

This Week
in
Washington

Washington, July 5 (AS)—Although there had been intimations that the President had a grand new spending scheme up his sleeve, it came as a real surprise when he submitted to Congress a proposal to authorize the expenditure of \$3,860,000,000 as a final attempt to stimulate business recovery.

The President's plan, incorporated in a letter to Senator Byrnes of South Carolina, who is his personal spokesman in the Senate, sets up a system of Governmental agencies each having power to borrow money from private investors by the sale of their own bonds or debentures. Thus the money so used would not add to the National Debt, except that money so borrowed would be against the Government's guarantee that the bonds would eventually be repaid.

The project is based upon the idea of using the funds so raised to finance so-called "self-liquidating" enterprises, in which several of the New Deal agencies have already had considerable experience.

The Home Owners Loan Corporation, for instance, raised close to three billion dollars by the sale of its bonds, used the proceeds to lend on long terms to distressed home owners, and is getting the money back, with interest.

Have to Make Good
The Government, however, will have to make good any deficits, and at present there is more than \$500,000,000 of foreclosed home property on the books of the H.O.L.C., which has to be sold at some price. Reconstruction Finance Corporation and P. W. A. have had considerable experience in lending money on self-liquidating projects, and have had few losses.

The Farm Tenant program for lending money to farm tenants and laborers to buy their own farms has not such a good record of repayment. And American experience with foreign loans has not been altogether happy.

Having those experiences in mind a considerable proportion of Senators and Representatives were slightly dismayed when the President's plan came to them out of an almost clear sky, coupled with a request for immediate action, so that the new spending could begin at once, for the fiscal year 1940, which started July 1, 1939.

The plan covers six different types of spending the money to be borrowed.

The Federal Works Agency would be authorized to borrow and lend \$350 millions to cities, towns and counties for waterworks, sewage disposal plants, bridges, hospitals and other municipal projects; \$750 millions to build toll roads, bridges, high-speed highways and city byways, to be paid for by tolls levied on motorists using them; and \$500 millions to buy railroad equipment to be leased to railroads with the option of purchase.

The Rural Electrification Administration would have authority to borrow \$460 millions additional, to lend to communities or rural inhabitants to finance extension of electric lines to their homes.

To Borrow \$500 Millions
The Farm Security Board would be enabled to borrow an additional \$500 millions to lend to tenant farm purchasers, rehabilitation of rundown farms, minor improvements and repairs, for the establishment of water facilities, and to resettlement cooperatives.

The Export-Import Bank would get authority to raise \$500 millions for short-term and long-term loans to foreign governments to enable their people to buy American goods.

In addition to those new proposals, the President accompanied his letter to Senator Byrnes with a request for the approval of the proposal already pending in Congress, to increase the borrowing power of the U. S. Housing Administration by \$800 millions, to be lent on 60-year terms for model homes for the poor, to take them out of city slums.

The Presidential estimate of the amount of money raised by this means which will be spent in the year ending June 30, 1940, if Congress approves, is \$1,680,000,000. This is in addition to the \$1,477,000,000 in direct appropriations for the W.P.A. and the \$1,100,000,000 carried in the Agricultural Appropriation.

Behind-scenes maneuvering on Capitol Hill is more than hinted at by those on the inside, in connection with the Farm Bill and the W.P.A. Bill. The city Representatives wanted the W.P.A. appropriation, but couldn't see the needs of the farmers. The Farm Lobby threatened to kill the W. P. A. Bill, or cut the amount down materially, unless the city members voted for the Farm Bill. Cities and thickly populated industrial states dominate the House of Representatives.

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Foreign events were watched Monday night

—by President Roosevelt, while he considered what strategy the administration might employ to drive through Congress the kind of neutrality legislation it wants. The chief executive, at Hyde Park, N. Y., scanned a few official documents from Washington, D. C., and spent considerable time with his stamp collection in the library of his home.

Beside him, however, was a summer White House telephone through which he was able to keep in touch with Washington or, if need be, American diplomats in Europe. He had no callers.

It was understood the President would outline to congressional leaders on his return to Washington Wednesday the steps he wants taken on the neutrality issue.

The controversy over neutrality was further complicated Friday when the House, against administration wishes, wrote into a neutrality bill a modified arms embargo provision.

Some legislators took the position that any form of arms embargo would penalize France and England, if they went to war, by denying them weapons which otherwise could be escorted across the Atlantic by their sea forces.

Mr. Roosevelt has made it clear he wants action on neutrality legislation this session. Whether reaction abroad to the neutrality votes in the House would strengthen his insistence or whether he might change his mind rather than risk stormy debate in a Senate which already has rebelled against his monetary powers were questions for which there were no immediate answers.

Young people of the Winston-Salem Presbytery

—are holding their annual conference this week at Glade Valley High School. Eighty-five young people are attending, representing 25 churches of the Presbytery, which make up about 55 per cent of the churches.

The faculty in charge is as follows: Rev. J. W. Witherspoon, pastor of the Lexington Presbyterian Church, director; Dr. J. M. Gettys, Queens-Chicora College, Charlotte, teacher of Bible; Rev. W. C. Cooper, pastor of the Mocksville Presbyterian Church, Young People's Work, and Miss Mary Louise Woodson, director of Young People's Work, Synod of North Carolina; Miss Kathryn Hunt, Jefferson, Rev. Charles Hutton, pastor of Reynold Presbyterian Church, Winston-Salem; Consecration Service, Rev. John W. Foster, pastor of the Thomasville Presbyterian Church; Miss Edna Higgins, Winston-Salem, director of Recreation; Miss Janie McIver, secretary of Religious Education for the Winston-Salem Presbyterial, Counselor for Girls, and Miss Virginia Neemer, Winston-Salem, pianist.

Rep. Griswold, of Wisconsin, died at the wheel

—of his automobile in Washington, D. C., Tuesday afternoon, from a heart attack. He was 53 years of age and was serving his first term in Congress. He was a Republican.

Griswold had been driving with his wife and daughter, Mary. Apparently feeling the attack coming on he suddenly pulled the car to a curb and stopped. He died a few minutes later. Friends said he apparently had been in good health.

The body remained in the car for nearly an hour and a half. Coroner A. Magruder MacDonald was informed that Mrs. Griswold insisted that it not be moved until the arrival of Rep. and Mrs. John C. Schafer, also of Wisconsin.

COLONEL LINDBERGH TOOK OFF FROM SAN JOSE

—California, on the Fourth of July, for Medford, Ore., and Seattle, after a brief visit at Moffett Field, Sunnyvale, and Stanford University.

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