

FDR SUBMITS BUDGET ALMOST IN BALANCE

THREE BIG COUNTIES AFTER NEW MEMBERS IN THE STATE HOUSE

Buncombe, Mecklenburg, Guilford Seek Gains, Nash, New Hanover, Rockingham Losing

COMMITTEES NAMED FOR BOTH BRANCHES

Webb and Bryant Head Finance and Bell and Ward Appropriations Committees; Clark and Fenner Head Agriculture Committees in Two Houses

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

Raleigh, Jan. 8.—Senator Ernest V. Webb, of Kinston, and Representative Victor S. Bryant, of Durham, were named chairman of the finance committees in the Senate and House this afternoon.

Senator W. G. Clark, of Tarboro, was named chairman of the Senate Committee on Agriculture, and Representative W. E. Fenner, of Rocky Mount, was named chairman of the House Agriculture Committee.

Other important committees and their chairmen were named as follows:

Education—J. W. Noell, Person, in Senate; Hugh G. Horton, Martin

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Strike Of Motor Men Extending

(By The Associated Press.)

New strikes and shutdowns in the automotive industry threatened to add more than 20,000 workmen today to the 100,000 already made idle by the nation's industrial controversy.

A "sitdown strike" developed at the Cadillac Motor Car Company plant in Detroit, forcing the layoff of 4,800. Production in the LaSalle division was suspended. The scheduled halting of operations in Chevrolet units at Flint, Saginaw and Bay City, Mich., promised to add 19,875 more to the unemployed.

About 40,000 seamen were ashore on strikes against ship owners on the Atlantic and Pacific coasts with no settlement in sight.

At New York more than 3,000 maritime workers voted to lift the strike on tankers, accepting a wage scale of \$80 a month.

Babson Sees Huge Gains For Aviation This Year

Experimentation Period Over But Industry's Stock Low Enough Now To Make It Almost Sure Winner If Bought; Sees Flivver Planes Next Big Step

BY ROGER W. BABSON, Copyright 1937, Publishers Financial Bureau, Inc.

Babson Park, Mass., Jan. 8.—Early each January I try to select for my own satisfaction one particular industry which I believe has an excellent outlook. Last year I nominated building. Up until a few days ago I was prepared to vote for it again. However, in spite of recent unfavorable accident publicity, certain figures have been released which have shifted my preference to aviation.

Rails vs. Aviations. In a recent review while summarizing the 1937 outlook for transportation securities, I said: "Rails may be a feature marketwise, but airline issues offer better long-pull possibilities."

White Is Chairman Journal Committee

Raleigh, Jan. 8.—(AP)—Lieutenant Governor W. P. Horton announced his committee appointments today, making Senator E. V. Webb, of Lenoir, finance committee head, and Senator James A. Bell, of Mecklenburg, chairman of the Senate Appropriations Committee.

The Senate veteran member, W. G. Clark, of Edgecombe, was named to head the agriculture committee. J. W. Noell, of Person, got the education committee chairmanship. Senator W. W. White of Vance was named chairman of the journal committee.

GOVERNOR'S STAND ON LIQUOR, SCHOOLS DISAPPOINTS SOME

Inaugural Address Generally Draws Favorable Reaction Other Than Those Phases

VIEW ABOUT ROADS IS QUITE POPULAR

School Forces, However, Had Hoped for More Sympathetic Pronouncement Than They Got; Little Reaction on Tobacco Compacts Stand by Governor

