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DEVOTED TO THE CIVIC, ECONOMIC AND SOCIAL DEVELOPMENT OF ALLEGHANY COUNTY

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F. D. R. FEELS SECURE

The idea is abroad in some quarters that the President feels that his Administration is on much firmer ground since the retirement of two Conservative Supreme Court Justices and their replacement with men of the same political philosophy. While the President, in his battle against what he considers economic privilege, has been able to win elections by enormous majorities, his opponents felt that the five Conservative justices would stop the New Deal even when the ballot box failed.

The recent elevation of Stanley Reed to the High Tribunal ends the domination of the Conservative group and is a shift in the balance of governmental power which is far reaching. Consequently, business men now realize that they must make terms with the President or else seek to thwart him by arraying Congress against him. This may be accomplished temporarily but, in the long run, there can be little hope that the people of the country will turn toward high finance and big business.

NEW DEAL WINS CASES

The President's trouble in the Court began with his early legislative measures but since last February, when Mr. Roosevelt opened his attack on the Supreme Court Conservatives, the opposition has lost one legal battle after another. Since the beginning of the Court struggle, there has been consistent Court approval of New Deal laws—in fact, legal victories of the Administration have been exactly one hundred per cent. When the Court declared the Wagner Labor Relations Act constitutional, approved the Social Security Act and refused to upset the Security and Exchange Act and the power phase of TVA and PWA, it was apparent that business had been completely defeated. Consequently, industrial and financial leaders have the alternative of adjusting themselves and their operations to the present situation or of seeking to defeat the Roosevelt program at the polls. This latter course promises little or nothing in view of the trend shown in recent congressional elections.

SEEKS CO-OPERATION

The President last week continued his series of conferences with leading business men of the nation. As nearly as we can get it, the Chief Executive is sincerely anxious for business men to cooperate with the Government but he does not intend to abandon reforms which he feels, have been endorsed by the voters of the country in overwhelming fashion. In other words, the extent of the cooperation depends almost entirely upon the willingness of the business men to accept basic reforms and contribute to the settlement of evils in business practice.

HOLDING COMPANIES

This explains the President's statement advocating the abolition of all holding companies, whether in the public utility or other fields, and whether they are top or intermediate concerns. It applies particularly to holding companies which control banks and operating utilities. The President asserted that holding companies with \$600,000,000 of assets can control \$13,000,000,000 of utility capital. He makes it clear that he will not agree to modification of the "death sentence" requiring dissolution of almost all but first degree utility holding companies. He insists that there is very little wind and water in stock of the operating companies but that the holding companies present a different picture.

The President feels that holding companies take advantage of their operating companies, telling of conversations with operating executives who said that their construction and equipment plans had been spiked by the holding companies which insisted on the privilege of financing such construction despite the availability of local funds for the purpose. Such things could not go on, said the President, who "thought they all recognized it." Whether the recognition is as general as the President thinks will be reflected in the cooperation which Mr. Roosevelt enlists from business generally. In the president's criticism was reference to the control of local banks by holding companies in many centers far away. Mr. Roosevelt said the little banker was disappearing as the result of being "controlled from New York," and that, in his opinion was a "bad thing" in view of ample community funds and Federal supervision and deposit insurance.

WHAT BUSINESS WANTS

In the summer of 1933, the big business men of the nation were pleading with the President to do (turn to page eight, please)

Wage cuts by industry during the recession

—in business were opposed Tuesday by President Roosevelt as "suicidal." The chief executive warned that if salaries are slashed this winter and spring the government will be forced to consider "other means" of creating purchasing power.

His views were embraced in a formal statement read at a press conference a few hours after John L. Lewis, chairman of the Committee for Industrial Organization had announced that labor would fight to the bitter end against a reduction in wages and prices to offset effects of the trade slump.

Mr. Roosevelt coupled his warning with a suggestion that mass production industries cut their prices to meet reduced purchasing power.

He brushed aside inquiries of what the government would do if salaries were pared further, but it was believed that he referred to possible resumption of federal "pump priming."

The Chief Executive said his statement was prompted by statistics showing that some business men in a few sections of the country already had reduced wages and that similar action is reportedly contemplated by others.

