governments, repairing public schools, and matching federal aid for highways.

Speaking to newsmen in Chapel Hill Friday, Royall said, "It's not a perfect bill, and I'm sure the assembly will

work the bugs out of it, but it's a step in the right direction. If North Carolina is going to move forward, we've got to do something like this."

Introduced as Senate Bill Number 51, the Royall measure would raise the three percent state sales tax in 1983, phase out the sales tax on food over two years and increase the tax on car sales from the

present \$200 to \$300. The state food sales tax would be reduced to two percent in 1983-84, and an additional one percent in both 1984-85 and 1985-86. The measure would also eliminate the local option sales tax on food in 1985-86.

According to figures supplied by Royall, the bill would raise an additional \$230 million in the 1983-84 fiscal

year. The increase in revenues would provide \$60 million for construction of wastewater treatment plants and water supply systems. An additional \$60 million would be provided for construction and repair of public school facilities. According to the Royall bill, \$55 million would be used to match federal highway funds generated by

the five cent increase in the gasoline tax. The remaining \$55 million would be allocated for improvements to the state university system, repair of state government facilities and technical instruction equipment for the state community college system.

Addressing the same Chapel Hill meeting of newsmen, Lt. Gov. Jimmy Green endorsed

the Royall bill, calling it, "A fair plan to raise revenues."

Both Green and Royall pointed to shortfalls in anticipated revenue growth in the current fiscal year. Forecast in 1982 for a growth rate of nine percent, revenue growth for the first five months of the current fiscal year has reached only 4.9 percent.

Hunt has asked for a six

percent cutback in spending to remedy the shortfall. Hunt has also asked local school boards to trim two percent from their spending.

Green, Royall and Rep. Al Adams of Wake County also endorsed a study of the possibility of a state-run lottery to raise revenues.

New North Buncombe High School Endorsed

By ELIZABETH D. SQUIRE

The Buncombe County Board of Education met Monday night and reversed an earlier decision giving priority to construction of a new Enka High School. By a vote of 4-1, the board proposed building the new high schools in both Enka and North Buncombe simultaneously in the next five years.

The proposal is contingent upon the passage of Senate Bill 51 which would increase the state sales tax one percent and an adoption of a 10 cent per \$100 ad valorem tax on county property evaluations. If both tax increases become reality, it is expected that construction of a new Enka High School could be completed in 1987. A new North Buncombe High School could be com-

pleted by 1988.

The Monday night decision was "a small victory," according to John Kilby, co-chairman of a citizens' committee working for better schools in North Buncombe.

Kilby said that the committee would work for passage of the sales tax increase and supplemental county tax and will continue to make Buncombe County commissioners aware

of the needs of North Buncombe communities.

The committee which is spearheading a drive construction of a new North Buncombe High School has asked Akzona Corp. to drop or extend its 1988 deadline for the start of construction on a new Enka High School.

The Buncombe County Board of Education has given

top priority to the Enka High School project rather than North Buncombe, citing the startup deadline for the Enka site in its purchase of the land held by Akzona.

The newly formed North Buncombe committee has asked residents of the North Buncombe area to support the drive for the new school by staying in touch with commit-

tee members from various parts of the area.

John Kilby of Weaverville is the representative from his area and serves as co-chairman with Rev. John Kelly of Hemphill.

Weaverville also has three school advisory committee members on the group: Richard Lasher, middle school; Curtis Bitner,

primary; and David Bradley, North Buncombe High School. J.T. Ray represents the Hillsdale community.

Community and school representatives, respectively, from each school district in North Buncombe are: Pat Sluder and Terry Herbert of French Broad; Sam Tucker and Rev. Roy Shepherd of Flat Creek; Marshall Roberts and Rudy Carson of Barnard-

sville; and Norma Chandler and Buddy Randall of Red Oak.

The committee also includes Paul Salks, student representative of North Buncombe High School; Kyle Boone, architect for the proposed new school, and Mike Laster, representing the school's Hawk Club.

N.C. Unemployment Showed Decline In December

The statewide total unemployment rate declined to 9.0 percent in December according to figures released today by Glenn R. Jernigan, chairman of the N.C. Employment Security Commission. The rate in November was 9.5 percent.

The December rate of 9.0 percent represented 262,700 jobless workers, a decrease of 16,000 from the previous month. The national unadjusted rate in December was 10.5 percent (11,628,000 unemployed).

Jernigan said, "We feel that

the decline resulted from fewer temporary layoffs in mid-December. Also there were fewer unemployment entrants and reentrants into the labor force. In fact, figures for the civilian labor force, total employment and total unemployment all decreased.

There is some feeling that perhaps unemployment may have leveled off in December and that our economy may be recovering slightly."

