

Community Calendar

Leake To Keynote Democratic Convention Saturday

The Madison County Democratic Party will hold its annual convention Saturday at 1 p.m. at Madison High School. County attorney Larry Leake will be the convention's keynote speaker. The convention will elect a new county chairman to succeed Zeno Ponder and name members of the county executive committee. The county member of the state Democratic executive committee will also be selected.

May Day Festival

Set For May 4

Who is the horseshoe pitching champion of Madison County?

Who are the tug-of-war and volleyball champs?

These and other burning questions will be settled on May 4 at Madison High School during the fifth annual May Day Festival, a 13-hour event to be held from 10 a.m. until 11 p.m.

The annual festival is sponsored by the Madison County Association for Retarded Citizens. All proceeds from the day's events will benefit programs serving the retarded in Madison County.

This year's festival is expected to be the biggest ever, according to the May Day organizers. Live musical entertainment will be provided by various local performers throughout the day and a clogging exhibition will be held in the school gymnasium from 8 until 11 p.m. Music at the evening dance will be provided by the Bounty Hunters Band.

During the day, there will be field

games for children and adults with trophies and ribbons awarded to winners of the day's activities. There will also be concession stands offering food and drinks donated by the Marshall Lions Club. Flea market spaces are also available during the festival.

Members of the Madison County 4-H Clubs will operate a face-painting service throughout the day.

There will also be a raffle, with a beef on the hoof offered as the grand prize. Raffle tickets are available from any ARC member or at the Unaka Center in Hot Springs and Mountains of Madison in Mars Hill.

For more information on the May Day festival or to reserve sales booths or flea market space, call Roxann Rotundo at 649-2137 or Linda Childress at 649-2093. Groups wishing to enter tournament competition should contact Nancy Klodt at 689-2026 or Sandy List at 649-2964 before April 28.

Unemployment Declines Slightly

Unemployment declined in Madison County during February and throughout North Carolina in March, according to figures released by the North Carolina Employment Security Commission (ESC) last week.

Locally, joblessness decreased by nearly one percent during February, to 8.8 percent of the work force. Madison County unemployment stood at 9.7 percent in January.

Statewide, the ESC reports that unemployment dropped to a seasonally adjusted rate of 5.4 percent, a .6 percent improvement from February's 6.0 percent statewide figure. Only Massachusetts, with a rate of 4.2 percent, has a lower rate of joblessness among the 11 largest states.

Madison County's 8.8 percent jobless figure represents some 750 unemployed workers in a work force totalling 8,480.

Two neighboring counties reported declines in the unemployment rate during the month, while two reported

a slight increase. Buncombe County joblessness declined to 6.7 percent during the month, down from 7.0 percent in January. In Yancey County, unemployment rose to 12 percent in February, a .4 percent increase from January.

Haywood County unemployment jumped by more than one percent in February, to 14.4 percent. In Tennessee, Cocke County reported a slight decrease in joblessness from January's 32 percent rate, but the February 29.2 percent rate was still the highest in the state.

The slightly improving employment picture is a hopeful sign for unemployed workers receiving supplementary unemployment compensation. David Flaherty, ESC chairman, announced last week that the supplementary compensation program would be discontinued last Saturday. The supplementary payments were made to workers who had exhausted their state-paid benefits.

THE NEWS RECORD

SERVING THE PEOPLE OF MADISON COUNTY SINCE 1901

Board Of Education Re-elects R.Z. Ponder

By ROBERT KOENIG

The Madison County Board of Education re-elected Robert Z. Ponder of Hot Springs as the board chairman during their monthly meeting Wednesday in Marshall. Ponder was unopposed and was elected unanimously.

The school board also voted to retain Larry Leake as the school board attorney. Leake also represents the Madison County Board of Commissioners.

In other personnel matters considered at the meeting, the board approved maternity leave for Deborah Boone, a teacher's aide at Marshall Primary School. The board approved Lena Mae Thomas, a former teacher at Laurel School, to serve as Boone's replacement for the remainder of the school year. The board also accepted the resignation of Sadie Wallin, a teacher at Mars Hill Elementary School. Wallin will retire in June. She has taught at Mars Hill for the past 14 years.

The board also appointed Juanita Weseman as a substitute teacher at Laurel School.

The board also voted to change the school system's auto insurance, awarding the contract for liability coverage on the school bus fleet to Roy Reeves, a Marshall agent for Nationwide Insurance.

