

Washington, Mar. 25 (AS)—Just as soon as the income tax returns for 1938, which were filed with the Treasury on March 15th, can be analyzed so that officials will know just how the national income is going and how far it will be safe to make changes in the present tax laws, Congress leaders and the Administration heads expect to get together and try to work out a complete revision of the tax laws.

The purpose is to try to fix it so that business men, capitalists and investors will feel assured that if they make any money it will not all be taken away from them in taxes, and that if they put up cash to finance new enterprises they will not be punished if the speculation turns out well.

There is apparently almost complete agreement between the President and his Cabinet, the majority leaders in Congress and the members of the minority party, that it is essential to recovery to give private enterprise a greater chance.

Harry Hopkins was the foremost Presidential favorite, and is still high in Mr. Roosevelt's good graces. But from the point of view of some of the others who feel themselves close to the White House, Mr. Hopkins has turned traitor to the principles which they have insistently urged for several years.

Instead of "soaking" business men, now that he is Secretary of Commerce, he is making friends with economic royalists, and earnestly trying to help them to find ways to invest their money where it will create new business and put more men to work.

Means Business

There is no doubt that Mr. Hopkins means business, and that he has the President behind him. Likewise the Secretary of the Treasury, Mr. Morgenthau, means business when he says the Treasury will not stand for any additional taxes and favors readjustment of present taxes.

And these members of the Cabinet would not be talking as they are doing unless they felt positive that the President really meant it when he said he would not urge any more reforms but would give his attention to recovery first.

Therefore the Chairman of the Senate Finance Committee, Senator Pat Harrison, and the Chairman of the Ways and Means Committee of the House, Representative Doughton, feel that they are on solid ground in starting to work out a tax system which will be as satisfactory to business interests as any taxation can be.

The indications are that the new tax program will omit the undistributed profits tax entirely.

One conflict between the President and Congress has been revived by the Presidential insistence that the 150 million dollars which was cut out of the WPA appropriation be restored. He is not likely to get it without a fight.

The whole attitude of Congress is that the faster and deeper the expenditures for relief can be cut, the better.

The hope, of course, is that tax revisions and other factors will stimulate business so that the unemployment situation will be speedily improved. At present the Federal expenditures for relief in all forms run to twice as much money as any other single item on the budget.

Surplus Food Plan

Washington is awaiting with interest the development of Secretary Wallace's newest plan for the distribution of surplus food products. Instead of buying up surpluses and giving them away, they are to be distributed through regular food stores to WPA workers as part of their wages.

The scheme works this way: A WPA worker getting \$50 a month will be offered \$20 of it in orange-colored stamps, good for food purchases in any store anywhere. The storekeeper can redeem them for cash at the post office. Then if the WPA worker accepts the \$20 in orange stamps he will be given a bonus of 50 percent, or \$10 in blue stamps. These, too, are good at any food store but only for items which are on the government's list of "surplus" commodities.

The plan is to be tried in a few counties and cities to see how it works. Washington observers think it is the sanest plan yet offered to move surplus farm commodities.

Agreement With Brazil

Perhaps the most important thing which the Federal government has done lately may prove to be the new agreement between the United States and Brazil. In effect, it extends \$125,000,000 of credit to the largest of the South American nations, to enable its people to buy American goods for cash instead of having to buy manufactured articles from Germany (turn to page five, please).

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

Volume No. 14.

GALAX, VA. (Published for Sparta, N. C.) THURSDAY, MARCH 23, 1939.

Number 45.

Hitler pressed his eastward advance Tuesday

—night in Europe with a demand that Lithuania surrender Baltic Memel to him, while Great Britain's efforts to create a "stop Hitler" alliance appeared to be bogging down under the weight of Europe's fears and suspicions.

Reports from Kovno that the Lithuanian government, warned by Hitler to surrender Memel "peacefully and amicably," already had agreed to restore it to the Reich occasioned no surprise. The British government had been resigned to Memel's restoration to Germany, from which it was stripped by the postwar treaty of Versailles.

Throughout the day, however, there had been grave apprehension lest Hitler drive on across Lithuanian soil after seizing 1,100-square-mile Memel. Reports of German troops moving toward the Lithuanian border aggravated these fears.

Britain called upon France, Soviet Russia and Poland to sign a four-power consultative pact against Hitler, but replies from the continent indicated that Poland would refuse to subscribe to it.

Even the extent of Russia's adherence was doubtful, although Soviet quarters in London said Moscow's reply would be generally affirmative with "certain modifications" intended to stiffen the "stop Hitler" pact.

France gave tentative approval to the four-pact front.

It was announced in Moscow that Russia still regards her proposal of a six-power "stop Hitler" conference, bringing together Britain, France, Russia, Poland, Rumania and Turkey, as the best means of opposing Hitler's smashing of Europe's frontiers.

