

Taxes are inevitable if peoples form governments and discussion of the problems of taxation, as a means of raising revenue, are in the air today as the Federal Government faces a deficit of almost \$4,000,000,000 in the current fiscal year, which ends next June 30th.

The rapid increase in our national debt, during the past six years, has convinced most citizens that not only are taxes inevitable but that higher taxes are a certainty. Consequently, greater interest is evident in the study of taxes, their yields and effect upon the nation as a social and economic unit.

The "If" In Taxation.

President Roosevelt has asserted that, in the main, our present tax structure will be sufficient to meet governmental needs and gradually retire the national debt if—and it is an "if"—business picks up to increase the national income to a figure that will give the average citizen a sum sufficient to live on what is rhetorically described as the American standard.

There is, of course, such a possibility. Already the last Congress against the wishes of the President, made certain definite tax reductions to encourage business. The congressmen responded to the incessant plea of business leaders that if—and here we find another "if"—the undistributed profits and the capital gains taxes were substantially reduced, the flow of capital would make the wheels of industry hum.

Demand Lower Taxes.

For months, after the tax reform was enacted, the congressmen waited for the developments that industrial leaders assured them would follow. The present upsurge may be the beginning of results but, at the same time, there are indications now that business leaders still insist upon further tax revision, with their aim directed against the high income levies. The argument is the same, that excessive rates discourage investment and prevent private capital from taking the risks of business enterprise.

Thoughtful persons realize that there is some force in the argument. Certainly, there is a point where private capital prefers tax exempt securities to the chance of making larger profits through investment risks, with the Government taking a heavy slice of the profits if they develop, but with the investor taking the losses if the venture proves ill-fated. Just where this point resides in the tax scale is a matter upon which there is much dispute, and the writer does not know the answer.

Under Discussion.

Among some of the matters under discussion now are:

1. The Administration proposal to abolish the wide tax exemptions which are included in bonds of Federal, State and local governments.

2. The proposal to abolish the exemption of State and local government salaries in regards to Federal income taxes and, also, the abolition of the exemption now enjoyed by Federal employees from State income tax laws insofar as Federal compensation is concerned.

3. The LaFollette proposal to widen the income tax base of the Federal Government by lowering the individual tax exemption from \$2,500 to \$2,000 for married persons and from \$1,000 to \$800 for single persons.

4. The suggestion by Congressman Celler, of New York, that the Constitution be amended to provide that "in no case" shall the maximum rate of the income tax "exceed 25 per cent." (The present maximum is 79 per cent.)

5. The indication that President Roosevelt will renew his fight to retain the undistributed profits tax and progressive rates upon capital gains.

In considering any specific tax the Government seeks to ascertain the revenue to be derived and also the difficulties and cost of collections. The taxpayer, as a general rule, seeks the reduction of the taxes he, or she, pays and the transfer of the burden to other sources of revenue as far as possible.

Per Capita Tax Burden. Now that we have gotten to the word "burden," let us see what taxes mean to the average American citizen. A study, recently concluded by the Tax Research Foundation, reveals that the Bureau of Internal Revenue, which collected \$5,658,385,125 in taxes during the fiscal year which ended June 30th, exacted a per capita toll of \$43 from every man, woman and child in the United States.

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Governor Hoey named a Charlotte man Monday

—chairman of a committee authorized by the legislature and appointed by the governor to make a general

study of North Carolina's public education system. Dr. Julian Miller, Charlotte, was given the appointment. G. B. Phillips, of Chapel Hill, was named secretary. The committee, at an organization meeting in Raleigh, adopted the following tentative program of study: a 12th grade; curriculum; vocational education; transportation and consolidation; teacher welfare; integration between the secondary schools and colleges; organization, administration, and finance; and supervision of the program.

Present at the session, besides Dr. Miller and Phillips, were Mrs. H. C. Etheridge, of Asheville, Holland Holton, of Durham, June Rose, of Greenville, Horace Grigg, of Shelby, Ben Cone, of Greensboro, George Ross, of Jackson Springs, and H. E. Stacy, of Lumberton.

