TWENTY-THIRD YEAR

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Unconstitutional

Roosevelt Promises Billion Dollar Deficit In 1937

DEFICIT AND DEBT TO ADVANCE WITH **NEXT FISCAL YEAR**

Public Debt Will Hit \$31,-351,638,737 For New All-Time High For United States.

NO INDICATION OF BALANCED BUDGET

Emergency Activities Made Permanent Burdens Of Government by President's Decision; Business I m- 1936 RELIEF LOAD provement Expected To Lift Federal Revenues.

By FRANCIS M. STEPHENSON. Associated Press Staff Writer Washington, Jan. 6 (AP)—A Treasury deficit exceeding one billion dollars-without counting unestimated new relief costs—was forecast to Congress by President Roosevelt today for the next fiscal year.

Unprecedentedly, he withheld a complete budget estimate on how much the government would spend in the 12 months beginning July 1. For the present he listed \$6,752,606,370, but said later requests for work-relief money would be forthcoming.

He gave notice that next year's deficit-and the public debt-would mount accordingly.

Just now, Mr. Roosevelt foresaw a

debt at the end of the 1936-37 period of \$31,351,638,737.

this would be an There was not the slightest hint of readines to meet demands from the opposition for an immediately balaneed budget. Pending study of the voluminous decument, political leaders in general withheld detailed com-

From the start, however, dispute was plainly inevitable. Comment varied looly according to the economic views of the legislators rather than along strictly party lines. "To run all the regular activities of

(Continued on Page Six.)

South Carolina's Electricity Taxes Upheld by Court

Charlotte, Jaw. 6 .- (AP) -The United States Circuit Court of Appeals today upheld the 1931 South Carolina law levying a tax of one half mill per kilowatt hour on electricity produced within the

The ruling was on a case brought by the Duke Power Company, contending the act unconstitutional, and that even if it were constitutional the tax should be computed on delivered electricity after deduction of trans-

Believe Nine Perished In **Hotel Blaze**

Westfield, Mass., istrator Coan said here today. Under Structure Burns Tragic Sunday Night Blaze.

Westfield, Mass., Jan. 16 (AP)-Firemen recovered four bodies and searched for five others today in the smouldering ruins of the Van Dusen Hotel, transformed three weeks ago from an old residence. The three-story brick veneer structure, opened last month by Spencer Van Dusen for permanent guests, burned like matchwood last night.

Before trying to check the blaze, firemen endeavored to rescue the

(Continued on Page Twc.)

Uncle Sam Spends \$21,339,900 Daily

Washington, Jan. 6 .- (AP)-Uncle Sam's spending program during the next six months involves an outlay of \$21,339,900 each and every day.

His intake will be at the rate of \$13,892,000 daily in the same pe-

These figures are based on estimates today in President Roosevelt's 1937 budget message.

In contrast, present figures for the new fiscal year beginning next July I call for a daily intake of \$15.500,000 and an outgo of \$18,500,-

Work relief funds yet unestimated may change this ratio

ESTIMATED BY FDR AT \$2,136,000,000

Will Be Shaped Along Lines Of This Year's Works Progress Program of Action.

EXACT NEW NEEDS WILL COME LATER

Will Depend Largely On How Much Unemployment Industry Takes Up, And President Hurls Challenge At Private Employers; May Act Two Months Hence.

Washington, Jan. 6 (AP)-President Roosevelt announced today the shaping of next year's relief program along lines of this year's works progress plan, but made no attempt to estimate its cost.

In leaving blank one of the most important single items in the anxiously awaited budget message, he explained he would be able to estimate new relief needs better later in the session. He forecast they would be less than \$2,136,000,000 and "far

less" than this year. The President told newsmen that projects left over from this year's works progress program would leave a very large reservoir of work for the jobless next year. It was the first official word on the character of the

(Continued on Fage Six.)

CONGRESS LIKELY TO LIBERALIZA WPA

May Permit Giving Work To Any Unemployed, Regardless of Status.

Daily Dispatch Bureau, In The Sir Walter Hotel, By J. C. BASKERVILL Raleigh, Jan. 6.—This session of Congress will undoubtedly change the regulations governing employment for WPA projects so that whenever the relief rolls are exhausted in any community, work can be given to any who are unemployed, regardless of whether they were formerly on relief or not, State Works Progress Adminpresent regulations, the only persons who can be given jobs on WPA projects are those who were actually on relief up to November 1, 1935, he Like Tinder in pointed out. Preference must also be given to former relief cases in the employment of workers on Federal highway projects, farm-to-market road projects, even PWA projects. "Many here contended for several months, especially highway and PWA contractors, that they should be permitted to employ any unemployed

who are registered with the Rem-(Continued on Page Five.)