France's chief executive and England's king

—toasted Anglo-French friendship Tuesday night in Buckingham Palace, in London, in speeches stressing mutual "ideals of justice and freedom" at a brilliant state banquet.

The French president and Madame Lebrun arrived in London Tuesday on a state visit repaying that made to Paris last summer by King George and Queen Elizabeth. The trip was given unusual significance, however, in view of the current European crisis.

King George, drinking to the health of President and Madame Lebrun, said: "I firmly believe that the co-operation of our two governments has rendered and will continue to render a great service to the cause of peace."

President Lebrun in replying declared that the harmony between Paris and London "symbolizes the friendship of two empires whose territories are neighbors on so many points of the world and whose moral frontiers blend together."

King George, wearing the full dress uniform of an admiral of the fleet, told his guest:

"Thirty-five years ago your country and mine discovered that as geography had made them neighbors, so providence intended them to be close friends."

"United as they are in their devotion to the rule of law, our peoples are also conscious of an identity of interests making the welfare of each a common concern to both."

Queen Elizabeth, who sat next to President Lebrun, wore a diamond tiara and a gown of white satin and lace trimmed with pearls and gold. The banquet, in the white and gold ballroom, was attended by 195 guests.

London elected an enthusiastic welcome as the Lebruns arrived.

Plans for the erection of a large addition

—to the Hanes Hosiery Mills in Winston-Salem, to take care of increased production, were announced Tuesday night by James N. Weeks, president.

Construction of the addition will be started within the next few days, Weeks said. The structure is expected to be ready for the installation of machinery within six or eight weeks.

An inspirational meeting was held at Glade Valley

—Presbyterian Church, on Wednesday afternoon, March 8, at 3:30 o'clock, by the Women's Auxiliary of

of the church, with the auxiliary president, Mrs. Clay Thompson, presiding.

The topic of the program for the month was: "Every Woman Enlisted for Christ."

The hymn, "How Firm a Foundation," was sung, after which Mrs. Ellen A. Guerrant conducted the devotionals, basing her talk on scripture passages from Jeremiah and Isaiah.

Annual reports from the secretaries of various causes were presented by the respective secretaries.

A most impressive poem, "Another Year is Dawning," was given by Mrs. R. L. Berry.

Mrs. Guerrant, as chairman of the Nominating Committee, gave her report, and the president, secretary and treasurer now serving were reelected for another term.

Mrs. Ralph Gentry was elected vice president.

After the offering, which amounted to \$20, was taken, Mrs. Rush Thompson, treasurer, announced that the budget for the year had been met in full.

Rev. R. L. Berry, pastor of the church, dismissed the meeting with a prayer.

The president refused Tuesday to cut spending

—by the government until private enterprise guarantees jobs to the idle, and raised new doubts that demands by business for repeal of "detriment" taxes would be met at this session of Congress.

He also went on record at his bi-weekly press conference against elimination from the revenue laws of new deal safeguards against tax avoidance by the rich.

While he did not officially kill all economy and tax revision possibilities, the president's remarks left the general impression that little or nothing in this direction can be expected immediately.

He went to the unusual extreme of allowing reporters to quote directly his statement on taxes and economy which he described as "a mouthful."

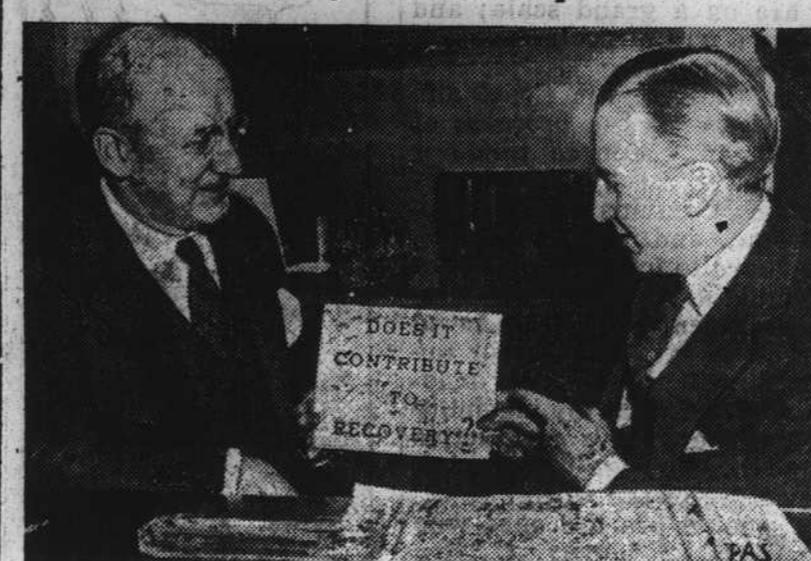
The discussion was precipitated by a question projecting the possibility of a five-year tax program under which the total federal revenues might be reduced for a year or two and increased later as business regained confidence and was assured of a fixed rate over a definite period.

