

STATE'S BUDGET CALLS FOR LARGE INCREASES

Supreme Court Asked To Pass On Constitutionality Of NRA Set-Up

ROOSEVELT SOCIAL PROGRAM WILL BE OFFERED THURSDAY

Unemployment Insurance, Old Age Pensions and Medical Aid Measures Being Written

NRA TEST COMES UP WITH ALABAMA CASE

World Court Issue Again Before Senate, With Robinson Arguing for Its Adoption; Supreme Court Deliberating Gold Payments Act of Government

Washington, Jan. 15.—(AP)—Administration argument for constitutionality of another New Deal high spot—NRA—went to the Supreme Court today as congressional leaders mapped out the job of translating into law President Roosevelt's "New Order" social security program.

Thursday was the day set by the White House for submitting to Congress plans for unemployment insurance, old age pensions and medical aid systems.

Already Senator Wagner, Democrat, New York, and Senator Lewis, Democrat, Maryland, were busy drafting the legislation.

The Supreme Court, whose nine justices are deliberating the administration's actions halting gold payments on both private and public contracts, received a government brief today contending NRA and its blue-slip codes were a constitutional exercise of congressional power and interstate commerce.

It asked the high bench to overturn a lower court ruling that the law was invalid in a case brought by the recovery administration against William E. Belcher, an Alabama lumber producer, who paid less than code wages.

at court was expected to review the case shortly and deliver a decision that will outline definitely the government's authority over labor's hours and wages through the code structure. This ruling will help guide Congress in revising the recovery laws.

The House was not in session today, but the Senate met, with the busy World Court issue again before it. Opening the battle for American adherence, Senator Robinson, the Democratic leader, said this action would involve the United States in no entangling alliances.

The Senate Banking Committee appointed a subcommittee to study the bill.

DOOLITTLE MAKES NEW FLIGHT TIME

Sets Record for Hop From Los Angeles to New York Overnight

Newark, N. J., Jan. 15.—(AP)—Major James R. Doolittle, noted speed flier, established a new trans-continent record for transport airplanes today, touching his wheels at Floyd Bennett airport, New York, 11 hours, 36 minutes after his take-off at Los Angeles.

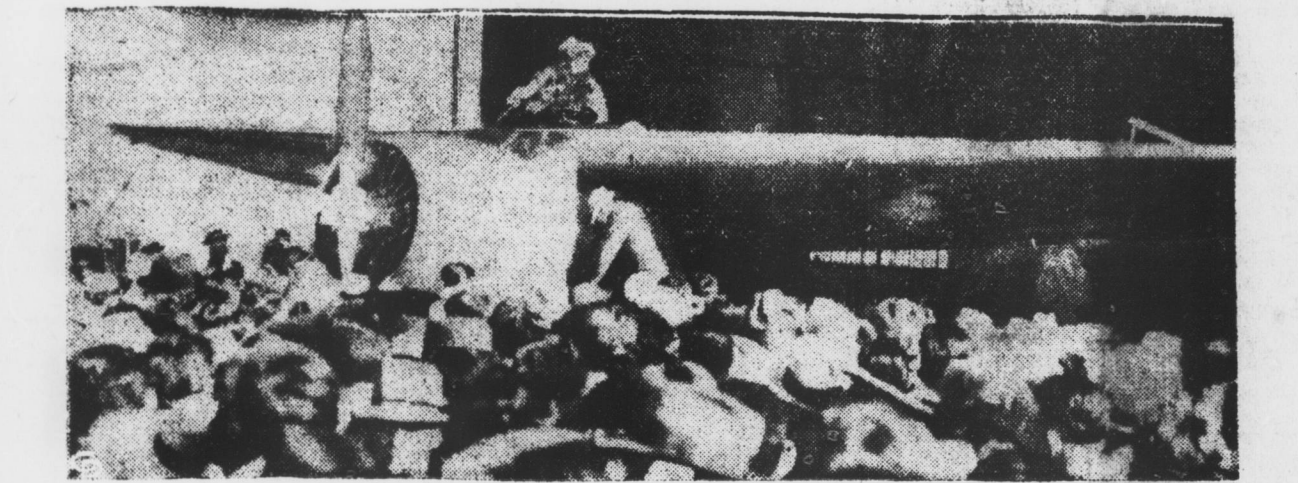
Doolittle was timed at Floyd Bennett at 8:26 eastern time, and eight and a half minutes later he set the monoplane down at Newark airport.