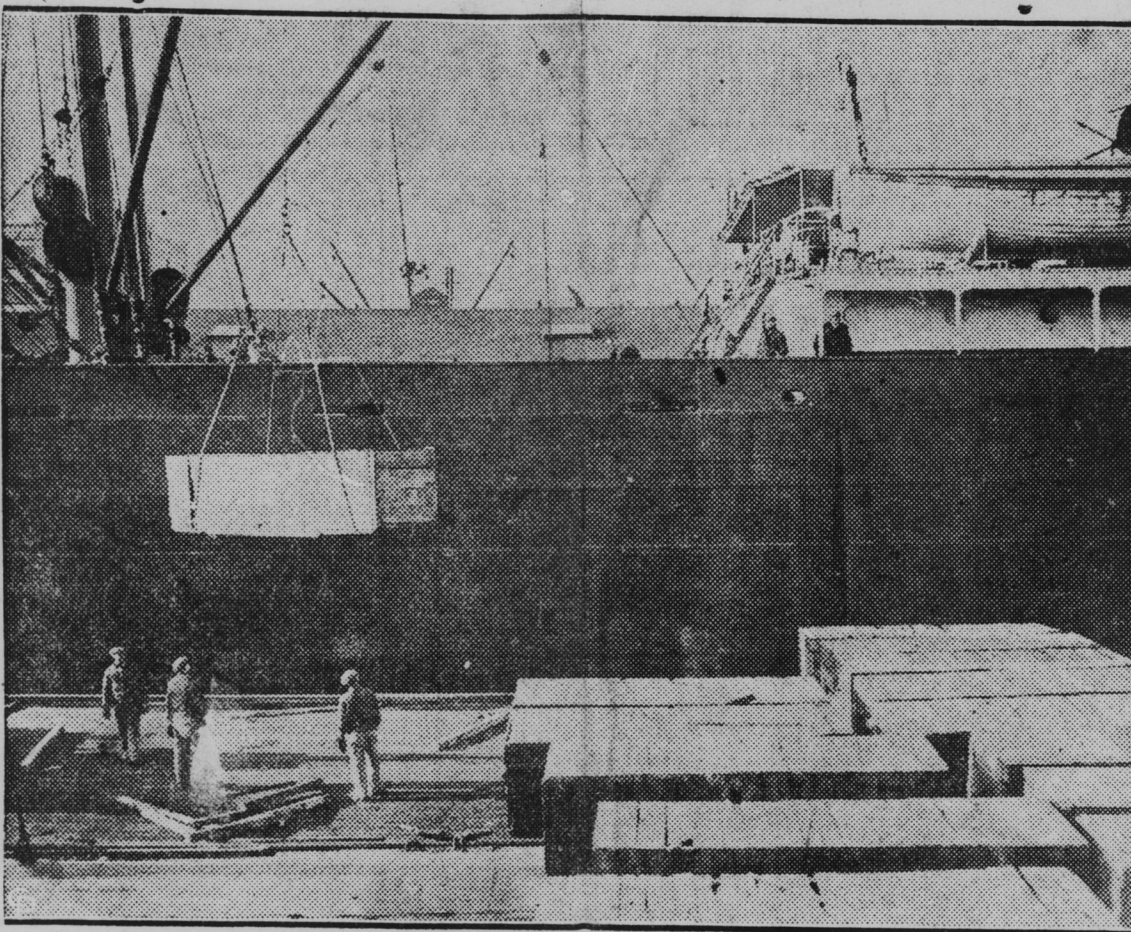
Daily Dispatch Bureau, In the Sir Walter Hotel, By J. C. BASKERVILL

Raleigh, Jan. 8.—Reaction to the inaugural message of Governor Clyde R. Hoey is, for the most part, very favorable, according to comment heard following its delivery. Most observers agree that it was sufficiently definite in dealing with things which are popular and possible and sufficiently indefinite on matters that are controversial and unpopular to leave both Governor Hoey and the General Assembly plenty of leeway in dealing with them.

There is considerable disappointment among the liquor control forces because Governor Hoey reiterated his personal belief in prohibition and in the principle of a Statewide referendum on the liquor question if any changes is made to liquor control and liquor stores. It is already generally agreed that those favoring the enactment of some form of liquor control, and without a Statewide referendum, have a decided majority in both houses of the General Assembly over the bone drys, and that the chief strategy of the drys is going to be to insist upon a Statewide referendum.

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U. S. IN RACE TO HALT SHIPPING OF WAR MATERIALS



Cases being loaded aboard the Spanish freighter Mar Cantabrico. While the American government, through congress and the president, raced to halt exportation of war materials to Spain, one shipper hurried the loading of airplane parts on a Spanish freighter, Mar Cantabrico, in New York harbor, and a San Francisco exporter demanded and obtained from the state department in Washington licenses for exporting war materials.

