

# LOOKING AT WASHINGTON

By Hugo S. Sims, Washington Correspondent

This 'Campaign Fund for 1938' logical Road to Full Recovery? The President's new recovery program, outlined to Congress two weeks ago and explained to the people in a radio address, is derisively referred to as "the campaign fund for 1938" by the opposition, which includes a number of Democratic members of Congress as well as most of the Republicans.

While Congress may do considerable ear-marking of funds, the prospects are that the program will proceed. It is important, therefore, for the people of this country to understand the background, the intended results and the consequences of the President's proposal. Briefly, the President argues:

The national income, which was \$80,000,000,000 in 1928, dropped to less than \$40,000,000,000 in 1932, but rose to \$68,000,000,000 in 1937 as a result of the Administration's acts to re-establish reservoirs of credit, to put purchasing power in the hands of the consuming public, and to secure a more equitable distribution of the national income.

By the end of 1936, he said, both the business community and the Government felt that a large measure of the Government's spending activities could be reduced. During the winter and spring of 1937, cotton factories, automobile plants and other industries, for various causes, produced goods faster than the consumers could buy them, and by the autumn of 1937 had surplus stocks on hand. During the same period prices of some products rose faster than was warranted and many commodities were priced to consumers above the "inflationary boom prices of 1929."

Naturally, the question arises, did the Government do anything about the situation then? The answer is three-fold: In December, 1936, the Treasury began to "sterilize" incoming gold from abroad to keep it from inflating the credit structure of the nation, in April, 1937, the Government issued warnings against the practice of over-production and high prices; in May, 1937, the Federal Reserve increased its requirements in order to curtail banking credit.

Last autumn, says the President, "in a sincere effort to bring Government expenditures and Government income into closer balance the budget worked out called for sharp increases in Government spending." In January, the Treasury estimate of the budget for the fiscal year beginning July 1st, 1937, reflected considerable curtailment of Government expenditures. These estimates, says Mr. Roosevelt, in the light of present conditions are "far too low."

Mr. Roosevelt recalls that, in his message to Congress, he stated that if private enterprise did not provide jobs this spring, the "Government would take up the slack." For four and a half years, recovery proceeded apace, but "the course of our economic has run adversely for half a year." Moreover, "only within the past two months, as we have waited patiently to see whether the forces of business itself would counteract it (the economic setback) has it become apparent that Government itself could not longer safely fail to take aggressive Government steps to meet it."

Evidently, to answer the complaints of business that Government interference has retarded recovery, the President said, "It should be noted in fairness that since January 1st, 1937, the President has recommended to Congress only four measures of major importance to business of the country. These include:

- (1) Legislation to stabilize agriculture.
  - (2) Legislation to end loopholes in personal income tax laws.
  - (3) Legislation to put a floor under wages and a ceiling over hours of labor in industry; and
  - (4) Tax legislation to remove inequities from the Undistributed Profits tax, especially as they affect the smaller types of business.
- Legislation for items (1) and (2) have been approved by the President; item (3) is under consideration and congressional action on item (4) is in the final stages of free conference. "The record speaks for itself," says the President, adding "no other measures affecting business have been proposed."

In discussing possible increase in the national income, Mr. Roosevelt continued: "I want to make it clear that we do not believe that we can get an adequate rise in national income merely by investing, lending or spending public funds. It is essential in our economy that private funds be put to work and all of us recognize that such funds are entitled to a fair profit. The Government cannot and should not act alone. Business must help. I am sure business will help."

What does the President propose?

First, that in the coming fiscal year Government expenditures for the WPA, the Farm Security Administration, the National Youth Administration and the CCC be continued at the same rate as at present. To do this, will mean an increase of about a billion and a quarter dollars more than estimated in the message sent to Congress on January 2nd.

Second, to make definite additions to the purchasing power by providing new work by

(a) By adding \$800,000,000 to the amount available for immediate construction of additional slum-clearance projects.

(b) By starting a billion dollar public works program in needed public improvements in states, counties and cities.

(c) By adding \$100,000,000 to the amount set up for Federal highway aid in the January budget.

(d) By adding \$37,000,000 to the \$63,000,000 provided for flood control and reclamation.

