

Hoey Asks Liquor Referendum

Knotty Problems Face State Solons

Gen. Assembly 75TH CONGRESS CONVENES

Met at Noon On Wednesday

Sales Tax, Liquor Control, Labor Issues, Tobacco Crop Regulation and Free Textbooks Head List of Problems.

Long Session Predicted

Raleigh—The biennial session of the General Assembly convened here Wednesday noon, the legislators facing many difficult problems and issues.

Strife over State control of liquor or the county option plan is certain to be intense, with drys insisting upon a state-wide referendum and the 17 counties now operating liquor stores opposing any change. The majority of the state liquor study commission has recommended county option, with the state getting one-fifth of the profits from sales.

Tobacco crop control, free school textbooks, labor legislation, possible reorganization of the state highway and public works commission, possible "autonomizing" of the three units of the University of North Carolina, and a possible amendment to prohibit diversion of highway funds are among other matters expected to be discussed in the legislative halls.

Record appropriations are recommended to the Assembly in one report of the advisory budget commission, now being printed. Requests for \$70,000,000 during each year of the biennium up some \$7,000,000 over current spending are asked.

Possible reduction by \$2,500,000 annually of revenue from the sales tax may add another problem to the law makers in their attempt to meet recommended appropriations.

Senators and representatives are divided in their opinions as to the probable length of the 1937 session. Lieut.-Gov.-elect Horton said the Legislature still would be in session by May 1, but his chief colleague in the Senate, Pres. pro-tem A. Hall Johnston of Asheville, stated that 90 days would be sufficient to transact the necessary business.

Three Factions In Liquor Fight

Members of the 1937 general assembly are already divided into three groups on the liquor question, with the result that the outcome of the prospective fight over the liquor problem is regarded as being considerably in doubt, according to those who have been studying the situation. The three groups into which the general assembly is divided are as follows:

1. The county control group, composed of the 17 eastern counties which now have county liquor stores under the control of county ABC boards, and the other eastern counties which want this system extended.

2. The state liquor control group composed of most of the piedmont and western counties which want liquor stores, but which want a joint state and county control system, similar to that advocated by the state liquor control commission.

3. The bone drys who are opposed to any form of liquor control and who are generally conceded to be more numerous than either of the other groups and who hence will hold the balance of power in

(Continued on page Three)

U. S. Rushes To Halt Big Plane Shipm't

Bankhead Is Re-elected Speaker and Rayburn Majority Leader.

Washington—Congress convened Tuesday and, combining traditional ceremony with the easy informality of a family reunion, prepared to tackle its first task of 1937.

Promptly at noon, Vice-President Garner called the senate to order, while simultaneously South Trimble, clerk of the House, convened that branch of Congress. Organization tasks were completed with dispatch.

Vice President Garner had his choice of six gavels and he managed to use three of them before the day was over.

First business was the administration of the oath of office to re-elected or newly elected senators.

Nominations for the speakership were made without oratorical embellishments. Bankhead of Alabama was named for the Democrats and Snell of New York for the Republicans. Bankhead, of course, was re-elected 323 to 84. Ten votes were cast for Representative Schneider, named for the Progressives and Farmer-Laborites.

With a cordial tribute, Snell introduced Bankhead, and the latter turned to praising Snell as an able legislator and worthy opponent.

Fifteen minutes later he was calling Snell to order and refusing him the floor in the session's first brisk debate—a tangle between the Republican leader and Representative O'Connor, Democ. of New York.

The Roosevelt administration raced tonight to get an emergency embargo through Congress in time to stop the shipment of more than \$7,000,000 of airplanes and arms to the Spanish loyalist government.

GERMAN DOCUMENT MISSING

Paris—Disappearance of the document of Germany's declaration of war on France in 1914 was reported after a checkup on foreign office documents in the investigation into an alleged espionage ring.

SEES NEW RECOVERY

Washington—While hailing business recovery "on all fronts" during 1936, Secretary Roper warned that the importance of lingering aspects of the depression should not be underestimated. In a year-end review, the commerce department chief said that unemployment, while alleviated materially in the past year, is still the paramount problem.

HEADS SECRET SERVICE

Washington—Frank J. Wilson, former internal revenue bureau investigator, was appointed chief of the secret service by Secretary Morgenthau.

He succeeds William H. Moran, who retired after 54 years of service.

BUILDING \$300,000 PLANT

Hendersonville—The Chipman-Lacrosse Hosiery Company has started construction of a \$300,000 plant at East Flat Rock, which will employ approximately 100 persons and produce 400 dozen pairs of ladies full fashioned silk hose daily. It will be the company's third plant in this section.

