

# THIS WEEK IN WASHINGTON

Washington, November 17.—Congress begins its extra session in an atmosphere of political confusion and dissension 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 desires 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 tax 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 criticised 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 beyond certain exceptions, is taxed as income for that tax year. In 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 1936 Revenue Act at the urgent insistence of the President. It provides that corporation 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 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, 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 tax on 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. 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.

Modern ordnance has taken sport out of war, says British official. But we thought it was top-sergeants and second-lieutenants.

## U. S. Horses Take Show Prizes



NEW YORK CITY . . . These prize horses, "Dakota" (left) and "Renzo" of the United States team, scored first and second place in the International Military Competitions held at the National Horse Show, Madison Square Garden. They rated the low total of only seven faults.

## LAUNDRY GRAMS

UNSCRAMBLE THE LETTERS OF EACH LINE—THE ANSWER IS A TEN WORD SENTENCE—ONLY ONE WORD TO EACH LINE

SCRAMBLED WORDS	CORRECT WORDS
TEHWI	
'SAWNS	
EWT	
HAWS	
DNA	
Hirtf-t-receivs	
ERA	
ICMOON LACE	
DAN	
FIST TORSACAY	

**PUZZLE No. 5**  
PRESENTED BY  
**WHITE SWAN LAUNDRY**

**ANS. TO PUZZLE No. 4**  
Nothing short of perfect work is acceptable in our cleaning.

**PRIZES**  
1st: \$2.00 in Laundry.  
2nd: \$1.50 in Laundry.  
3rd: \$1.00 in Laundry.

PRIZES LISTED HEREIN WILL BE AWARDED FOR WHAT WE JUDGE TO BE THE MOST ACCURATE, THE NEAREST AND THE MOST ATTRACTIVE SOLUTIONS MAILED OR BROUGHT TO US WITHIN FIVE DAYS FOLLOWING PUBLICATION OF THIS ADVERTISEMENT. DUPLICATE AWARDS WILL BE PAID TO TYING CONTESTANTS. ANYBODY, EXCEPT OUR EMPLOYEES, MAY COMPETE. IT IS NOT NECESSARY TO MAKE ANY PURCHASES. USE THE FORM ABOVE, OR A SEPARATE SHEET. WRITE YOUR NAME AND ADDRESS PLAINLY.

### Winners Last Week:

- 1ST PRIZE: MRS. BUB PRICE
- 2ND PRIZE: MRS. WOODSON COCKERHAM
- 3RD PRIZE: MRS. E. R. WOODRUFF, Thurmond, N. C.

**WHITE SWAN**  
DRY CLEANING  
**LAUNDRY**  
PHONE 205

## TENANT PROGRAM DATA RECEIVED

Land Purchase Loans Not to Be in Every County at Present

### COMMITTEE NOT NAMED

R. O. Palmer, County Rehabilitation Supervisor in charge of the rehabilitation program of the Farm Security Administration in Surry and Stokes 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, 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 and member of the President's Committee on Farm Tenancy, Chairman; I. O. Schaub, Director of Agricultural Extension and Dean of the School of Agriculture, State College, T. E. Browne, State Director, Vocational Education, Raleigh; C. W. Allen, Guilford County tenant farmer, Greensboro; L. O. Leudeke, Castle Hayne Colony farmer and bulb grower, Castle Hayne, New Hanover county; Jonathan Daniels, Editor of the Raleigh News & Observer; W. M. Bacon, large Durham County tobacco farmer and active member of the Durham Co-operative Exchange, Rougemont; J. Paul Davenport, former Pitt County Commissioner and leading dirt farmer, Greenville and J. G. K. McClure, outstanding 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 crop rotation and farm management plans suited to the

community in which the farm is located.

Busy Head Barber—How is it you never seem to wear a clean shirt, Sam?  
Porter—Well, yo see, mah wife's awful busy.  
Head Barber—What does she do?  
Porter—She takes in washin'.

Read Tribune Advertisements!

**Franklin Cane Sugars**  
Refined in U.S.A.

Quick icings and fillings

Fruits cereals iced drinks

Confectioners XXXX

Superfine Powdered

**THE BARGAIN OF THE YEAR**

COMPLETE ROYAL CLEANING OUTFIT

\$56.95 VALUE  
Now \$39.95

ALL 3 UNITS  
FULL SIZE FLOOR CLEANER  
POSITIVE MOTH SPRAYER  
POWERFUL HAND CLEANER

This Royal Outfit will solve your cleaning problem. Many Royals are still in use after more than 25 years' service.

**HARRIS ELECTRIC COMPANY**

Phone 250 Elkin, N. C.

# Congratulations to the New Rendezvous!

YOU CAN DEPEND ON FINER FOOD AT THE RENDEZVOUS BECAUSE WE SUPPLY THEIR GROCERIES AND MEATS

Trade Here and Bank the Difference

**THE BASKETERIA**

Elkin, N. C. Jonesville, N. C.

Congratulations To The **New Rendezvous** Sydnor-Spahnour Elkin, N. C.

NOTICE THE ELECTRIC REFRIGERATOR WHEN MAKING YOUR INSPECTION Of The RENDEZVOUS' NEW KITCHEN

**Harris Electric Co.**  
Elkin, N. C.

## It Is With Real Pride

That We Announce the Opening of The **NEW RENDEZVOUS**

RECENTLY REMODELED AND ENLARGED

THE PUBLIC IS CORDIALLY INVITED TO VISIT US AND MAKE A COMPLETE INSPECTION OF OUR **MODERN NEW KITCHEN AND DINING ROOM**

Catering to Parties and Specializing in **WESTERN STEAKS**

**STEAM HEAT**  
Modern in Every Way!  
**ELECTRIC REFRIGERATION**



**GRADE A RATING .96**

We have recently completed the addition of a modern and thoroughly up-to-date kitchen and dining room facilities and proudly invite the public to pay us a visit of inspection. Catering to parties, and specializing in delicious, tastily prepared Western Steaks, we are sure the New Rendezvous will meet with your wholehearted approval.

Newly installed and most modern type steam heating equipment has been installed, insuring your complete comfort. Soft lights and restful surroundings will add to your enjoyment. Visit the New Rendezvous at your earliest convenience. Make a personal inspection of our new, all-tile kitchen, equipped with electrical and Aga stoves, electrical refrigeration and all other modern aids to clean cookery and sanitation. We will be glad to have you, and after one visit we believe you will come again and again.

ALL KINDS OF DELICIOUS SANDWICHES — CHILI CON CARNE BARBECUE PLATE WITH HOT CORN BREAD

Meet Furman, Our Chef, Who We Believe To Be One of the Best | Cobb Will Give You Snappy Curb Service

1 MILE EAST OF ELKIN ON HIGHWAY 67

YOU CAN BUY THAT **GOOD GULF GAS** AT THE RENDEZVOUS

Try a Filling of Gulf-Pride Oil You'll Be Pleased

**CHURCH OIL CO.**  
Elkin, N. C.

CONGRATULATIONS TO THE RENDEZVOUS UPON COMPLETION OF MANY MODERN IMPROVEMENTS YOU'LL FIND OUR STORE IS ALSO MODERN IN VERY WAY PRESCRIPTIONS A SPECIALTY

**TURNER DRUG CO.**  
Phone 64 Elkin, N. C.

We Installed The **ELECTRIC RANGE** And New **AGA COOK STOVE**

In the Rendezvous' Modern New Kitchen

**ELKIN PLUMBING & HEATING CO.**  
Elkin, N. C.