Roosevelt Urges Money For New Navy Building Program

Washington, Jan. 8 (AP)—A bulky message asking billions in new appropriations, and putting a balanced Federal budget squarely up to private re-employment efforts, went to the 75th Congress today from President Roosevelt.

In words read to the senators and representatives by clerks, Mr. Roosevelt said that unless business cooperates in giving jobs to those now on relief "the question of a balanced budget for 1938 must of necessity remain an open one, for the very good reason that this government does not propose next year, any more than the past four years, to allow American families to starve."

Included in a near billion dollar national defense fund was money for starting two battleships. Mr. Roosevelt, after calling attention to new naval armaments planned by foreign powers, announced:

"If we are not to reduce our navy by obsolescence, the replacement of capital ships can no longer be deferred." Simultaneous with the planning of new national defense moves, Congress sped toward the White House legislation to tighten the neutrality law by forbidding munitions shipments to Spain, and President Roosevelt promptly signed it into law.

Warstuffs Buyer. Hoey Liquor View Makes Job Harder. Effort of Legislature To Solve Problem Only Adds to Its Difficulties.



While Congress worked feverishly to enact legislation barring export of war materials, Felix Gordon Ordas, Spanish Ambassador to Mexico, purchased in the United States four and a half million dollars worth of planes, guns and ammunition.

M'DONALD FIRE IS TO BE CONTINUED

Defeated Gubernatorial Candidate Seeks Ballot Reforms Mainly

Daily Dispatch Bureau, In the Sir Walter Hotel, By J. C. BASKERVILL. Raleigh, Jan. 8.—Any thought that the anti-administration followers of Ralph W. McDonald would accept the fact that they are in a minority as a reason for ceasing fire against the powers that he was dispelled early in

Wisconsin University President Voted Out; LaFollette Is Blamed. Students Resist Ouster of Frank.

Madison, Wis., Jan. 8.—(AP)—Governor Philip LaFollette, addressing 1,000 striking students who invaded his offices today, refused to promise consideration of their demand for restoration of Dr. Glenn Frank to the University of Wisconsin presidency. Earlier police had been called to eject students demonstrating against the ouster of Dr. Frank from Governor LaFollette's office. They had marched from the campus and broke up a press conference he was holding.

Madison, Wis., Jan. 8.—(AP)—A large group of University of Wisconsin students, protesting the removal of President Glenn Frank, met on the campus today and started a march up State street to invade the office of Governor Philip LaFollette. The demonstration started between eight and nine o'clock. University classes with a shout from a group of sorority girls, "We want Frank." In a few minutes 250 students paraded through Bascom hall which houses the University administrative offices. They visited other buildings, gathering recruits as they went along. As the procession started from the campus, the governor was holding a press conference to answer the charge he had dictated the action of his appointees on the board of regents who had just enough votes last night to dismiss Frank.



FOR NORTH CAROLINA. Cloudy and foggy tonight; Saturday cloudy, possibly followed by rain; colder Saturday night.

ROOSEVELT PLACES RESPONSIBILITY ON NATION'S INDUSTRY

LEGISLATURES ARE ASKED TO ACCEPT CHILD LABOR LAW

Roosevelt Writes Governors Urging Ratification of Amendment To Constitution

DOZEN MORE STATES ARE STILL NEEDED

Congress Leaders See In President's Move Another Instance of His Militance on Labor Legislation; Roosevelt Wants NRA Goals Achieved

Washington, Jan. 8.—(AP)—President Roosevelt, unheeding the dispute over curbing the Supreme Court, made a second brisk move to achieve NRA goals today by seeking to speed ratification of the child labor amendment. In letters to the governors and governors-elect of 19 states where legislatures meet this winter, he asked favorable action on the proposal, pending since 1924. Only 12 more states need to act to make it the twenty-second amendment, inasmuch as 24 states have ratified. Congressional leaders considered the action another indication of presidential militance on labor legislation. Called together at noon especially to receive the budget for 1937-38, members of both houses talked dollars and cents less than wages and hours. Little attention was paid to the Spanish arms embargo restriction because only Vice-President Garner's signature was needed to send it to the White House.