NATURALLY

Usher: "How far down do you wish to sit, lady?"
Lady: "All the way, of course."

Population Gain Now Showcd By Indians

No longer A Vanishing Race; In Many Cases Rate Is Higher Than Whites.

BETTER MORALE

Confidence that his Race Not Doomed Has Given Indian Encouragement.

No more need we speak with regret of the vanishing American or refer to the Indian as a rapidly dwindling race. The truth is, says John Collier, Indian Commissioner, that in many cases the red brother is now increasing at a faster rate than the white man, and has in the last few years shown a decided gain in numbers.

More food, better medical care, increasing resistance to disease, and, above all, the growing knowledge that his race is not doomed, that he has a future, side by side with the white man, have made the Indian more prolific and longer lived.

This psychological reason is most important and significant of all, declared Mr. Collier, for it is a scientific fact that a feeling of racial inferiority and subjugation will deplete population with almost epidemic speed.

This is why, the commissioner believes, that the Indians of the Southwest have led the upswing.

Their tribal roots, he said never have been torn up. More than any other tribes, they have preserved their own customs, their racial individuality and their independence. Thus they are the first to expand into the wider horizon which Indians generally have been offered recently.

The Navajos, largest or Indian tribes; the Papagos, all of the Pueblo groups and the one time warlike Apaches are on the increase. The Pueblos are well in the lead, with a population jump last year of more than 2 per cent. The Navajos are not far behind.

And peculiarly, said Mr. Collier the pure blooded Indians generally are increasing slightly more than 1 per cent a year—or better than the white average—despite the considerable percentage of pure stock lost annually through intermarriage.

Rehabilitation projects, patterned after the government's regular work relief programs, have restored the Indian's self respect, increased the volume of his holdings and taught him valuable trades, said the commissioner.

Soil conservation and modern farming methods have increased his food supply. New hospitals and enlarged medical facilities have improved his health, already naturally bolstered by growing resistance to the white man's diseases.

WANT BERYLLIUM

Shelby—Cleveland county officials have been asked to assist a French concern in contacting producers of beryllium, a mineral fusible alloy found in quantity near here but not yet produced commercially.

DU PONT PROTESTS ON TAX

Pierre S. DuPont of Wilmington, Del., petitioned the board of tax appeals for redetermination of a \$238,319 deficiency assessed against his 1932 income by the Internal Revenue bureau.

Pres. Plans Federal Agency Help Workers

Wants Broader Federal Regulation of Industry With Interstate Business.

ACTION BY CONGRESS

Seeks to Abolish Child Labor, Shorten Hours, Raise Starvation Wages

President Roosevelt is now considering plans for government regulation to abolish child labor, shorten working hours and raising wages.

The program embodies two main principles, but is not worked out in detail as yet. The first calls for a federal regulatory agency with extensive powers to set up minimum wage standards and working hours, applicable to all firms doing an interstate business. The second principle is intended to bring industrial production as well as distribution under federal control and will require action by congress to redefine the meaning of interstate commerce.

Purely local enterprises would be exempt, but major industries—such as steel, coal, automobiles, and textiles—which vitally affect the entire nation would be defined as part of interstate commerce.

An individual firm could escape regulation only by proving to the satisfaction of the commission and the courts that its business was predominantly intrastate.

It was reliably reported that congressional leaders already have assured the President that the plan might be quickly enacted if it is introduced early in this session.

Presidential advisors are confident, however that congress can redefine interstate commerce in terms that will be held binding on the courts.

Although those who had talked to the president said he was strongly inclined toward this type of legislation, they made it plain that he was eager to consider any other scheme congress might advance.

Thomas Corcoran, Reconstruction Finance Corporation attorney who has long stood high in New Deal councils was expected to play a large part in drafting the proposed law.

The program was characterized as an attempt to set an American labor standard, which could not be broken by chiselling competition, but to permit unrestricted competition above that level.

Mr. Roosevelt was said in usually well-informed sources to oppose any immediate effort to amend the constitution, on the ground that such a procedure would be slow, cumbersome, and unnecessary.

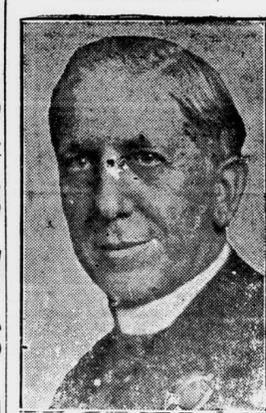
Will Discuss Retirement Act

A report of much interest to the railroad men in this vicinity is the call meeting with the President soon at which time the chief executives of the twenty-one railroad organizations, with the managers will discuss the Railroad Retirement Act.