(e) By adding \$25,000,000 additional for Federal buildings in various parts of the country.

"This new program," says the President, "adds \$2,062,000,000 to direct Treasury expenditures and another \$950,000,000 to Government loans." Mr. Roosevelt continues, "The net effect on the debt of the Government is this—between now and July 1, 1939, fifteen months away—the Treasury will have to raise less than \$1,500,000,000 of new money." Naturally, the reader wonders how the Treasury will raise nearly three billion dollars for direct expenditures and loans without raising more than half the sum.

This brings us to two steps recommended by the President for the expansion of bank resources, which were taken immediately without congressional action. The first was the sterilization of gold which placed \$1,391,000,000 to the Treasury's account in the Federal Reserve Banks to be used in helping to finance the new appropriations.

Readers will recall that in December, 1936, when large quantities of gold were coming into this country from abroad, the credit structure of the nation was threatened with inflation. At that time, the Treasury began acquiring the gold in order to prevent its use as the base of excessive credit. This was done to prevent excessive inflation; it was called "sterilization" of gold. The present "sterilization" reverses the process because inflation of credit is now deemed desirable.

The second step to expand bank resources was taken by the Federal Reserve Board, which reduced its reserve requirements thus releasing to member banks about \$750,000,000 of excess reserves. This step marked a reversal of the policy which the Board began on August 15th, 1936, and which culminated on May 1st, 1937, in requirements which doubled the deposits required of member banks before August 15th, 1936. These steps were taken to prevent "injurious credit expansion" and the present reduction of the requirement is taken to facilitate credit expansion, which is now deemed desirable.

So far, we have not discussed the authorization given the RFC by Congress to lend money to business enterprises. This phase of the program was already in operation when the President sent his message to Congress. It is a lending proposal

## WINFALL NEWS

Miss Hazel Pike, Miss Dona White and John Simpson attended the dog show in Norfolk, Va., on Tuesday.

Mr. and Mrs. Raleigh Minton, of Elizabeth City, were guests of Miss Myrtle Umphlett on Thursday night. Mr. and Mrs. Thomas H. White were guests on Sunday of Mrs. White's parents, Mr. and Mrs. J. P. Elliott, at Chapanoke.

Misses Jessie and Polly Baker were shopping in Elizabeth City on Friday.

Mrs. David Trueblood, Miss Mary Elizabeth White and Mrs. J. L. Delaney attended the Methodist Conference in Greenville, last week.

Mrs. Mamie Blow, Mrs. Bennie Halstead and Mrs. Smith called at the home of Mrs. A. White on Sunday.

Miss Annie White is still confined to her bed.

Mrs. Johnnie Lane, Miss Myrtle Umphlett and Mrs. Raymond Stanton visited friends in Elizabeth City on Tuesday afternoon.

Miss Louise Wilson spent the week-end with friends here.

Mr. and Mrs. Arthur Pierce had as guests on Sunday evening Mr. and Mrs. Lester Pierce, of Newland.

## SNOW HILL NEWS

Mrs. Jesse Harrell has returned home after spending a week in Richmond, Va., as the guest of Mr. and Mrs. Henry Harrell. She was accompanied home by Mr. and Mrs. Harrell, who spent the week-end with her.

Mrs. Vernon Winslow has returned from Greenville, where she attended the Methodist conference as a delegate.

Mr. and Mrs. Moody Harrell and Carolyn Dean Harrell spent Saturday night with Mr. and Mrs. G. W. Gregory, at Woodville. Mrs. Gregory was critically ill.

Mrs. Elmer Wood, Mrs. Mary A. Keaton and Mrs. Edward Benton, of Old Neck, visited Mrs. Wendell Matthews, at Woodville, Friday afternoon.

Mrs. George Jordan, Mrs. Will Everett, Mrs. D. M. Cartwright, Mrs. J. H. Harrell, Mrs. Henry Cartwright, Mrs. Vernon Winslow, Mrs. Ralph Harrell, Mrs. Ashby Jordan, Miss Eunice Harrell and Miss Lucille Cartwright visited Mrs. Marvin Benton and Mrs. Mason Sawyer, at Old Neck, on Friday afternoon.

