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THE MONTGOMERY PRESS

VOL. 49, NO. 12 — BETHESDA, MONTGOMERY COUNTY, MARYLAND, THURSDAY, JANUARY 28 1937 — ONE DOLLAR A YEAR

Nice Sends $70,650,000 Budget To Legislature

SPECIAL TAX LEVIES AND DIVERSION ASKED

Assembly Amazed at Suggestions of Governor

Governor Harry W. Nice delivered his budget to the Maryland Legislature Tuesday night. It calls for $70,656,036.99 for two years beginning next October. The Governor also suggested continued diversion of highway funds, which would greatly decrease road improvements in 1938 and 1939.

In lieu of diversions the Governor suggests an alternative plan of nuisance taxes, which to the ordinary citizen is of great importance. We list these as follows:

1. A tax of 2 cents per gallon on gasoline and lubricating oil to be paid by the wholesaler—$5,000,000.

2. A combination of:

(a) A tax on legalized betting away from race tracks, either by bookmakers or by branch office under track supervision—$1,100,000.

(b) A tax on legalized dog racing—$400,000.

(c) A tax of 2 cents per package on cigarettes—$1,500,000.

(d) Tax of 10 per cent on cigars—$300,000.

(e) A tax of 10 per cent on drugs and patent medicines—$700,000.

(f) A 10 per cent tax on bottled soft drinks—$800,000.

(g) A 10 per cent tax on unbottled soft drinks—$200,000.

Total for combination—$5,000,000.

Retail Sales Tax

(c) A retail sales tax of 2 per cent on tangible commodities, including sales of electricity, gas, steam, telephone and telegraph messages—$10,000,000.

4. A combination of—

(a) A levy of 5 per cent on public utilities on gross sale of electricity, gas, steam and telephone and telegraph service—$2,200,000.

(b) A State income tax of 2 per cent on individuals (if found to be constitutional)—$1,800,000.

(c) An increase in inheritance taxes—$1,000,000.

Total for combination—$5,000,000.

5. A combination of the following levies:

(a) A levy of 2 cents on each bank check—$600,000.

(b) A tax of 1 cent on each copy of daily newspapers sold—$2,006,000.

(c) A tax of 2 cents on every copy of magazines, periodicals, weekly newspapers, etc., sold—$400,000.

(d) A tax of 10 per cent on sales of radio equipment—$420,000.

(e) An annual tax of $2 on each radio receiving set—$520,000.

Total for combination—$3,946,000.

In his message Governor Nice said:

"I am opposed to an increase in the State tax on property, which would have to be increased about 21 cents to provide funds to finance the contingent recommendations. I am suggesting, however, several new sources of revenue, of which some may find favor in your deliberations. I have no selective recommendations to make in regard to these levies, nor their grouping, and I present them to you only in the spirit of assisting you in solving the problem that is now before you."

Under Which King?

TO THE EDITOR OF THE SUN—*Sir:* Could anyone tell me what our Honorable Governor Nice is—a Republican or a Democrat?

During President Roosevelt's campaign for reelection Governor Nice took the stump for Landon, speaking against Roosevelt's policies. Now Mr. Nice says, "Everyone should be for the President."

"Is our Governor Nice playing both ends against the middle?" Beware of Greeks bearing precious gifts, such as $2 auto tags.

HERBERT RODMAN.

Baltimore, Jan. 21.

TEACHERS' PAY RAISE URGED ON ASSEMBLY

A veritable flood of appeals has poured upon members of the legislature in behalf of a restoration of teachers salaries to the level of the scale adopted in 1922, plus increments which have accrued since 1933.

Montgomery's demand by Civic Federations for a $12,000 per year increase in the pay of police is overshadowed by the influence brought to bear in behalf of teachers.

The Maryland Congress of Parents Teachers' Association is pressing all units to demand of the legislature full restoration of the previous level of salaries.

R. C. Lamb, of Annapolis, legislative chairman of the Parent-Teachers' Association, has asked every Parent-Teachers' Association in the state to send a representative to the Capital to insist upon the pay increase, in hearings before the Senate Finance and House Ways and Means Committee.