JANE WITHERS THREATENED

Boston—A private detective guarded freckle faced Jane Withers as a result of kidnap threats against the juvenile screen star.

INAUGURATED



GOV. CLYDE R. HOEY

17 Wet Counties Would Hold Tax

Serve Notice On State They Will Protest Taking away their Revenue

MEET IN RALEIGH

The state of North Carolina was left in no doubt as to the sentiment of the 17 "wet" counties that have had liquor stores during the past year. They served formal notice that they would fight any movement to take their revenue derived from alcoholic beverages from them.

Opposing state control of liquor sales, representatives of the counties meeting in Raleigh passed a resolution asserting "management of stores and law enforcement must remain local."

No direct reference was made to a bill drawn up by the majority of the state liquor-study commission, which recommended state supervision of county stores and a division of profits, with the state taking one-fifth and the counties four-fifths.

The bill, which will be submitted at the next session of the general assembly, would allow each of the state's 100 counties to hold separate elections on the liquor question.

The text of the resolution follows: "Whereas 17 of the counties of North Carolina have pioneered in the matter of legal control and sale of alcoholic beverages, and

"Whereas the cause of temperance has been promoted, bootlegging and illegal consumption of alcoholic beverages materially reduced, and

"Whereas management of local control stores and law enforcement must remain local, and

"Whereas the state is, through the sales tax, collecting from 12 to 15 per cent of the net profit from the control stores, and

"Whereas county revenues will be materially reduced by classification of property and exemption of homesteads from taxation, and

"Whereas there is at present a volunteer association composed of all members of the local control boards who are working toward coordinating prices and putting into effect uniformity of regulations.

"Therefore, be it resolved, that the advisory board of 17 legal control counties go on record as follows:

"1. We oppose the creation of any additional offices to be paid for by the state or any political subdivision of the state, to perform a duty that is already being, and can best be performed, by agencies already existing.

"2. We concur in the resolution adopted by the state association of county commissioners at its convention at Wrightsville in 1935 and at Asheville in 1936 as follows:

"That any revenues derived or to be derived from the legal sale of alcoholic beverages shall remain within the counties where they originate."

"3. That revenues accruing to the state from the sale of alcoholic beverages be confined solely to the sales tax in alcoholic beverages."

Favors Taking Sales Tax Off Of Necessities

New Chief Executive Also Wants Free Textbooks For Children of State

Would Reduce Cost Of Auto Tags

Raleigh—Gov. Clyde R. Hoey, in his inaugural address before a joint session of the House and Senate Thursday, submitted an outline of his program for the next several years, making the following specific recommendations:

1. Free public school textbooks.
2. Repeal of the sales tax on necessities.
3. Reorganization of the state highway commission for greater attention to the needs of local roads.
4. Cheaper automobile license tags.
5. Discontinuance of diversion of highway funds to other state purposes.
6. Cooperation with other South Atlantic states in the passage of agricultural control legislation.
7. Co-ordination of the work of the central state educational administration.
8. Restoration of teacher salaries.
9. Increased vocational training.
10. Adoption of reasonable regulations of working conditions.
11. A careful study of the liquor commission report, with no legislative abrogation of prohibition until another opportunity is given for a full and fair expression of public opinion at the ballot box.
12. A long-time program of increased facilities at state charitable institutions.
13. Additional legislation, amplifying old age and unemployment compensation regulations adopted at the December special session, to embrace the entire federal social security program.
14. A national exposition, along the lines of the Texas centennial, to advertise North Carolina to the nation.
15. A balanced budget.
16. Reapportionment of legislative representation.

U. S. Treasury May Need Billion

U. S. Treasury's New Balance Wheel Plan May Involve a Vast Sum.

OPPOSE INFLATION

Absorb Foreign Inflow and Keep Excess Reserves From Speculation Use.

Reports from Washington indicate that the U. S. treasury's new "balance wheel" plan for curbing credit inflation may involve \$1,000,000,000 borrowing during the coming year. If, however, gold continues to flow into the country at the rate of a billion dollars annually, the treasury would take a billion dollars out of the money market.

This would be done to offset effects of the gold influx on domestic credit. The borrowing would have no effect on regular government finances. It would be accomplished through the sale of Treasury bills, on which interest might total near \$1,000,000 annually.

The new program, announced (Continued on page 3)