FOR NORTH CAROLINA. Cloudy, with occasional rain this afternoon and tonight, possibly changing to snow flurries in tonight; Tuesday mountains cloudy and colder.

Big Political Guns to Explode This Month



Barrage of political oratory is ready to be exploded upon the citizens of the United States during the month of January. Observers declare that when the smoke has cleared away, the political issues of the coming presidential campaign will have been definitely drawn. President Roosevelt starts the ball rolling on Jan. 8, when he opens his campaign for re-election with an address at the Jackson Day dinner in Washington. Col. Frank Knox, Chicago publisher, arranges nationwide radio hook-up for speech in Detroit, Jan. 15.

Others to talk during the month are former Presi dent Herbert C. Hoover, Jan. 16, at Lincoln, Neb.; Alfred E. Smith at dinner of American Liberty League in New York, Jan. 25; Senator Dickinson of Iowa before the National Republican club in New York, also on Jan. 25; Senator William E. Borah of Idaho at Brooklyn, on Jan. 29; Gov. Alf M. Landon of Kansas at Topeka, Jan. 29, and Knox again at Cleveland, also on the 29th. On Feb. 12, Senator Arthur Vandenberg of Michigan makes a Lincoln's Birthday address in New York.

Billion Dollars Asked For Defense During Next Year

tional defense budget of nearly a billon dollars—the largest peacetime Taking notice of the lack of prosum ever asked for strictly military gress at the London naval confer- Guard.

required in the 1936-37 fiscal year for which would be used to build up the both the Army and Navy. A \$193,000,- fleet to full treaty strength by 1942. 000 increase over estimated 1936 expenditures would be devoted largely to the acquisition of new fighting for purchase of 507 new airplanes,

Doughton Says Ways

And Means Com-

mittee Likely Take

Action by Night.

Washington, Jan. 6 (AP)—Chairman Doughton, Democrat, North

Carolina, said today the House Ways

and Means Committee might approve

this afternoon the bonus bill behind

which House factions and major vete-

He made that statement after the

committee discussed the measure for

an hour and a half behind closed

rans organizations have united.

Washington, Jan 6-(AF).-A na-| ships, aircraft and personnel in the | more tanks, armored and combat cars and naval purposes—went to Congress ence toward a new limitations agree-today from President Roosevelt. He estimated \$937,797,966 would be, \$567,872,400 for the navy, much of

> Big Increases for Army For the Army, provision was asked

In connection with naval outlays, a White House analysis said, carryover and emergency funds would make \$621,900,000 available for spending compared with \$603,500,000 in 1936. "These estimates," it said, "repre-

(Continued on Page Five.)

Rumor Italy House Body YOUNG DEMOCRATS MayApprove STRONGER FOR FDR Bonus Today More for Him Than Ever, French Guns BLOODY BATTLE S

Tyre Taylor, Founder of Movement, Says.

Daily Dispatch Bureau, In The Sir Walter Hotel, By J. C. BASKERVILL

Raleigh, Jan. 6 .- The Young Democrats in the United States who helped elect Franklin D. Roosevelt president in 1932 are not only standing squarely behind him now in 1936, but are more enthusiastic in their support of him now than they were four years ago, Tyre Taylor, founder and past president of the Young Democratic Clubs in the United States, said while for several years past a member of the legal staff of the Reconstruction Finance Corporation in Washington, has been assisting Chief James A. ly to a French port where, authorities Italian reinforcements rushed up with Farley in arranging the many Jack-Simultaneously, Speaker Byrns said son Day dinners being held through aboard a ship. there would be every disposition on ocratic Clubs the night of January 8,

(Continued on Page Two.)

Fronts in Ethiopia. (By The Associated Press.)

M e antime, Italian

Air Bombings Are

France dug diligently into a suspected plot to divert 3,000 army rifles termine the strength of the enemy, and machine guns to Italy today encountered Ethiopian raiders in a while Italian war planes kept up a dense jungle 35 miles north of Dolo spending a few days here. Mr. Taylor persistent and widespread bombing and fought a two-day battle, with 150 campaign in Ethiopia. A missing cargo of arms

found to have been routed mysterious

Confusing reports of the death of a (Continued on Page Two.)