Governor Harry W. Nice has already gone on record as a friend of the teachers by urging the pay increase in his annual message to the legislature.

Idle Insurance Tax Payment Deferred April 1

The Treasury today extended for sixty days the January 31 deadline for making the first quarterly unemployment insurance tax payments under the Social Security Act. Payments may be made any time up to April 1 without assessment of interest.

The taxes are collected from employers of eight or more persons and start at one per cent with respect to employment during the calendar year 1936, increasing to three per cent of wages paid after December 31, 1937. The unemployment taxes are not levied against employes.

Surpluses Worry Farmers Says A. A. A. Director

George E. Farrell of Washington, D. C., Western director of the A. A. A., says the Government is "seriously considering" reviving crop control.

"Every thinking farmer is worried about surpluses," Farrell asserted. "They are beginning to think about production control. They are thinking that farmers must have good prices to stay in business. * * * Surpluses bring low prices. * * * Industry does not let surpluses depress prices. * * * Industry controls its production."

Get Behind the President Says Governor Nice

According to the Associated Press Maryland's Republican Governor Harry W. Nice, while in Washington to attend President Roosevelt's second inauguration, urged the people to get behind the President but reserving freedom to make constructive criticism.

Said the Governor: "We shall adjourn politics. The election is over. The people should get behind the President and give him all the assistance they can, but reserve to ourselves the right to criticize, providing that criticism is constructive.

"I hope the time will soon arrive when industry will absorb the unemployed. It hasn't arrived yet, but I think that it is on its way."

The Governor said any public works program should be of a permanent nature, such as bridges and highways, and referred to several bridges swept away by Potomac River floods last spring.

Nice said he thought that in recent years there had been "marked recovery," but that was "more or less a natural result when you spend billions of dollars and put them into circulation."

Rockville Fair To Be Gala County Event Next Month

The first annual Rockville Community Fair will be held in the high school auditorium here February 26 and 27, Albert A. Ady, assistant county agricultural agent, who will be in general charge, announced today.

It is planned to make the exhibition county-wide. Groups expected to cooperate include the various granges, the Montgomery County Farm Bureau, the Rockville Parent-Teacher Association, the 4-H Clubs of Richard Montgomery High School, Rockville, the Montgomery County Senior 4-H Council, the three county calf clubs and the Rockville Izaak Walton League chapter.

The exhibits will include poultry, farm and garden products, pets, hobbies, handiwork of 4-H Clubs and manual training classes.

Newcomb Club Gives Tea to Garden Clubs

Presidents of Garden Clubs and prominent women of Montgomery County were guests of the Newcomb Club last week at a delightful tea at the Battery Park Club. Honor guest was Mrs. Herbert Greger of Washington, who gave an interesting talk on flowers.

Mrs. Greger was for some years a resident of Japan and while there she studied Japanese methods of flower arrangement.

Among the guests were Mrs. Edward L. Morrison, Mrs. B. T. Elmore, Mrs. Jason L. Defandorf, Mrs. Frank M. Hoadley, Mrs. Edmund F. Erk, Mrs. George W. Morey, Mrs. Richard Fay Jackson, Mrs. N. F. Rabner, Mrs. J. C. Dulin, Jr., Mrs. Frank A. Linzel, Mrs. George W. Bryan and Miss Annie M. Wilson.

Mrs. B. Peyton Whalen and Mrs. Ben. G. Potter presided at the tea table.

The guests were greeted by Mrs. A. Brookhouse Foster, Mrs. J. C. Stoddart, Mrs. J. K. O'Shaughnessy, Mrs. L. W. A'Hearn, Mrs. J. B. McPherson, all of whom are officers of the club, and generally assisting in the arrangements for the tea will be Mrs. William D. Dellett, Mrs. Percy H. Royster, Mrs. J. C. Newell and Mrs. Gordon M. Kline.

A. A. A. Fights Gas Tax Diversion Governor Nice Replies

BALTIMORE, JAN. 27.—Opposed by the Automobile Club of Maryland to the proposal to divert gasoline tax motor vehicle revenues from the State's roads system, Governor Nice today replied that he has no wish to intercept these monies for the General Fund, but that he has found it necessary to do so "in order for the State to function properly."