The committee will meet in Raleigh again August 23, and will conduct public meetings in Goldsboro, Greensboro, and Asheville during the last week in August and the first week in September. Purpose of the public meetings, Phillips said, is "to have all individuals, organizations, and institutions present any views regarding any phase of the school system."

The committee is slated to make a written report to the 1939 General Assembly.

National And World NEWS At A Glance

AGAINST THIRD TERM
Washington, July 29.—A movement to place the Senate on record next year against a third term for the president got under way today.

Senator Holt (D), W. Va., a frequent critic of the administration, started it, and Senator Vandenberg (R), Mich., predicted that Republicans would join in.

ALICE FAYE ILL
Hollywood, July 29.—While working in a motion picture today, Alice Faye collapsed and a physician diagnosed her illness as ptomaine poisoning. She was sent home and production of the film was postponed until Monday.

GOV'T. GIVEN BYRD FILMS
Washington, July 30.—Motion pictures of Read Admiral Richard E. Byrd's expeditions to the north and south poles and of his transatlantic flight have been donated to the government and will be kept in the national archives.

CLAIRE TREVOR WEDS
Beverly Hills, Calif., July 30.—Claire Trevor, beautiful film actress, and Clarke Andrews, radio director, were married here on Wednesday, July 27. A toast to life-long happiness was drunk as a climax to a brilliant wedding reception which most of the notables of filmdom attended, upon invitation.

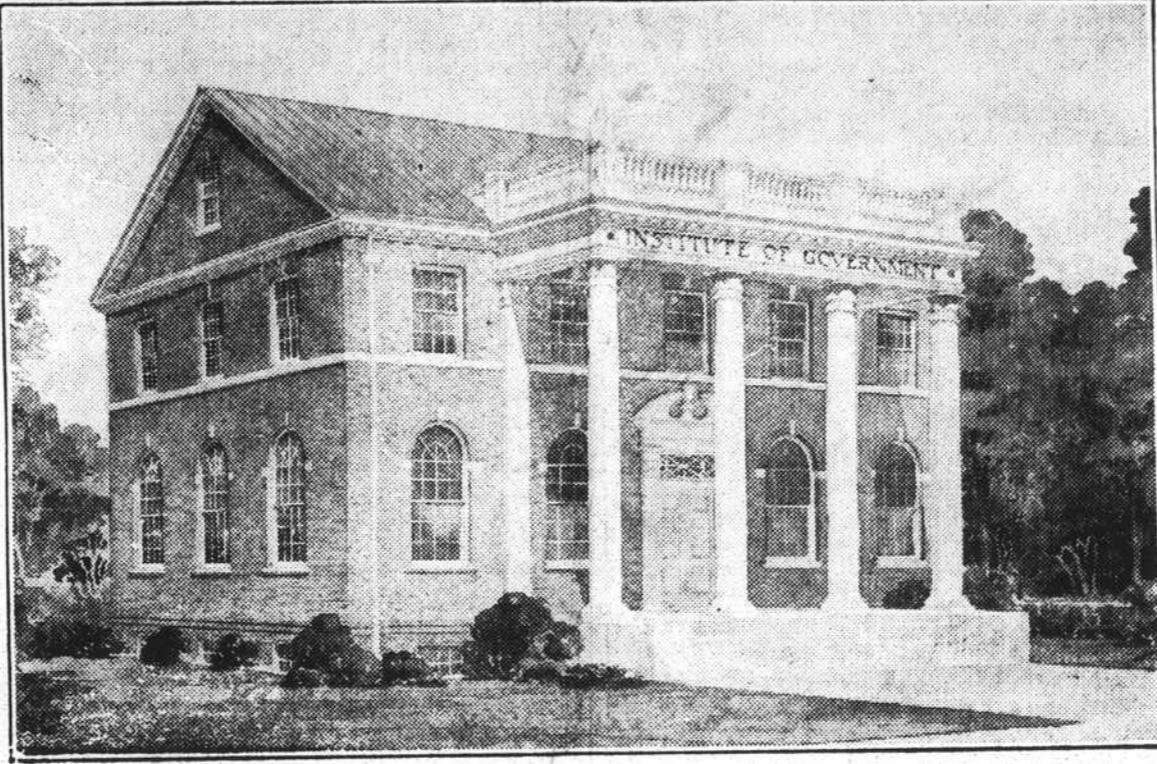
HUGHES BACK HOME
Los Angeles, Aug. 1.—Howard Hughes and his four record-breaking companions flew home today, returning to the air terminal where they prepared for their flight around the world.