Manufacturing jobs overall showed no change from November to December. In durable goods, Lumber and

Wood (up 100), Furniture and Fixtures (up 300), and Machinery (up 500) showed minimal improvement. Other categories had small declines.

In nondurable goods, the leaders were Textile Mill Products (up 1,100), Paper & Allied Products (up 300) and

Printing, Publishing & Allied (up 400). Declines were general and slight for other categories.

Nonmanufacturing jobs overall increased. Trade led with a gain of 3,600 jobs as a result of the expected seasonal employment. Government

moved up 1,100 jobs due primarily to the employment of students and support personnel in the educational institutions.

The average weekly hours worked by production workers in manufacturing rose to 38.9 in mid-December from 38.7 in

mid-November. In mid-November 1981, workers averaged 38.5 hours per week.

The average hourly earnings of North Carolina's production workers in manufacturing increased. In mid-December, earnings were \$6.52, up from \$6.45

Jury Acquits Graham

After hearing two days of testimony, it took a Buncombe County Superior Court jury less than an hour to acquit Madison County rest home operator Mildred Graham of conducting unfair trade. The eight man, four women jury denied damages sought by Sue Steele Correll of Salisbury.

Correll asked for damages in connection with her son's three-week stay in the home operated by Graham in 1980. Correll was supported in her suit by the Governor's Advocacy Council for Persons with Disabilities. She was represented by attorney for the council Karen Sindelar and Asheville attorney Gary

Cash. Earlier, on Jan. 20, Judge Ronald C. Howell dismissed charges of fraud and ordered the jury to consider only charges of unfair trade and related mental stress suffered by Correll. The previous day, the judge had also dismissed charges of breach of contract and negligence because of lack of evidence.

During the trial, attorneys for Correll charged that Graham had falsely represented her boarding home as a licensed rest home. Attorney Gary Cash said that Graham lied so that she could receive state funding given only to licensed homes.

Graham was represented by Ervin Ball, Jr. Ball told the jury that the N.C. Department of Human Resources was unfairly using Graham to make an example of problems in rest homes and boarding homes across the state.

Graham's Madison County facility was closed several months ago after she pleaded guilty in Madison County Superior Court to charges of operating an unlicensed rest home. She still faces five more lawsuits filed by former residents and employees of the facility. The lawsuits are scheduled to be heard in the next few months.

P-I-K Is Explained

Secretary of Agriculture Block has announced details of a voluntary program where producers who will participate in the paid diversion program will be offered an amount of commodity (such as corn) as a payment-in-kind (PIK) for an additional 10% to 30% reduction of 1983 planted acreage.

This means farmers who participate in this PIK program would receive as payment an amount of corn, wheat, sorghum, etc. from the Commodity Credit Corporation for reducing their planted

acreage of the commodity by this additional percentage (10% to 30%). There are three options available to farmers who wish to participate:

1. Participate in the regular diversion program (20% reduction).
2. Participate in the regular diversion program, plus the 10% to 30% Payment-In-Kind.
3. Bid to divert the entire farm acreage base.

Those who sign up for the Payment-In-Kind package will sign a contract to receive a certain amount of bushels of the commodity they would

have produced on the PIK acreage. For corn, the percentage is 80% times the farm's established yield. This commodity becomes the farmers to do with as he wishes (use it or sell it).

Sign-up began January 24 and will end March 11, 1983. Contracts must be signed at the Madison County ASCS by March 11. Anyone signing up could withdraw or change their percentage of reduction (between 10% and 30%) before March 11. After that date,

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Delivery Points Are Named

The period of Feb. 15 through March 4 has been set by the Burley Stabilization Corp. as the time for receiving carryover tobacco in Tennessee, Southwest Virginia and Western North Carolina, according to the corporation's managing director, William Myers.

Carryover tobacco is leaf in excess of 110 percent of the 1982 quota and would be subject to penalty if sold in 1982. In announcing the dates for delivery, Myers said that deliveries of the carryover tobacco can be made to the

Austin Co. of Greeneville and Gallatin, Tenn. Growers interested in delivering their carryover leaf to the delivery points should call the Austin Co. after Feb. 7 to arrange for an appointment.

The Austin Co. offices in Greeneville, Tenn., are located on West Irish Street behind the Pet Milk Co. The telephone number in Greeneville is (615) 639-6562. In Gallatin, Tenn., the company's offices are located on Council Street in front of Duncan's Diner. The Gallatin of-

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Report From The Speaker

By REP. LISTON RAMSEY

The 135th General Assembly of North Carolina is off to a smooth start, but so far as the State budget is concerned the road could get a little rocky before we are through.

An unusually tight budget was the chief topic of conversation as the session formally opened at Noon on January 12. I was pleased and honored to be elected to a second straight two-year term as Speaker of the House of Representatives.