Reeves submitted a low bid of \$5,792 for the contract according to school superintendent Robert L. Edwards. Insurance on the county school buses was previously underwritten by Maryland Casualty. The board voted to seek bids at their March meeting when they learned the carrier had requested \$7,296 for covering the bus fleet in the coming year.

School superintendent Robert L. Edwards told the board that the private school operating in the Spring Creek area has changed its name to the Salt and Light Community School and does not wish to participate in the federally funded Title I program.

Edwards also said that he has learned that John Shackleton is planning to operate a private school in the Laurel community that will serve 10 students. The superintendent said Shackleton intends to comply with state regulations regarding the operation of private schools.

Edwards also told the board that he expects the county's teacher allotment to be slightly reduced for the 1985-86 school year. He said the county's present allocation of 103 classroom teachers would probably be cut to 101 for the upcoming year. He added that the vocational education program at Madison H.S. might

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ROBERT Z. PONDER ...re-elected as school board chairman

End To Revenue Sharing Would Harm Towns, County Treasuries

By JOHN DRESCHER, JR.

In Raleigh, it paid for construction of a city hall. In Lumberton, a new street sweeper. In Clarkton, police salaries.

For more than a decade, cities, towns and counties have relied to varying degrees on federal General Revenue Sharing, a program in which \$4.6 billion a year has been distributed to local governments across the country, no strings attached. Since its creation in 1972, the program has become one of the most popular federal programs—"the best thing for cities since ice cream," a former New Orleans Mayor Moon Landrieu described it.

But federal officials say the grants can help fatten a budget as ice cream does a waistline. President Reagan has proposed eliminating the program, effective Oct. 1, a proposal that has sent local officials scurrying to

Washington in defense of the program.

"They're used to my answer," Sen. Jesse A. Helms, R-N.C., who supports Reagan's proposal, said of the concerned municipal officials who visit him.

"We'll share some deficit with them, but we don't have any revenue to share," he said in an interview. "They come every spring—'Cut federal spending but don't cut me, cut that fella behind the tree.'"

In the current fiscal year, North Carolina's towns, cities and counties will receive \$125 million in General Revenue Sharing funds. Without the funds, local officials say, they will have to raise taxes, cut services or delay projects or a combination of the three.

"I wouldn't use the term 'disastrous,' but I would say this: It would hurt us considerably," said

Tony C. Robertson, Smithfield's city manager. Smithfield would have to raise its property tax to 60 cents per \$100 valuation—a 20 percent increase to offset the \$120,000 it would lose in revenue-sharing funds.

The city property tax bill for the owner of a \$50,000 house in Smithfield would increase from \$250 to \$300.

On the average, North Carolina's cities would have to increase property taxes 27.3 percent to replace revenue-sharing funds, according to a 1983 survey by the N. C. League of Municipalities, the most recent available figures.

The state's 100 counties would have to raise their property taxes on an average of 10.8 percent to replace revenue-sharing funds, according to figures provided by the N. C. Association of County Commissioners and the state Revenue Department. People who live within city limits pay both ci-

ty and county property taxes.

The revenue-sharing grants are distributed to all tax-levying municipalities and county governments according to a three-part formula based on population, the current tax burden and the number of low-income people in the area. The amount of revenue-sharing funds allocated by the federal government has been frozen since 1977, so the amounts going to municipalities and counties have changed very little in recent years.

Generally, smaller towns and counties are more dependent on revenue-sharing funds. Of the state's 480 towns and cities, 222 have fewer than 1,000 people. Those towns would be hit hardest by the cut in funds. They would need to raise property taxes 34 percent to replace the revenue-sharing funds they would lose, according to

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Tobacco's Woes Reach Far Across State's Economy

By CHARLES JEFFRIES
The News and Observer

Editor's Note: This is the first in a series of articles dealing with the future of the tobacco industry in North Carolina.

During nearly two decades of selling cars, Emile Locoste has seen business rise and fall with the fortunes of Pitt County's top money crop, tobacco.

"You can fell a poor tobacco season," said Locoste, 57, manager of new car and truck sales at Hastings Ford. "When there's no rain or too much rain, we can feel it."

Tobacco has long been crucial to the car business in general, in Pitt County and across North Carolina.

More than 400 Pitt farmers harvested 14,235 acres of flue-cured tobacco last year and sold it for \$52.6 million, 42 percent of the county's total farm income. Across the state, 51,500 farmers earned \$1.065 billion for their flue-cured and burley tobacco.