POLICE SEEK COUPLE
Cleveland, Ohio, Aug. 1.—Police today hunted a Strathport, Ont., couple believed eloping—in their bathing suits.

Seventeen-year-old Cynthia Carter's mother, Mrs. William C. Carter, telephoned police from Strathport that she thought her daughter and her 21-year-old sweetheart had eloped to Cleveland. She said that their clothes were left on the beach at Port Stanley Beach.

JAPAN CLAIMS VICTORY
Tokyo, Aug. 2.—Japan today announced defeat of a Soviet tank, artillery and airplane assault in Manchoukuoan border warfare which the war office considered "exceptionally serious."

Architects Drawing Of Institute Of Gov't. At Chapel Hill



Pictured above is the architect's drawing of the permanent home for the Institute of Government at Chapel Hill. The contract has just been let. The building will be of Colonial design and will have four floors, and 20 rooms, including offices, assembly and exhibit rooms, training schools and clubrooms for public officials.

A conference of principals is to be held in Sparta

—on Tuesday morning, August 9, beginning at nine o'clock. The conference will be held in the Sparta high

school auditorium, according to an announcement made by W. C. Thompson, superintendent of Alleghany county schools.

The conference will be under the supervision of the State Department of Public Instruction, and will be attended by a representative of Dr. J. Henry Highsmith's department.

The purpose of the program is to familiarize the principals with the new handbooks recently published by the State Department. At this meeting the new regulations and requirements will be discussed, as well as plans for the new year.

All principals of Alleghany county schools are expected to attend this conference and all teachers, as well, are urged to attend.

Strikers at the Vaughan furniture plant in Galax

—Monday morning overruled a proposal that they be given an opportunity to vote their convictions concerning

whether to remain on strike or pursue another course. The strike committee, at a meeting held Sunday afternoon decided to let the men vote, by secret ballot, but when the matter was put before the group as a whole Monday morning, the proposal was vociferously overruled.

The men registered themselves as being almost unanimously in favor of "staying out," even if the company liquidates, as officials have declared it will do as soon as possible. "Let them liquidate if that is the only way out that they see. We came out like men and we will stay out," was the sentiment of the men Monday morning, according to a statement made by Bill Taylor, a spokesman for the strikers, in an interview with a BULLETIN representative.

Today was the twenty-first day of the strike, which began on Thursday, July 14.

An official committee representing the strikers was in Roanoke Thursday in an effort to enlist support from furniture workers and others in that and other sections of the state.

Members of the committee were Rupert V. Farmer, and S. F. Fuiks, attorney for the strikers. The men described the Galax strike as a life-and-death struggle, not only for them but also for other furniture workers in this area.

SEN. LEWIS WILL RESIGN
—after the next Senate session. The Illinois senator, famed for his fancy vests and courtly manners, stated Tuesday.

Alleghany county citizens may see a demonstration

—in Chapel Hill in which, in one center, the governmental practices scattered in 100 county court houses

and approximately 300 city halls is displayed. Such a demonstration, it is expected, may be available in the near future, in view of an announcement made recently by Albert Coates that the first city-county-state governmental demonstration laboratory in the country, to which public officials, citizens and students and teachers of civics in government may go for information, will be built in the university town of Chapel Hill.

