

Washington, November 17.-Congress begins its extra session and other signs of business un-

Congress begins its extra session in an atmosphere of political con-fusion and dissension which sub-jects any attempts to forecast re-sults to heavy discounts. The best opinion here is that the acts of the special session will be gov-erned more by the members' own judgment of national needs than by the desires of the Administra-tion for the further promotion of social and economic reforms. TAXES ARE BLAMED

Business Troubles First The first need, as many lead-ers in both Senate and House see

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the tax laws which have anly in practice, to slow

Administration, too, is recently in proceeding aware of this need. When he called Congress in special session try. 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 indistributed corporation earnings. The capital gains tax is of pre-Roosevelt origin. It taxes as pre-Roosevelt origin. It taxes as depression has appeared, income certain increases in an inwith breaks in the stock markets dividual's capital. If a man buys property, tangible or in securities, his profit, if any and beyond cer-

tain exceptions, is taxed as in-come for that tax year. In high-er 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 are necessary. risks Without proof that a new business will be profitable, the public cannot hon-

estly 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

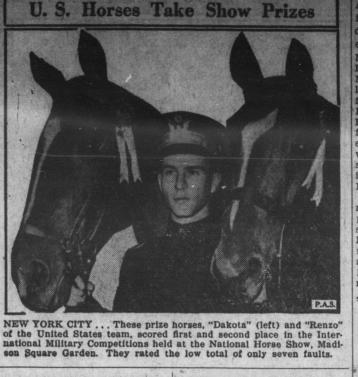
"safe" and put surplus funds into Government bonds. This stran-gles new business, curtails expansion of business already under way. The other tax which is blamed

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 to their stockholders as dividends them as reserves or using them to tax penalizes that.

expand or pay off bonded debts. Corporations failing to make such distributions are taxed up to as ministration has accepted the Farm Security Administration in high as 26 per cent of the amount. truth of the arguments against Surry and Stokes counties has re-SOAKING THE "BAD BOYS"

The purpose of the undistrib-uted surplus tax was two-fold. In part it was designed to punish a few large corporations which had working with the House Commit-and explaining the new federal It was estimated that this tax would produce \$800,000,000 a year of new revenues.

It not only has failed to pro- ficial. But we thought it was top- of Agriculture, State College, T.



ed revenue but, according to the hundreds of business men, indus-**TENANT PROGRAM** trialists, investors, bankers and nomists who have appeared before the sub-committee of the House which is studying tax matters, the undistributed profits tax Land Purchase Loans Not to has proved a serious obstacle to business improvement and expan-Be in Every County at sion

The way in which all business that corporation earning profits The way in which all business in any year must distribute them enterprises have developed in the **COMMITTEE NOT NAMED** past is by "plowing back" profits in that year, instead of holding into the business, and the present tation Supervisor in charge of the

TAX CHANGES ARE "NO. 1" Somewhat reluctantly, the Ad- rehabilitation program of the the capital gains tax and the tax ceived from regional headquarters

built up large reserves for future expansion, but whose controlling management had incurred the direlegume of the Administration of displeasure of the Administration plained of. Almost unanimously George S. Mitchell, Raleigh, and The economic justification was Senators and Representatives prethe assumption that, by paying dict a change in at least the un-out surpluses in dividends, the distributed profits tax, and Chair-ant land purchase loan program incomes of stockholders would be man Vinson of the sub-committee in North Carolina is as follows: increased and could be taxed at of the Ways and Means commithigher rates, thus bringing addi-tional revenue into the Treasury. islative program.

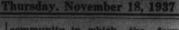
Dr. Clarence Poe, Editor, Pro-Farm Tenancy, Chairman; I. O. Modern ordnance has taken Schaub, Director of Agricultural

sport out of war, says British of- Extension and Dean of the School Phone 250 duce anything like the anticipat- sergeants and second-lieutenants. E. Browne, State Director, Voca-

DATA RECEIVED

Present

R. O. Palmer, County Rehabili-



tional Education, Raleigh; C. W. com Allen, Guilford County tenant is lo community in which the farm is located. farmer, Greensboro; L. O. Leu-

Busy Head Barber—How is it you ever seem to wear a clean shirt. am?

awful bu

do?

deke, 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 Commissionformer Pitt County Commissioner and leading dirt famer, Greenville and J. G. K. McClure, out-

standing 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 improv-ed farm practices. Each borrower agrees in accepting the loan to follow crop rotation and farm management plans suited to the



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Head Barber-What does sh

Porter-She takes in washin



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