Mr. and Mrs. Henry Harrell and Keaton Harrell, of Richmond, Va., Mr. and Mrs. Jesse Harrell, Mrs. J. H. Harrell, Moody Harrell, Miss Eunice Harrell, James and Vernon Harrell were guests of Mr. and Mrs. Ralph Harrell on Sunday.

Mrs. G. J. Barclift, Mrs. J. M. Cartwright and Mrs. R. E. Barclift visited Mrs. Ralph Harrell on Wednesday. Mrs. Harrell accompanied them to call on Mrs. J. M. Benton, at Old Neck.

Mrs. W. H. Cartwright, Mrs. Vernon Winslow, Mrs. Moody Harrell, Mrs. Ralph Harrell, Mrs. J. H. Harrell and Carolyn Dean Harrell spent Tuesday as guests of Mrs. George Eure, at White Hat.

Mrs. J. H. Harrell is visiting Mr. and Mrs. George Eure, at White Hat. Mrs. Moody Harrell spent Wednesday with Mrs. George Gregory, at Woodville. Mrs. Gregory fell and is seriously ill.

A supposedly lucky wishbone was unlucky for Peter Larsen of St. Paul, who was sent to jail for stealing it.

tion and the presumption is that the money loaned will be repaid. However, because the loans will go to businesses to keep them running and prevent workers from losing their jobs, it is a vital phase of the entire program. That such a sum is available is reassuring but just how much money will be loaned by the RFC is problematical.

## MISS MAMIE STALLINGS HOSTESS TO W. M. SOCIETY

The Woman's Missionary Society of Mt. Sinai Church met Thursday afternoon with Miss Mamie Stallings at her home in Hertford.

The meeting opened with the singing of "Come Women Wide Proclaim" and Mrs. Clarence Dail led in prayer. The devotional was led by Mrs. E. W. Mayes, of Hertford.

Mrs. Junior Miller was in charge of the program, with the following members taking part: Mrs. Effie Miller, Mrs. George Roach, Mrs. E. U. Morgan and Mrs. H. D. Hurdle.

Delicious ice cream and cake were served.

The members present included Mesdames H. D. Hurdle, E. C. Hollowell, T. E. Madre, E. U. Morgan, Clifton Morgan, David Miller, Effie Miller, George Roach, J. V. Stallings, Ernest Stallings, Robert Stallings, Sr., J. W. Ward, Wallace Morgan, Harvey Stallings, Junior Miller, and Miss Mamie Stallings. Visitors were: Mrs. E. W. Mayes, Mrs. Charlie Fowler, and Mrs. Clarence Dail, of Hertford; Mrs. Jim Yeatman, of Norfolk, Va.; Mrs. L. R. Jennings, of Camden, and Mrs. Eva Stallings, of Winfall.

Mrs. W. D. Rogerson invited the Society to meet with her in May.

## SURPRISE BIRTHDAY PARTY

A very delightful surprise birthday party was given on Wednesday evening at the home of Mrs. W. H. Cartwright, Hertford, Route 3, with Mrs. Odell Cartwright as assistant hostess, honoring Odell Cartwright, who was celebrating his twenty-fifth birthday anniversary.

The guests were invited into the dining room, where the central attraction was a huge birthday cake holding 25 lighted candles, which the honoree was asked to blow out.

Ice cream and cake were served.

The honoree received numerous attractive and useful gifts.

Those present and remembering the honoree were Mr. and Mrs. Ned Matthews, Mr. and Mrs. Crafton Matthews, Mr. and Mrs. Julian Matthews, Mr. and Mrs. Edward Benton, Mr. and Mrs. George Eure, Mr. and Mrs. Ashby Jordan, Mr. and Mrs. Elmer Wood, Mr. and Mrs. Kermit Benton, Mr. and Mrs. Moody Harrell, Mr. and Mrs. Eddie Harrell, Mr. and Mrs. Jack Benton, Mr. and Mrs. J. T. Benton, Mr. and Mrs. George Jackson, Mr. and Mrs. Johnnie Bray, Mr. and Mrs. Meador Harrell, Mr. and Mrs. Ralph Harrell, Mr. and Mrs. W. H. Cartwright, Mrs. Jesse Harrell, Mrs. Mary Bray, Mrs. William Whedbee, Mrs. J. H. Harrell, Mrs. W. M. Matthews, Mrs. Vernon Winslow, Misses Eunice Harrell, Daisy