He made it clear that wage reductions thus far are not widespread.

Mr. Roosevelt said that a group of industrial and labor leaders headed by Lewis, Thomas Lamont, New York banker, and Owen D. Young, head of General Electric Company assured him at their recent White House conference that there would be no wage reduction during the slump. He added that he hoped to confer on Monday with 10 or 12 representatives of "little businesses" and obtain their advice on how the government can aid them.

He said he expected this delegation to be selected from 500 small business operators who will meet earlier with Secretary of Commerce Daniel Roper and his assistant Earl Draper.

Gov. Hoey said the average man pays the tax

—bill, in a speech delivered Tuesday night in Rocky Mount. The state's chief executive said that new soak-the-rich taxes probably would yield little income.

In his speech at a banquet of the Rocky Mount Chamber of Commerce, Governor Hoey said "the intelligent citizen knows that neither the state nor national government can raise any money except by taxation, and whether direct or indirect, it must be paid by the general public."

Many persons, the chief executive said, complain about the trend toward centralization of government and, at the same time, demand larger grants of money from the central government.

"The taxes cannot all be raised by levying tribute on rich people or large corporations," the gray-haired, frock-coated governor asserted.

"We are taxing wealth in both state and nation rather heavily, and to increase the taxes more would probably not produce any greatly increased amount of revenue—for we can easily reach the saturation point," he said.

The united dry forces of N. C. stepped

—into the 1938 political arena Tuesday night with a statement calling for prohibitionists to elect a "bone-dry" General Assembly and law officers willing to enforce "bone-dry" statutes.

"Now is the time for the friends of temperance to redouble their efforts and wipe out the beer shops and liquor stores that are increasing human slaughter on our highways and disgracing our state with drunkenness, debauchery and crime," the statement, signed by Cale K. Burgess, campaign director, said.

On High Bench



WASHINGTON, D. C. . . Stanley Forman Reed, Solicitor General of the United States since 1935, poses for his first official photograph after being named Associate Justice of the Supreme Court to fill the vacancy created by the retirement of Associate Justice Sutherland. He observed his 53rd birthday last December.

James M. Wagoner and wife observed their golden

—wedding anniversary on Tuesday, January 18, at their home in Sparta, with all their eleven children, as well as several brothers and sisters and other relatives and friends, being present.

The immediate family present for the dinner were Dr. and Mrs. B. A. Wagoner and sons, Arlington and John, of Wytheville, Va.; Dr. and Mrs. W. G. Wagoner and son, William G. Jr., of Bluefield, W. Va.; Mr. and Mrs. J. A. Higgins and family, of Sparta, N. C.; Mrs. Alex Coomes, of Ennice; Mrs. Dewey Sparger and daughter, Margaret, of Dobson; Mr. and Mrs. Oscar Wagoner and son, Lewis, of Sparta; Mr. and Mrs. J. B. Wagoner and family, of Cleveland, Ohio; Mr. and Mrs. Raymond Cook and son, Charles, of Westfield; R. E. Wagoner, Kannapolis; Mr. and Mrs. Roscoe Childress, White Plains, and Mr. and Mrs. Edwin R. Wagoner, Athens, Ohio.

Other relatives included Mr. and Mrs. J. Henry Wagoner and son, James, of Nathans Creek; Mr. and Mrs. George R. Wagoner, Galax, Va.; Mr. and Mrs. Glenn Warden, Stratford; C. J. Edwards, Carlos Mitchell and Mr. and Mrs. F. A. Mitchell, Sparta. Mrs. Mitchell, Henry Wagoner and C. J. Edwards were attendants at the wedding of Mr. and Mrs. Wagoner.

In keeping with the times of fifty years ago, Mrs. F. A. Mitchell and Mrs. C. J. Edwards had baked a log-cabin cake, which was of much interest to the younger generation.

A delectable dinner was served, the outstanding feature of which was two unusually beautiful white cakes. One, a three-tiered white cake, decorated in gold, and bearing the dates of the wedding and anniversary, was presented by the daughters. The other, a large single-tier white cake, was elaborately decorated, bearing two large sprays of yellow roses with gold leaves. Bordered with which was designed by Mrs. Edwin Wagoner, of Athens, Ohio, was presented by the sons.