His time of 11 hours, 36 minutes, broke by minutes the mark set last November 8 by Eddie Rickenbacker when he flew from Los Angeles to Newark in 12 hours, three minutes, 50 seconds.

Plan Another Surprise Witness On Hauptmann

Flemington, N. J., Jan. 15.—(AP)—The prosecution in the Hauptmann murder trial planned to introduce another surprise witness today to break the testimony of handwriting experts. State attorneys declined to reveal the identity of the witness other than to say that he came from Cincinnati and would provide connecting information in the development of the case against Bruno Richard Haupt-

Amelia Earhart Braves Perils of Pacific in Epic Flight



Amelia Earhart Putnam, first woman to make a successful solo flight across the Pacific from Honolulu to Oakland, Cal., is pictured here as she stepped out of the cockpit of her high-winged monoplane a moment after bringing it to a stop before the main hanger at the Oakland municipal airport. Her first thought was for her plane, and while thousands cheered and gathered about her, Miss Earhart directed first how her plane should be placed in the hanger. She is pictured atop the plane, her arms filled with flowers from well-wishers, watching carefully as the ship is backed into the hanger. She did not leave the ship until it was placed safely inside and the doors locked.

Another Handwriting Expert Identifies Bruno Hauptmann

New York, Jan. 15.—(AP)—Two sisters and a brother of Isidor Fisch, from whom Bruno Richard Hauptmann claims he received the Lindbergh ransom money found in his home, arrived today on the liner Ile de France to testify at Hauptmann's trial for the murder of the Lindbergh baby. They were accompanied by a nurse listed with immigration authorities as Minna Stegnitz, 42 years old. The witnesses, assisted by immigration officials, were Pinous Fisch, 33; Cerna Fisch, 33, and Hannah Fisch, 32.

Saar Votes To Reunite To Germany

90 Percent of Ballots Cast Sunday Favor That Course; Nazis Hit Foes

Saarbrücken, Saar Basin Territory, Jan. 15.—(AP)—The Saar governing commission announced today that the territory had voted overwhelmingly to reunite with Germany and the triumphant Nazis immediately began a drive against their foes. Sixteen communists and several anti-Hitlerite politicians were arrested. A policeman warned an Associated Press correspondent to "get inside" asserting "the situation might become serious at any moment." Frightened women and children.

Three Children Perish as Home Burns in Blaze

Easton, Pa., Jan. 15.—(AP)—Three children—the oldest five years, the youngest three months—burned to death today in a fire which destroyed the frame barn in which they lived with their parents, Mr. and Mrs. Charles Rudy, at Glendon, three miles southwest of Easton. Both Rudy, an unemployed laborer, and his wife, were away from the small home when the fire, origin of which was not immediately determined, started in the place.

Discuss Tobacco Plans Wednesday

Washington, Jan. 15.—(AP)—Liberalization of the flue-cured tobacco control program will be considered here tomorrow at a meeting of the advisory flue-cured tobacco committee with J. B. Hutson, farm administration tobacco chief, and interested representatives in Congress. Representative Lindsay C. Warren, of North Carolina, has expressed the belief the program may be changed to the better benefit of small growers. The committee is composed of growers' representatives from the flue-cured tobacco states of Virginia, North Carolina, South Carolina and Georgia. Tomorrow's conference was called by Hutson as a result with the meeting of the North Carolina delegation last week.

OFFER MORE BILLS FOR ROAD SAFETY

4.5 Percent Beer and Life Terms in Capital Cases Also Proposed

Raleigh, Jan. 15 (AP)—Continuation of the three percent general sales tax, with exemptions eliminated, and large appropriations to allow salary increases for all State employees were recommended to the General Assembly today and the session saw the introduction of three bills to promote safety on the highways, as well as one to increase the alcoholic content of beer in North Carolina. Governor Ehringhaus demanded a balanced budget and termed the re-enactment of the sales tax as "inevitable" in his budget message. The Senate got three highway safety measures. Two of them would require driver's licenses for all motor vehicle operators in the State and the third would provide for safeguards for children hauled in school buses. In the House measure went forward to legalize the sale of beer with 4.5 percent alcoholic content by weight as well as proposals to amend the election laws, outlaw slot machines and permit persons convicted of capital felonies to be sentenced to prison instead of death.

WEATHER FOR NORTH CAROLINA. Mostly cloudy and warmer tonight and Wednesday; probably occasional light rains in west portion.