As was the case the first time, I received the oath of office from Lacy Thronburg of Jackson County, resident Superior Court Judge of the 30th Judicial District. Likewise, a great many of my friends from Western North Carolina returned for the opening ceremonies, and it was a great pleasure to have them on hand.

The first order of business for me was appointment of the committees that will handle the estimated 2,000 bills and resolutions to be introduced during the session. As chairman of the major "money

committees," I selected the same individuals who served so ably during the 1981 session — Representative Dwight Quinn of Cabarrus County as Finance Committee Chairman and Representatives Billy Watkins of Granville County and Al Adams of Wake County as Appropriations Committee Chairmen.

Several Western North Carolina Representatives will chair important committees, including Gordon Greenwood of Buncombe County, Appropriations Expansion Budget Committee on Education; Marie Colton of Buncombe, Cultural Resources; Martin Nesbitt of Buncombe, Small Business; Jeff Enloe of Macon County, Employment Security; Jack Hunt of Cleveland County, Rules and Operations of the House; and Jay Huskins of Iredell County, Appropriations Expansion Budget Committee on Natural and Economic Resources.

The opening ceremonies were followed a few days later by Governor Jim Hunt's State

of the State address to a joint session and the official presentation of the proposed 1982-85 budget.

The budget, prepared by the Governor and the Advisory Budget Commission, proposes spending \$12.55 billion over the next two years. As outlined by the Governor, the budget is a tight one and contains only one expansion item: lifting the freeze on merit pay and salary step increases for State employees and teachers.

There seems to be total agreement that this will be one of the toughest budgets we have handled in many years. The recession has cut sharply into the revenues of our State government, and it will be a real challenge to fund all essential programs at adequate levels.

Governor Hunt's State of the State address was followed a few days later by a special message on crime. His main thrust will be to get the drunken driver off the highways. Next in the budget, drunk driving legislation

shapes up as the major issue of the session thus far.

This is the first issue of a report to the people which I plan to release through this newspaper on a periodic basis. I take seriously my obligation to keep in close touch with the people of my District and I hope this will help me to do so.

The makeup of my District has been changed somewhat since the last session. Two townships in Graham County — Stecoah and Yellow Creek — have been added to my District which includes Haywood, Jackson, Madison, and Swain Counties. And the District number has been changed from 44th to 52nd.

To every citizen of the District, let me say that my door is always open to you. Feel free to write, call or come by anytime I may be of assistance. My office address is: Room 2317, State Legislative Building, Raleigh, N.C. 27611 and the phone number is AC 519 733-3451 or 733-5888.

In response to President Reagan's State of the Union message Tuesday night, 11th District Congressman James McClure Clarke called on government leaders to take an active role in the solutions to our country's economic problems.

"President Reagan's State of the Union speech hit the right note in saying that we in

government must take the lead in restoring the economy," Clarke said. "Although this is quite a change from his earlier statements, I welcome his new approach."

"Although the President seems to realize that enormous federal deficits are serious," Clarke said, "he does not seem to understand

that further large tax cuts will increase the deficit. Mr. Reagan believes that the deficits are caused primarily by an overgrown domestic budget. I agree that we need to watch domestic spending closely, but I also feel that we need to look at savings in the Defense budget and consider revisions in the administration's tax plan."

Congressman Clarke also opposed the President's call for enactment of a bill to provide tuition tax credits for those who send their children to private schools. "The tuition tax credits which the President calls for would not only seriously weaken public schools," Clarke said, "but they would also add substantially to the federal deficit."

Clarke Responds To Reagan

Clarke Receives Appointments

11th District Congressman James McClure Clarke has been appointed to the Interior and Insular Affairs Committee and the Public Works and Transportation Committee for the 98th Congress.

Congressman Clarke said his seat in the Interior Committee is vital to Western North Carolina because this committee oversees federally owned lands such as the Great Smoky Mountains National

Park and the Blue Ridge Parkway, portions of the Pisgah National Forest and the Nantahala National Forest, the Linville Gorge Wilderness Area, and smaller attractions such as the Carl Sandburg home in Flat Rock.

"I'm really pleased with the Interior Committee assignment," Clarke said. "Some 13 Representatives were trying hard to gain a limited number of seats on the committee, and

I think our hard work and sacrifice paid off when the selections were made."

Mr. Clarke for both his committees by the Democratic Steering and Policy Committee of the House Democratic Caucus. "I contacted all the members on Steering and Policy, and met with many of them personally, to let them know how important my committee chairs were for our District," Clarke said. "I think this helped my chances, and

I'm very happy they were responsive to our needs." Clarke's appointment to the Public Works and Transportation Committee comes at a time when the committee's influence will grow with the implementation of the 3 cent federal gasoline tax increase. "That could have a great deal of impact on our citizens because of the money and jobs created," Clarke said.