"Some governmental practices," said Mr. Coates, "are better than others, and through the collection, comparison and demonstration of these methods and practices this governmental laboratory will help public officials to raise the standard of governmental performance by lifting the poorest practices to the level of the best."

The building will be the home of the Institute of Government and is to be situated on Franklin street, facing the University of North Carolina campus. It will be of Colonial brick design with four floors and twenty rooms, including offices, assembly and exhibit rooms, training schools and clubrooms for public officials. Contracts were signed recently and construction will begin at once.

"During the past five years," said Mr. Coates, "members of the staff of the Institute of Government have been going from city hall to city hall and from county courthouse to county courthouse gathering materials and forms and making surveys of differing governmental practices. Surveys already completed include Pasquotank and New Hanover in the East, Guilford and Mecklenburg in the Piedmont, Buncombe and Cherokee in the West, and all the cities and towns in these counties.

Thus 96 counties, 187 cities and towns, and practically all state departments are joining in building the Institute of Government and in carrying on this work, Mr. Coates said. During the coming year it is expected that exhibits will be received from every North Carolina city, county and state department.

The laboratory building will also provide a home for the Institute of Government's clearing house of information. Books, pamphlets, special studies, maps and charts already in the Institute library number in the thousands, with hundreds of new books and pamphlets coming in each month. Nearly two hundred governmental magazines, state, national and foreign, furnish up-to-the-minute information on current activities and developments in the field of government. More than one hundred daily and weekly newspapers are received regularly.

The laboratory building will also serve as headquarters for the Institute's training schools, many of which have already been

A Farmers' picnic is to be held on Aug. 12

—in Felts park, Galax, beginning at 10 a. m. A number of talks are scheduled for delivery during the program for the event.

"The Cooperative Program and What it Means to Farmers" will be discussed by S. Floyd Landreth, N. M. Ward and J. Earnest Cox, Galax; R. L. Wiley, Independence; A. C. Oosterhuis, president of the Holstein-Friesian association of the Carnation Milk company, and Dr. T. K. Wolfe, Richmond.

Music will be rendered during the program by the Moose Melody band, Galax.

M. W. Reynolds, Agriculture teacher in Virginia-Carolina high school, Grassy Creek, N. C., will be master of ceremonies during one period of the meeting. The meeting is to be presided over, in general, by Wayne Larowe, Galax.

Contests, games, etc., will be engaged in and prizes will be awarded, it is understood. Those who attend are asked to take picnic baskets. Free lemonade will be served.

Whitetop will be first among the Appalachian peaks

—on Friday and Saturday, August 12 and 13, when the Whitetop Folk festival is to be presented. To the picturesque mountain, second highest in Virginia, will come, for the festival, eminent musicians, writers, artists and thousands of other visitors to mingle with the folk of mountain and lowland, city and countryside, and enjoy the traditional music, dances and customs of their forefathers.

On the rhythm-rocked tunefilled summit, overlooking five states, will be found ancient and later songs, ballads, dance tunes on fiddle, banjo, fife and dulcimer, "play-party" games and traditional dance figures. Traditional country dances, horn pipes, clog and square dances will be executed to the accompaniment of "Devil in the Woodpile," "Natches-on-the-Hill," "Haste to the Wedding" and similar tunes; the people dancing all night in the "wild goose chase," "bird in the cage," "twistification" and other ancient figures.

This year's general festival program is under the direction of John Powell, noted American composer-pianist, who will be assisted by Winston Wilkinson, violinist of the University of Virginia; Richard Chase, who for years has been connected with the University of North Carolina in folk work and has recently been connected with William and Mary college as instructor in traditional games and dances, and by Mrs. Powell and Mrs. Wilkin-

Governor Hoey has called a special session of the N. C. Legislature for Mon., Aug. 8

—to consider the allocation of state funds for a proposed PWA improvement program at North Carolina institutions. The governor issued a proclamation Monday in Raleigh, calling the legislators to meet in the capital city at noon Monday. Immediately, clerks in the governor's office dispatched telegrams to the legislators who were elected in 1936 and already have served in one special session and in one regular session.