Roosevelt Faces Real Obstacles

Beaten in Opposing Byrns and Cutting; Supreme Court May Upset the NRA

By CHARLES P. STEWART Central Press Staff Writer Washington, Jan. 15.—President Roosevelt already has encountered serious obstructions on the highway toward attainment of all that he desires before adjournment of the current session of Congress. The administration certainly stumbled to its toe initially, and mightily badly, in connection with its undoubted, though under-cover, campaign for Congressman Sam Rayburn for speaker of the House of Representatives, in preference to Congressman Joseph W. Byrns, who won the position in spite of the executive mansion's adverse influence. The seating of Senator Bronson Cutting by the Senate for another term on Capitol Hill, was another n-

GROUP IS AGAINST SALES TAX STILL

Despite Budget Recommendation, They Think Way Around Is Possible

Daily Dispatch Bureau, In the Sir Walter Hotel, BY J. C. BASKERVILLE. Raleigh, Jan. 15.—In spite of the recommendations made by Governor J. C. Ehringhaus and the Advisory Budget Commission for the retention of the three per cent sales tax and the removal of the exemptions as the best means of raising the minimum amount of revenue required to operate the State government for the next two years, there are several who do not agree that the sales tax needs to be retained at all. One of these is Dr. Ralph McDonald, representative from Forsyth county, who is convinced that in spite of the present six percent limitation on the State income tax, that it and the franchise tax laws can be changed so as to yield a great deal more re-

INCREASES MAINLY TO PROVIDE RAISE IN EMPLOYEES' PAY

Funds for Public Schools Put at \$18,500,000, Though \$20,200,000 Was Requested

INSTITUTIONS WILL FARE BETTER ALSO

University To Be Cared for Along With Others; Judiciary Pay Cuts Will Be Restored; Highway Revolving Fund Included in Recommendations

Raleigh, Jan. 15 (AP) Increased appropriations for every agency of the State government of North Carolina today by the Governor and the Advisory Budget Commission.

The increases principally were to give a 15 per cent increase in the present wage schedules, though some expansion of services was also provided.

For the three funds of the State government, total appropriations of \$57,942,922 in 1935-36 and \$56,485,601 in 1936-37 were proposed. These totals include debt service.

Funds for public schools were set at \$18,500,000 for each year of the biennium. The school request was \$20,200,000. In 1933-34 actual expenditures from the general fund for school purposes were \$15,435,319 and it is estimated they will be \$16,000,000 this fiscal year.

Highway fund appropriations, including creation of a revolving fund but not taking in debt service items would aggregate \$17,461,457 for 1935-36 and \$15,392,750 for 1936-37. Four millions of dollars is provided for

Falkner Assigned Five Committees In House Set-Up

Five committee assignments were given to Representative O. S. Falkner, of Vance, in the announcement today of appointments by Speaker Robert Grady Johnson, of the State House of Representatives. Reading of the committee posts virtually completed the organization of the House, following convening of the General Assembly last Wednesday. Mr. Falkner was placed on the journal, Federal relations, agriculture, salaries and fees and banks and banking committees.

Ehringhaus Star Rising In Politics

May Oppose Bailey In 1936; His Program Is Winning Strong Support

Daily Dispatch Bureau, In the Sir Walter Hotel, BY C. A. PAUL. Raleigh, Jan. 15.—Will Governor Ehringhaus be a candidate in 1936 for the United States senatorial toga now worn by Josiah William Bailey? That is one of the many questions perplexing State politicians here today. The re-assembling of legislators and the death of Attorney-General T. mis G. Brummitt brought the question again to the forefront of political topics. The opinion expressed frequently here is that the governor has an excellent opportunity for the manufacture of political hay in the matter of the appointment of Brummitt's successor. Not that the governor will use his office merely to further any future political aspirations he may have, but he has the chance to kill two birds with the proverbial single stone; he might name as Brummitt's successor an entirely competent man and, at the same time, make a worth

Asks Continuation General Sales Tax For Next Biennium

Cherry, Bryant To Head Committees

Raleigh, Jan. 15 (AP)—R. Gregg Cherry, of Gaston, and Victor S. Bryant, of Durham, were today named by Speaker Robert Grady Johnson to head the respective powerful committees on finance and appropriations in the House of Representatives for the 1935 General Assembly. Representative Reginald Harris, of Person, speaker of the House in 1933, is chairman of the committee on education in the new set-up, and C. W. Tatum, of Tyrrell leads the roads committee. Judiciary No. 1 has R. B. Morphew, of Graham, as its head, and Judiciary No. 2 W. S. Sullivan, of Buncombe. Assignments were made public too late to permit an accurate check-up this morning on the controversial sales tax issue from the committee.