Fitting tributes of respect were paid to the family by R. A. Doughton, Sparta, to extend their congratulations to this happy family. Many congratulatory telegrams, letters and cards were received.

Mr. and Mrs. Wagoner were the recipients of many attractive gifts, the outstanding one being a complete suite of bedroom furniture, presented by the children.

The associational B. T. U. will meet

—next Sunday afternoon, January 30, at 2:30 p. m., at the Sparta Baptist church. T. E. Story, superintendent of schools in Wilkes county, will be the principal speaker.

Rev. Howard J. Ford, pastor of the local Baptist church will preach in the church Sunday morning, at eleven o'clock. At 7:15 p. m., Rev. L. Grady Burgess, of Elkin, will preach.

The Rev. Mr. Burgess is a brother of T. R. Burgess, Sparta.

The U. S. Steel corporation plans to modernize

—its plants to the extent of \$80,000,000 before September 1, according to its president, B. F. Fairless, in a letter to the senate unemployment committee, written Saturday.

Fairless, whom illness prevented from appearing personally before the committee, said that amount remained unspent from last year's authorization.

"It is hoped that these expenditures can be made in regular course in completion of the projects," his letter said. "If such be done, about one-half, or \$40,000,000 would be expended in the first quarter of 1938 and the other half would be expended in the second and third quarter of 1938.

"In addition if business conditions warrant, there will be, undoubtedly, other expenditures in considerable amounts during 1938."

Apparently replying to Robert H. Jackson, assistant attorney general, who has criticized the failure of steel companies to reduce steel prices since the business slump began, Fairless wrote: "It is clear that prices can not be reduced without a corresponding reduction in costs, of which wages is the most important part."

Walter S. Tower, executive secretary of the American Iron and Steel Institute, disputed in direct testimony statements to the effect that steel price increases had "far outran the cost of production."

Another witness Thomas C. Holden, vice president of F. W. Dodge corporation, which gathers statistics on the building industry, told the committee that regard the present recession as a new depression was absurd. He called it a "temporary check."

Tower reported to the committee a slight gain in steel operations since the new year began, and indications of "a moderate measure of further improvement during the early months of the year."

An appeal for funds for relief work in China

—was made recently by Rev. R. L. Berry, Sparta, chairman of the Alleghany County Red Cross chapter,

who also announced that, at the suggestion of President Roosevelt, chapters throughout the country were joining in the appeal. The funds would be used for the relief of the millions of suffering men, women and children in China, according to the Rev. Mr. Berry.

"In asking our community to assist in raising this fund," the Rev. Mr. Berry said, "there is little need to emphasize appalling conditions existing around Shanghai and other cities, inasmuch, as newspapers, newsreels, and radio have vividly pictured conditions that exist."

He said that this money would be allocated to relief agencies and hospitals already existing, and that a committee of American business men in China, appointed by the American Ambassador, Nelson T. Johnson, would be formed to distribute the fund. No personnel will be sent from the United States.

The Rev. Mr. Berry said, "Great danger exists that epidemics may break out."

Admiral Cary T. Grayson, national Red Cross chairman, said American officials in China had informed him that 650,000 sick and homeless persons were crowding the International Settlement and Greater Shanghai at the present time, with many times that number scattered throughout coastal and interior cities, towns, and villages that have been devastated.

The national chairman also pointed out that lack of adequate housing facilities for the homeless was aggravating the health problem, and that existing public shelters had long been over-

(Turn to page 8, please)

Stricken



WASHINGTON, D. C. . . Immediately following the news of the resignation of Associate Justice Sutherland came reports of the alarming illness of Associate Justice Benjamin N. Cardozo, above, who suffered a heart attack after a complication of illnesses. Known popularly as a "liberal," Associate Justice Cardozo was appointed to the high bench six years ago by President Herbert Hoover.