An "Old Fiddlers" convention is to be held in Galax

—in Felts park, on Friday and Saturday nights, August 19 and 20, beginning each night at 7:30 o'clock, and

many musicians are getting ready to participate in the contests. A special program is scheduled for Saturday afternoon, at 3:00 o'clock.

Present prospects are fair for the 1938 convention to top all previous ones held in Galax, it has been said. Registrations are being received from every direction and musicians from several states are expected.

Many authorities on music from far and near have been invited. Among them are Arthur Kyle Davis, of the University of Virginia, Charlottesville; Mrs. Annette Simpson, New York; Richard Chase, Chapel Hill, N. C.; Mr. and Mrs. John Blakemore, Marion; Mrs. Annabel Morris Buchanan, Marion; Dan Cannaday, of Radford State Teachers college, Radford; John Harrington Cox, of the University of West Virginia, and John A. Lomax, Washington, D. C. The Library of Congress sent Mr. Lomax to the convention held in the Galax high school auditorium last October and seemed to be delighted with the abundance and variety of material he found here.

A total of \$129 in cash prizes is to be awarded at the convention to be held this month, in addition to a silver loving cup for the best all-around musician. Appropriate trophies will also be given all prize winners. As a special feature of the convention, an official public wedding is planned for Friday night. Any couple contemplating marriage about that time is cordially invited to register such intentions with Mrs. R. C. Bowie, secretary of the Old Fiddlers convention, who will hold names strictly confidential until the time of the ceremony. Such registrations should be made as early as possible, in order that all necessary arrangements for the wedding may be made.

All musicians who plan to participate in the convention are urged to register as early as possible, as Wednesday, August 17, is the last day for registering.

An appropriation by Congress has become available

—for the Blue Ridge parkway, according to Secretary of the Interior Harold L. Ickes, who recently informed Governor Clyde Roark Hoey of the fact. The appropriation, which was made for the parkway, is in the amount of \$5,500,000.

Of the sum \$3,500,000 was allotted in the 1939 Interior Department appropriation act, and \$2,000,000 was earmarked under the second deficiency appropriation act for 1938.

The Blue Ridge parkway construction program in North Carolina for the fiscal year includes 161.2 miles of road between Route 241 and Blowing Rock, 11 miles between Wagon Road Gap and Tennessee Bald, and 73.4 miles between Gooch Gap and Buck Creek Gap.

The governor said the state highway and public works commission had obtained and conveyed to the federal government rights-of-way for part of the route.

Rep. Doughton will speak in Salisbury Aug. 12

—at a dinner meeting celebrating the third anniversary of the Social Security act, according to an announcement made recently by W. C. Spruill, manager of the Salisbury Social Security office. Congressman Doughton will be the principal speaker for the event.

The anniversary dinner, featuring addresses by outstanding speakers, will be the only one of its kind in the nation, Spruill said. Other officials have planned smaller events, he explained.

All persons employed by agencies or services related to the social security board have been invited to participate in the celebration.

Those who will address the meeting are Mrs. W. T. Bost, state commissioner of charities and public welfare; Major A. L. Fletcher, state labor commissioner; Dr. John Cooke, of the Woman's College in Greensboro, and Dr. B. B. Daugherty, president of Appalachian State Teachers college, Boone.

A Memorial to Dr. Guy F. Duncan will be dedicated —next Sunday afternoon, August 7, at 2 p. m., at Glade Valley church. Rev. Lee Hampton will have charge of the services. Other ministers will also participate in the program.

The regular memorial for the Glade Valley cemetery will be observed at 11 a. m. Rev. R. L. Berry will have charge of this service.

Friends and relatives are requested to bring flowers.