EHRINGHAUS ASKS BALANCED BUDGET IN NEW BIENNIUM

Tells Legislature To Levy Dollar of Dependable Taxes for Every Dollar Spent

UNBALANCED BUDGET FAR TOO EXPENSIVE

Calls Attention to \$1,500,000 In Highway Work Funds for Unemployment Relief; Sees \$3,500,000 New Revenue from Stricter Administration Moves

Raleigh, Jan. 15 (AP) Governor Ehringhaus in his biennial budget message to the General Assembly here today, insisted vigorously that "for every dollar you appropriate you should levy a dollar of dependable taxes." "We can never again afford to run an unbalanced budget. The experiment has proved too costly, and, correspondingly, the value of a balanced budget has been demonstrated by our success in obtaining the lowest rate of interest in the State's history," the governor declared. Although the budget recommendations for the next biennium sets out no appropriation for relief purposes, except \$1,500,000 each year in highway funds, the governor told the General Assembly "you will observe also that we have endeavored to meet the demands for State unemployment relief activity through an enlarged highway activity made necessary by the deteriorated condition of our highway system." Anticipated additional revenue of

Further Highway Fund Diversion and More Pay for Teachers and Employees Urged

APPROPRIATIONS OF \$57,942,922 SOUGHT

Includes \$24,900,000 for General Fund, \$15,800,000 for Ordinary Highway Purposes and \$15,200,000 for Debt Service; Revenue Is Estimated

Raleigh, Jan. 15.—(AP)—Continuation of highway fund diversion, re-enactment of the three per cent general sales tax with conditional exemptions eliminated and a 15 per cent increase in present salaries of school teachers and State employees are embodied in the budget fiscal recommendations laid before the General Assembly tonight. The general fund revenue measure calling for \$24,900,000 yearly contemplates increase in expenditures each year of \$3,500,000 for 1935-36 and 1936-37, with \$2,500,000 of the increase going for schools. Highway revenue is estimated at \$22,303,500 each year of the next biennium. Federal aid funds are not included. Total proposed appropriations for all State purposes, agriculture, general fund and highway, are \$57,942,922 for 1935-36 and \$56,485,601 for 1936-37. The general fund proposed for ordinary purposes is about \$24,900,000 yearly with about \$15,800,000 for ordinary highway purposes annually. Debt service will top \$13,200,000 each year and agriculture fund expenditures will be about \$23,000,000. No new taxes are proposed in the general revenue bill or highway fund set-up. Highway fund diversion will continue at \$1,000,000 per year under the budget plan. Increased revenues are predicted upon stoppage of the leakage and tightening of collections, especially for the sales tax. General taxation revenues for the general fund are estimated at \$27,400,000 for 1935-36 and \$27,750,000 for 1936-37. Non-tax revenue (earnings,

East-West Animosity Is Passing

Daily Dispatch Bureau, In the Sir Walter Hotel. Raleigh, Jan. 15.—Eastern North Carolina fight it out with the West in the 1935 General Assembly now in session here? That is an almost age-old question in North Carolina politics. Apparently, no one really knows the answer. But, from opinions voiced here, the question will not be so acute as it has been in certain former sessions. In the first place the Mecklenburg delegation, Senator J. A. Bell and House Members Paul Ervin, William Scholl and Ed Tonissen, have served

Highway Fund Diversion Sure To Draw Opposition

Daily Dispatch Bureau, In the Sir Walter Hotel, BY J. C. BASKERVILLE. Raleigh, Jan. 15.—The proposal to set aside \$1,500,000 a year of highway maintenance funds to be used for work relief purposes in the State, as well as the proposal to use \$2,000,000 permanent revolving fund, as recommended by the Budget Commission in its report, are regarded as sure to fire. The fact that the appropriations bill prepared by the budget commission recommends only \$3,300,000 a year for new highway construction, or only slightly more than enough to match the Federal aid grants, is expected to also rouse the ire of the more-money-for-roads advocates, who are demanding \$10,000,000 a year for additional construction as well as \$10,000,000 a year for maintenance. The tentative appropriation bill as drawn by the Advisory Budget Commission does provide for \$10,000,000 a year for highway maintenance but recommends only \$3,300,000 a year for new construction. Those who wondered why Governor