The battle for tax changes and economy went on in the Capitol despite the president's gloom observations. A hostile House appropriations subcommittee, fighting to whittle down the Chief Executive's demand for an additional relief appropriation of \$150,000,000, ended hearings without taking a vote. It will meet again today (Thursday).

Speaker William B. Bankhead and Majority Leader Sam Rayburn met with Democratic members of the group but failed to convince them that the full \$150,000,000 should be voted. Chairman Edward T. Taylor (D), Colorado, of the appropriations group, proposed a compromise figure of \$125,000,000 and found some support.

The president indicated he was not in favor of any tax changes while the question was still being studied.

Signs Of Recovery At The Capitol



WASHINGTON, D. C.—Secretary of the Treasury, Henry Morgenthau, Jr. (left), who has called on all officials of his department to suggest means of helping business, is shown at his desk with Under-Secretary of the Treasury, John W. Hanes, displaying one of his "Does It Contribute to Recovery?" placards.

A record spending bill was passed by the Senate

—Tuesday night in Raleigh, when the \$155,000,000 appropriations measure was approved and sent back to the House for concurrence in minor amendments.

Following closely the recommendation of its appropriation committee, the senate authorized these increases for the biennium: supreme court departmental expense \$3,000; department of public instruction administrative expense \$4,000; historical commission \$8,756; libraries \$4,500; library commissions, \$5,000; adjutant general, \$12,600; commercial fisheries, \$6,000; East Carolina Teachers College, \$3,000; Appalachian Teachers College, \$10,000; adult education, \$10,000; Oxford colored orphanage, \$3,500; highway commission administration, \$20,000.

All increases previously voted by the house also were approved. An amendment to increase the appropriation for maintenance of roads in municipalities from \$500,000 to \$1,000,000 was defeated.

The senators also refused to add a clause to the bill which would have stated that, in the event of a general fund deficit, a \$250,000 allotment for raises in teachers' pay should be the first item to be cut.

Senator Rodman, of Beaufort, chairman of the appropriations committee, said that the spending bill was within one-fiftieth of one per cent, within balance with the revenue measure, which already has passed both houses.

After long debate, the senators killed a proposal by Umstead of Orange, which would have reduced the appropriation for free textbooks in schools, and used the money to establish a retirement fund for teachers.

He succumbed while apparently recovering from an attack of influenza suffered on Monday. Death came shortly after 9 o'clock and was due to a heart attack.

CHAMBERLAIN HITS HITLER

Birmingham, England, Mar. 17.—Prime Minister Neville Chamberlain tonight bitterly lashed Chancellor Adolf Hitler as a breaker of promises and warned him that Britain would fight if he continued to seek domination of Europe by force.

He charged the Reichsfuehrer had taken "the law in his own hands" by occupation of Czechoslovakia, and built to "a state of appeasement had been 'wantonly shattered.'"

PLANE CRASH KILLS TEN

Alder, Wash., Mar. 18.—A 39-in the stratosphere, 20,000 feet in the stratosphere, 20,000 feet above the earth crashed today while on a test flight. Ten men were killed. Two of them were representatives of the Royal Dutch Airlines.

OIL DISPUTE CLEARING

Mexico City, Mar. 19.—President Lazaro Cardenas announced today that the oil expropriation problem was "reaching a definite solution through a plan of co-operation" offered by "the companies affected."

The president spoke to a crowd of an estimated 35,000 to 40,000 persons gathered in the great plaza by the presidential palace in a demonstration celebrating the expropriation action taken a year ago yesterday.

LEGISLATION PROPOSING A SWEEPING REVISION

—of reorganization procedure for financially distressed railroads was drafted Sunday by Senator Wheeler (D, Mont.) and Senator Truman (D, Mo.).

Their measure, which they planned to introduce Monday, provides for establishment of a "railroad reorganization court."

Services will be held at the Sparta Presbyterian Church

—on Sunday morning, March 26, at eleven o'clock, by Rev. R. L. Berry, the pastor. At this time, a joint communion service, with members of the Glade Valley Presbyterian Church, will be held.

All the Sparta members are urged to attend, as special business is to be transacted.

The U. S. lend its great moral force to Britain

—France and Russia Tuesday in their "halt Hitler" drive, by officially lining up with them in their refusal to recognize the legality of Germany's military coup in Czechoslovakia.

The official American view was expressed by Acting Secretary of State Sumner Welles in a formal note to German Charge d'Affaires Hans Thomsen, made public Tuesday, calling attention to Welles' statement of last week in which he branded the Nazi conquest as "wanton lawlessness" and accused Hitler of fomenting war.