The Governor made his statement after reading a strong plea from the Board of Governors of the Automobile Club presented to him by C. M. Falconer, President, and Palmer R. Nickerson, General Counsel of the Club, at his office in Annapolis.

The letter to which the Governor made his reply says in part: "The roads of Maryland must be made safer for our citizens. This cannot be done by diverting funds set aside for such purpose. We appeal to you, Sir, in the interest of all the citizens of Maryland."

"We pray you to abandon any and every thought of diverting from Maryland highways the funds, or any part of them, collected through the means of special taxes on the use of motor vehicles."

Five Cent Beer Aim of Maryland Representative

Congressman Palmisano, Third Maryland district, long an advocate of "5-cent" beer, has introduced a bill in the House which, if approved, would be a long step in that direction.

Mr. Palmisano's bill would amend Section 608 of the Revenue Act of 1918 by striking out "a tax of $5 and inserting in lieu thereof $2." At the time the present tax of $5 a barrel was placed on beer, Mr. Palmisano complained that such a tax would make it impossible to provide "5-cent beer for the working man." The bill was referred to the Ways and Means Committee.

Maryland Farmers Allotted $20,000 For Rural Loans

E. I. Oswald, State Supervisor of Rural Rehabilitation of Maryland, has announced that $20,000 has been allotted to the State for the purpose of making loans to needy farm families.

He said farmers, to be eligible for loans, must not have been successful in obtaining credit from local banks, production credit associations or other regular credit agencies loaning money at the usual rates of interest and on reasonable terms.

Farm families desiring assistance of the rural rehabilitation program, he added, should make application to the district rehabilitation agents at College Park, La Plata or Salisbury; to local county agricultural agents or home demonstration agents.

MONTGOMERY ANNOUNCES OPPOSITION

Senator Prescott and Delegate Canby Caustic In Criticism

Democratic members of the General Assembly received the Nice budget and are not happy over the program of expenditures and revenues set up by the Governor.

In the final set up it is probable the Democratic majority will proceed on independent lines to prepare its program of their own.

Road fund diversion is particularly denounced.

Senator Steadman Prescott of Montgomery, one of the leading members of the Senate Finance Committee, scored the Governor on the question of diverting road funds for general State purposes.

"I am satisfied the people of Maryland want no further diversion of road funds," he stated. "Those who live upon unimproved roads realize the necessity for the expenditure of these funds for the construction of roads, the original purpose of the levy.

"I am also satisfied the people of Maryland feel they are saturated with taxation and desire no additional burdensome or annoying forms thereof. It is time for the State to live within its income.

"The sentiment of the Legislature still seems to be unalterably opposed to any form of a sales or gross receipts tax," he concluded.

T. Yellott Canby, head of the Montgomery County delegation in the House, said Nice's budget message left the task of finding sources of revenue entirely in the hands of the legislators, for "it contains no new suggestions for revenue, except a tax on newspapers and magazines."

Canby said he is opposed to further transfer of highway income as it is "unfair to motorists and the State road system."

The Montgomery chairman declared he hopes the next budget presented in the State Assembly, which would be in 1939, is offered not later than five days after the session convened, to allow for additional time for committee study.

REPORT OF CHEVY CHASE RED CROSS

At a recent business meeting of the Chevy Chase Branch of the Red Cross held at the home of the chairman, Mrs. Roger J. Whiteford, the treasurer, Mrs. Millard F. West, announced that the final total of the recent Roll Call was $1,899.45, which by far exceeds any amount collected in years, and is also the largest amount collected by any single community.

Mrs. Edward H. Hellmuth, chairman of production, reported that during the last year 205 layette garments had been made in the community and given to the Red Cross Nurse for the Loan Chest in Rockville. Sixty Christmas bags were made and filled and sent to headquarters for soldiers in foreign hospitals.

Mrs. James H. Defandorf and Miss Edith Williams who are in charge of Junior Red Cross, gave an interesting account of their work in the Elementary and Junior High School.

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