Matthews, Margaret Whedbee, Maxine Harrell, Blanche Cartwright, Annie Mae Matthews, Maude Cartwright, Carolyn Dean Harrell, Lois Faye Benton, Barbara Ann Benton, and Betty Anne Matthews, William Henry Cartwright, Harry Winslow, Tracy Winslow, Vernon Harrell, Ned Matthews, Davis Cartwright, George C. Eure, Walter Ray Benton, Ronald

E. Harrell, Leon and Maurice Harrell, and Mr. and Mrs. Odell Cartwright.

Shortly after boasting that he had climbed many high structures without an accident, Alex Hassen, a steeplejack of Hayattsville, Md., fell eight feet from a shed he was painting, breaking an arm and a leg.

# Check These Bargains!

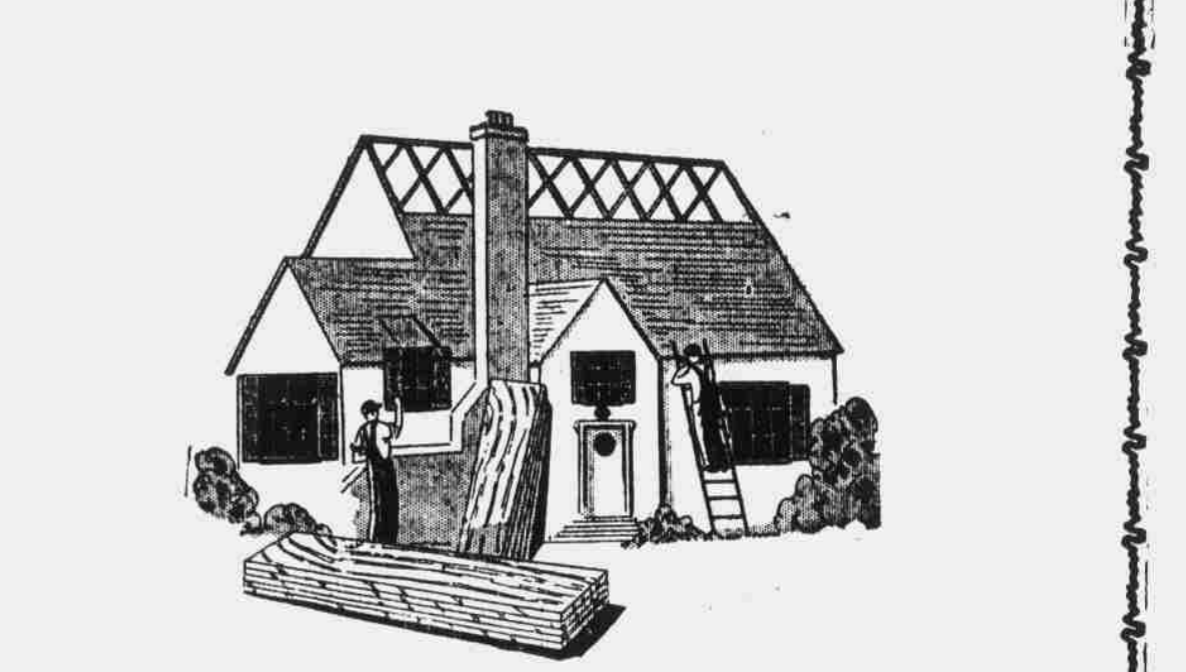


1938 3/4-Ton Chevrolet Truck	\$675.00
1936 1/2-Ton International Truck	\$250.00
1936 1 1/2-Ton International Truck	\$450.00
1935 1 1/2-Ton Chevrolet Truck	\$150.00
1935 Chevrolet Coach	\$195.00
1934 1 1/2-Ton Chevrolet Truck	\$175.00
1934 Ford Coupe	\$250.00
1934 Ford Coach	\$275.00
1933 1 1/2-Ton Chevrolet Truck	\$ 75.00
1933 1 1/2-Ton Chevrolet Truck	\$100.00
1930 Ford Coach	\$ 35.00

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