At his press conference later President Roosevelt had nothing to add to Welles' note but said that he was not very happy about the European situation. He declined to discuss the matter further.

In the formal note, drafted with Mr. Roosevelt's full approval and delivered to Thomsen Monday, Welles acknowledged a German note of March 17 informing this government of the establishment of a Nazi protectorate over the former Czech states of Bohemia and Moravia.

But, Welles replied, the "government of the United States does not recognize that any legal basis exists for the status so indicated."

He informed the German government that last week's statement, attached to the formal note, expressed the official attitude of the United States. In it Welles condemned the "temporary extinguishment" of Czechoslovak liberties and the "use of arbitrary force" in achieving German territorial gains.

A BILL AFFECTING THIS COUNTY WAS PASSED

—Thursday, March 9, in the North Carolina State Senate in Raleigh and sent to the engrossing clerk.

The bill was introduced by Representative S. W. Brown, of Alleghany, and would extend the term of the Alleghany County Register of Deeds to four years, effective on December 1 of next year.

After two years have passed—

The case of the assault and murder of Elva Brannock may be solved

—Solicitor J. Earle McMichael told the Winston-Salem Sentinel Monday, according to a story published in the Monday issue of the Sentinel under a Sparta date line. The Sentinel's account of the case, which has often been referred to as the most atrocious crime in the annals of Alleghany County, follows, in part:

"Estel Moxley, a former neighborhood resident, was arrested in Bel Air, Md., and has been brought back to Sparta to face trial on charges of criminal assault and murder."

"He will be given a preliminary hearing Tuesday, March 28, before a justice of the peace here. The authorities would not comment on the evidence that they had obtained through an investigation that during the past two years has never ceased, carrying from one sheriff's administration into another and always occupying the minds of Alleghany officials."

"This little county seat town was quiet today and Sheriff D. T. Bryan said he expected no trouble because Moxley was lodged in the county jail charged with the slaying."

"Things were quite different from the nothing turmoil that spread through the community two years ago last February when mountaineers 'tramped the hills with rifles and shotguns and' (turn to page eight, please)

Several books were purchased for the Public Library

—here this week and placed on the shelves.

The books purchased were: "Make Way For Tomorrow," by Josephine Lawrence, the author of "I Have Four Apples"; "The Heart Has Wings," a story by Faith Baldwin told in her best manner; "Beauty for Ashes" and "The Beloved Stranger," by Grace Livingston Hill; "Little Girl Lost," by Temple Bailey, a love story of the great Northwest, and the sort of people who grow there by Peter B. Kyne—"Kindred of the Dust."

THE LOCAL WOMAN'S CLUB WILL MEET

—tomorrow (Friday) afternoon, at three o'clock, in the Sparta High School building. This will be the regular monthly meeting of the group.

William Douglas was named to the Supreme Court

—of the United States Monday in Washington, D. C., by President Roosevelt. William Orville Douglas, whose

Horatio Alger career carried him up the ladder from the status of a farm hand and struggling student to the post of chief regulator of Wall Street, in the event of his confirmation, which is expected, will probably be the youngest Supreme Court justice in 127 years.

Just past 40 years of age, the chairman of the securities commission will become, if confirmed, the youngest Supreme Court justice since Joseph Storey of Massachusetts took his seat on the tribunal in 1812 at the age of 32.

There was no doubt Monday night on Capitol Hill that he would be confirmed with ease. Many senators hastened to express their approval. The hardest thing said about Douglas was that he was not a western resident. That section is now unrepresented on the court and there had been demands that this situation be corrected.

Douglas was at his desk in the S. E. C. building when the nomination was announced. Jerome Frank, a member of the commission, informed him of his promotion and told him the "President couldn't have done better."

Douglas, himself, would make no comment for publication, but he yielded to the importunings of cameramen and posed for pictures at the end of the commission's long conference table, once leaning far back in his chair with his feet on the table. He appeared to enjoy the informality of this pose.

The appointment was rated a "victory" for the "inner circle" of more aggressive new dealers. But it was, in addition, a victory for men of such viewpoint as Senator Borah (R), Idaho, who has differed with the new deal on many questions.

At one point it was proposed that due to his western background, Douglas be named as coming from the West, but Senator Norris (Ind.), Neb., always in the know and listened to when Supreme Court appointments are pending, stepped on that particular strategem. Consequently the President nominated "William O. Douglas of Connecticut." Douglas came to Washington from New Haven, where he held a law professorship at Yale.

On the court he will succeed Associate Justice Louis D. Brandeis, who retired February 13. And with the appointment, Mr. Roosevelt will have named four of the eight members of the tribunal against which he waged such unremitting warfare two years ago.