"Tobacco money pays the bills around here," said Leroy James, Pitt's agricultural extension chairman. Pitt County is the state's top tobacco producer, but tobacco money also pays bills in 89 other North Carolina counties.

These local economies lean not just on tobacco but also on the troubled federal program of tobacco production controls and price supports. Although the program has helped

on cigarettes, farmers and political leaders fear that the program may not survive 1985.

And many farmers, forced by debt to shoulder the tobacco program's soaring debts, are worried about their own survival. Flue-cured farmers are scheduled to pay 25 cents per pound—about \$500 per acre—to help cover program losses this year. That's 18 cents per pound more than last year's assessment. For some growers, it may make the difference between breaking even and going broke.

"If they put a 25-cent assessment on us, it's going to cause a lot of farmers to go out of business," Wayne County farmer Russell Corbitt said in an interview. "This could be the year that a lot of tobacco farmers would be filing for bankruptcy, if there's not something done about it."

As the nation's No. 1 tobacco state, North Carolina for half a century has been the federal tobacco program's chief beneficiary. Acreage allotments and marketing quotas protect North Carolina's dominant share of the domestic leaf market. The program's price supports guarantee tobacco year in and year out—as the most lucrative crop a farmer can grow legally.

But the program is threatened this year with unprecedented financial woes and with the combined political opposition of the Reagan administration and

Some members of Congress are pushing legislation to kill the tobacco program outright. And John R. Block, the U.S. Agriculture Secretary, proposes to dismantle the 50-year old program by cutting price supports to a fraction of market rates and phasing out quotas and allotments over five years.

"The effect would be the same as not having a program," John H. Cyrus, tobacco affairs chief for the N.C. Dept. of Agriculture, said of Block's plan. "It's just a bit slower death for the tobacco program."

Becoming an antique

Economists and farm and political leaders believe that soon—if not this year, maybe next—the federal program may become a relic of the tobacco's past, like wood-fired curing barns.

"If we lose this thing, and it looks like we might, the other segments of the economy not involved in tobacco will be just as badly affected as we would be," said Harold Allen, a tobacco farmer in western Harnett County.

Not that the tobacco program doesn't already have enough problems:

A flood of cheaper imported flue-cured tobacco has weakened U.S. cigarette manufacturers' demand for domestic tobacco. Flue-cured imports grew from five percent of domestic use in 1982 to nearly 20 percent last year.

The high value of the dollar, which makes American tobacco more expensive to foreign buyers, has hurt the export market. U.S. exports of tobacco fell from a five-year (1975-79) average of 279 metric tons to 238 metric tons in 1983.

Growing anti-smoking sentiment and higher prices resulting from increased federal and state excise taxes helped to reduce cigarette consumption in 1983 to its lowest per capita level since 1949. A bill now in

Congress would double the federal cigarette tax to 32 cents per pack.

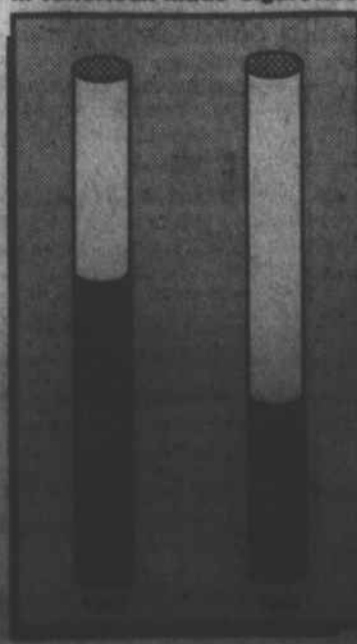
These factors have cut demand for U.S. flue-cured much faster than production quotas have been reduced. Rising surpluses have left the Raleigh-based grower cooperative that administers the program deep in debt. The Flue-Cured Tobacco Cooperative Stabilization Corp. uses borrowed federal funds to acquire all tobacco that does not bring at auction a bid higher than the federal support

price. Stabilization owes the U.S. Commodity Credit Corp. \$1.9 billion on its 808,000,000 pounds of surplus tobacco. Two burley grower cooperatives owe the CCC another \$1.3 billion on about 600,000,000 pounds of surplus.

Because of that debt, the No-Net Cost Program assessments tobacco farmers pay to cover program costs have risen from three cents per pound in 1982 to 25 cents per pound

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Domestic flue-cured tobacco in American-made cigarettes



Cigarette production and consumption