A jury was chosen for the trial of Bill Payne

—and Wash Turner, long-term escaped convicts charged with the fatal shooting of State Highway Patrolman George Penn last August 22, Tuesday in Buncombe county superior court, in Asheville.

The jury was completed by 9 p. m., after day-long examination of regular veniremen and members of a special venire of 250 ordered Monday by Superior Court Judge Felix E. Alley, of Waynesville.

After Judge Alley explained briefly the status and duties of the jury, he adjourned court until 10 a. m. tomorrow.

Fifteen minutes before the case was called Payne, 41, slender and of medium build; Turner, 35, also known as Jack Borden, dark-haired and stocky, entered the courtroom under a heavy guard of state highway patrolmen. Patrolmen and other officers also were stationed at every entrance.

Neither of the defendants, facing possible death in the gas chamber, showed marked interest in the proceedings.

Sitting with Payne was his mother, Mrs. Emma Payne, of High Point. She wept at times during the proceedings.

Also in the courtroom, seated behind the desk of Solicitor Zeb V. Nettles and attorneys assisting him in the prosecution, was Mrs. Margaret Penn, of Carthage, mother of the slain patrolman. She entered the room accompanied by her daughter, Miss Margaret Penn, other relatives and several Moore county officers, including Sheriff C. Y. McDonald and H. J. Boyette, Moore county prosecuting attorney. She covered her face with a handkerchief and wept at times.

Solicitor Nettles, who prosecuted cases successively against Colonel Luke Lea, Tennessee publisher, and Wallace B. Davis, Asheville bank president, on bank law violation charges, and Martin Moore on a charge of killing Helen Clevenger, of New York, questioned the talesmen for the state, and J. Walter Haynes, of the court-appointed counsel for Payne and Turner, for the defense.

Penn, whose home was at Carthage, was killed by a rifle bullet after he had chased two men in a blue car into a dead-end road near here. The Buncombe county grand jury later indicted Payne and Turner, at the time at large after a daring break from Caledonia prison farm with five other long-term convicts last February 15.

Payne and Turner were captured by federal agents at Sanford January 3 and turned over to Buncombe county authorities after, Federal Agent Ed Scheidt said, the two had admitted several bank robberies and other crimes.

Seated with Nettles were H. C. Fisher, Asheville attorney assisting in the prosecution; Charles Ross, of Raleigh, general counsel of the State Highway and Public Works Commission; Robert Grady, Johnson, of Raleigh, director of state prison, and H. F. Seawell, of Carthage, an attorney, who

(Continued on page eight)

R. E. Jones, one of the pioneer citizens of Galax

—passed away at his home here Tuesday night, about ten o'clock, after having suffered a heart attack a day or two previous. He suffered a heart attack in December, 1936, but, after being confined for a month or so at his home, apparently recovered and was seen about the streets of Galax almost daily, where he had been a familiar figure for many years.

Mr. Jones was a pioneer citizen of Galax and was familiarly known as "Daddy" Jones. He operated a furniture store and undertaking establishment in Galax for several years and was active in various public enterprises of his town and community.

Surviving are the widow and four children: Dr. R. L. Jones and Walter Jones, Galax; Dr. N. C. Jones, Danville, Va., and Mrs. R. L. Dunnegan, Winston-Salem, N. C.

Any reduction in federal aid for public roads

—is being actively opposed by Chairman Frank Dunlap, of the North Carolina highway department, who arrived in Washington Tuesday to join the Association of Highway Commissioners in its fight to prevent such reduction, as proposed by President Roosevelt.

Chairman Dunlap appeared before the Senate postoffices and postroads committee Tuesday afternoon and expects to testify before the House roads committee some time tomorrow.

The North Carolina commissioner urged the Senate committee not to reduce the federal road funds appropriation and stated that if it were cut to \$125,000,000, the whole highway program in North Carolina would be wrecked.

Dunlap said he believed North Carolina's share of the proposed \$238,000,000 appropriation would be about \$5,000,000.

He pointed out to the Senate committee that his state's highway program was based on North Carolina's matching federal funds, and if federal grants were reduced, the state would suffer from a greatly diminished road budget, since both the size of federal aid and matching funds would be reduced.