884 More Planes Will Be Provided

Washington, Jan. 6.—(AP)—Bol-stering of the nation's air defenses by 884 new fighting planes at an approximate cost of \$58,000,000 was recommended to Congress today by President Roosevelt.

His 1937 budget estimates, granting substantially increased appropriations to the air arms of both services for this purpose, called for 507 new planes for the army and 377 for the navy.

Of a projected \$31,000,000 of army plane purchases in the new financial year, 442 are intended for the regular army's general headquarters air force, 50 for the National Guard and 15 for the organized reserve.

ROOSEVELT CHIEFS ABANDON HOPE FOR WINNING BUSINESS

Business Better But Doesn't Thank Administration For Improvement Received.

HOWE, BACK ON JOB, WARNS OF BUNGLES

Straw Votes May not Mean ocr tic Propaganda; Some instantly when the news reached the Capitol. Legislators turned in private Much, But Are Bad Dem-John L. Lewis on The Ticket With Roosevelt.

By CHARLES P. STEWART Central Press Staff Writer

Washington, Jan. 6.-Rooseveltian leadership, it is rumored practically has abandoned hope of winning business' support of its presidential candidate at the coming election, but is concentrating upon the task of capturing almost the solid vote of the commonest of the common people.

Business is improving but business men don't seem to thank the administration for it. Contraiwise, the more it improves, the more, apparently, they resent government interference with their efforts to make the most of the improvement. The White House, from all accounts, has about arrived at the conclusion that folk like the members of the American Liberty lea

(Continued on Page Two.)

Call Is Made For Condition of All Banks on Dec. 31

Washington, Jan. 6 (AP)-The comptroller of the currency issued a call today for the condition of all national banks at the close of business

GURNEY HOOD CALLS FOR REPORT OF STATE BANKS Raleigh, Jan. 6 (AP)-Gurney P Hood, State bank commissioner, today Is Receiving | State banks in North Carolina at the close of business December 31.

FOUGHT IN JUNGLE

Pressed On All Italians Bested For While By Ethiopians Until Help Comes Up.

> Dolo, Ethiopia, Jan. 16 (AP)-Italian troops, thrusting forward to de-Ethiopians believed slain, and one white Italian soldier killed. ' Fighting was hand-to-Land until

said, it could easily have been placed armored cars and machine gun squads, of four days before any announcerouting the Ethiopians.

Ethiopian sharp shooters harassed

(Continued on Page Two.)

BY SUPREME COURT

Act Declared by Roberts. Who Reads Ruling, To be Invasion of State's Rights.

OFFICIALS SILENT ON HEARING NEWS

Neither Roosevelt Nor Wallace Will Comment, But Speculation Begins As To Effect on Coming Campaign; Government May Seek to Find Way of Paying Off.

Washington, Jan. 6 (AP)-Ina sweeping decision, the Supreme Court today ruled the entire AAA program was unconstitutional.

In an opinion read by Justice Roberts, the original adjustment act was declared to be "an invasion of states' rights", and beyond Federal power under the "general welfare clause."

If the farm aid legislation were valid, he said, it would be possible for Congress "to regulate industry in its most meticulous form."

Speculation how the presidential campaign would be affected stirred from the business of the moment's Would I rade Garner For examination of the 1936-37 New Deal budget to mull over the possibilities. Republican determination on farm plank alternatives long had been

awaiting the Supreme Court attitude. What the New Deal would do was awaited eagerly. Secretary Wallace reserved com-

It was indicated there would not be

(Continued on Page Five)

Markets Surge Up On Supreme Court Decision on AAA

New York, Jan. 6 (AP)-Nullification of the agricultural adjustment act by the Supreme Court today brought a surge of buying in food shares on the New York Stock Exchange, which lifted many \$1 to \$3 higher within a few minutes after the decision was handed down.

Food stocks crept up in heavy trading before the decision was announced, and as soon as the news reached Wall Street surged up in a flood of buying which overwhelmed the quotation service, the tickets falling a few minutes in arrears of transactions. Prices were up \$1 or more a bale in the New York Cotton Exchange

with heavy trading.

Conferences Are Started By President

Wallace and Cummings Summoned To White House Following Decision.

Washington, Jan. 6 .- (AP)-President Roosevelt called Attorney General Cummings and Secretary Wallce to the White House this afternoon to study the Supreme Court's decision

against the AAA. Silent on the blow, Mr. Roosevelt made it known that he will have other conferences during the next three ment is made by him.

Stephen T. Early, a secretary to the