Federal expenditures for public roads constitute a point of attack by President Roosevelt in his efforts to get the budget nearer to balance. At the special session he sent up a special message asking that the 1939 authorization, under which the states this month make their allocations for the 1939 fiscal year, be cancelled. The House public roads committee, of which Representative Lindsay Warren, of North Carolina, is the second ranking member, refused to consider the President's request.

Supporters of the anti-lynch bill resorted Tuesday

—night to the United States Senate's debate-end closure rule in a final effort to break the stubborn southern filibuster against the measure.

Sixteen names, the required number, were affixed to a petition for cloture and its actual filing awaited only such time as Senator Neely (D., W. Va.) could obtain the floor.

At the conclusion of a speech by Senator Russell (D., Ga.) asserting that the bill was backed by the communist party, Neely found an opportunity to send his cloture petition to the chair.

Brevard college held its annual

—mid-winter graduation exercises Tuesday morning, and Dr. Embree H. Blackard, pastor of Wesley Methodist church, High Point, delivered the commencement address.

Others who spoke were Dr. H. C. Sprinkle, of Cornelius, chairman of the board of trustees, and Robert T. Amos, of High Point, member of the board. President Eugene Coltrane awarded diplomas to the 19 members of the senior class.

Temperatures all across the nation fell Tues. night

—in a chill prelude to a great new cold wave, freezing out a touch of false spring that had brought damaging gales and widespread menace of flood. In every section—from the drenched, and in some cases, dust-swept prairies of the Midwest to the southern bottomlands—colder weather was on the way.

In Sparta and Alleghany county, the temperature took a decided downward tumble Tuesday, and snow filled the air late in the afternoon. A brisk cold wind accompanied the snowfall.

In North Dakota, Minnesota, Nebraska and Iowa the thermometer dropped below zero late yesterday to 18 below at Devils Lake, N. D.

Some roads were blocked by snow in Wisconsin and southern Minnesota; a child of seven froze to death near Crocker, S. D.

Along the Mississippi's lower reaches the Ouachita, White, St. Francis and Cache tributary rivers continued to rise. There was a prediction that the Ouachita, already overflowing bottom lands, would reach 17 feet above flood stage at some points by Friday.

But in that area, as in the northern Illinois and southern Wisconsin middlelands—where hundreds of families already had pulled out to higher ground—the prospective hard freeze had promised alleviation of flood conditions.

Meanwhile, high winds, whipping warm rainfall, were subsiding along the Atlantic seaboard after causing much minor damage, hampering shipping and air travel.

A huge blood-red beam of light which scientists said was an aurora borealis of exceptional amplitude Tuesday night tied up telephone systems in parts of France and spread anxiety in numerous Swiss Alpine villages.

Emblazoned in the northern sky the light brought thousands of telephone calls to Swiss and French authorities asking whether it was a fire, war or the end of the world.

The aurora borealis, rarely seen in southern or western Europe, Tuesday night spread fear in parts of Portugal and lower Austria, while thousands of Britons were brought running into the streets in wonderment.

Hundreds in London climbed to rooftops for a glimpse of the ruddy glow which led many to think half the city was ablaze.

The Windsor fire department was called out in the belief Windsor castle was afire.

There are several cases of scarlet fever in Alleghany

—county and all parents have been urged to keep their children at home if they have a sore throat or

other symptoms of the disease, until the cause of the illness can be ascertained.

The symptoms of scarlet fever are as follows: the onset is sudden with sore throat, high fever, and vomiting. The rash appears in from one to three days, beginning on the neck and chest. The incubation period, or the period from the time of exposure until the time of development of the disease, is seven days.

A person who has scarlet fever, as well as all members of his family, is supposed to be quarantined from the onset of the disease for a period of three weeks, or until there is no abnormal discharge from the nose, throat or ears.

Seventy-five per cent of the cases of scarlet fever develop in children under ten years of age. One case does not necessarily confer immunity, although it is comparatively rare for a person to have this disease twice.

JOHN ROOSEVELT, ELDEST SON OF THE PRESIDENT

—was forced to cancel a mid-year examination Tuesday at Harvard because of a sore throat and cold.