Degree to Which Jobs Are Created and Relief Cut Down Will Measure Finances

PUBLIC DEBT PEAK PUT AT 35 BILLIONS

Will Be Reached Next June 30, But Thereafter Budget Will Remain in Balance if Industry Will Help, President Says; No New Taxes Have Been Asked

Washington, Jan. 9 (AP)—President Roosevelt sent a multi-billion dollar budget to Congress today in a message bluntly leaving a complete balance of Federal income and outgo up to the industrial re-employment efforts.

With certain exceptions, Mr. Roosevelt told Congress his new 1938 budget "is in balance" and would remain so if later relief requirements do not exceed an estimated \$1,537,123,000. He exceeded \$401,555,000 for debt reduction.

Then, forecasting a new public debt peak next June 30, of about \$35,000,000,000, despite sharply increased income the President added:

"It is my conviction that if every employer, or potential employer, will undertake to give employment during the next six months the persons now receiving government help, the national budget can thereafter be kept definitely in balance."

"Without such cooperation on the part of employers, the question of a balanced budget for 1938 must of necessity remain an open one for the very good reason that this government does not propose next year, any more than during the past four years to allow American families to starve."

Mr. Roosevelt's budget message, covering especially the year beginning next July 1, but including also requests for money to carry relief

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JOHN LEWIS MAY SEEK PRESIDENCY

Would Not Hesitate If His Vertical Union Project Succeeds

By CHARLES P. STEWART. Central Press Columnist. Washington, Jan. 8.—To ask, "Is John L. Lewis presidentially ambitious?" would be the wrong way of putting the question. However, a legitimate question is, "Does he consider his presence in the White House necessary to the success of the politico-economic campaign?" (It is more than merely a labor campaign "that he is waging.") I defy anyone to get an answer to this second query directly from Lewis. The main reason for his reticence undoubtedly is that he himself does

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"Break" In Kidnaping Is Rumored

Tamoca, Wash., Jan. 8 (AP)—Three automobiles filled with men believed to be Federal Bureau of Investigation agents raced through Olympia, Wash., today and took the road to Aberdeen, 84 miles southwest of here. This sudden action stirred rumors a "break" had come in the kidnaping of ten-year-old Charles Mattson.

The three cars, traveling rapidly, careened onto the branch of the highway leading directly toward Aberdeen and other harbor cities. At the same hour two other machines, also traveling at high speed, were reported leaving here on the mountain highway to the southeast toward Mount Ranier, where the drivers hurriedly conferred before the machines separated and sped on their way.

Britain, France Alarmed Over German Incursions In Area Near Gibraltar

(By The Associated Press.) Spurred more than ever by authoritative reports of a German-Moroccan incursion threatening both the future of Gibraltar and a French colonial border, Great Britain and France drove ahead toward localizing Spain's war today.

They wanted direct action; a quick, practical plan to keep foreign arms and men from making the civil conflict into even more than a "little world war."

The United States, meantime, completed her law to embargo Spain-bound arms shipments, with President Roosevelt's signature. The quickly-passed legislation failed to stop such shipment but cut off new and larger ones. Some United States war material already in Mexico it was believed, would go on to the

Spanish government because of a change in Mexican policy. France, perturbed about Moroccan reports, made representations to Spanish insurgent authorities there which were in the nature of a protest.

The British cabinet met in special session to ponder the new problem. French officials announced emphatically they would never permit Germany to gain a foothold in Spanish Morocco, where thousands of Germans are reported to have conducted a virtual military and commercial invasion.

France and Britain have heard German-supervised fortifications are going up at Ceuta to rival those of nearby Gibraltar that Germans have obtained from Spanish insurgent rulers of the Moroccan zone numerous concessions which will give the land poor third Reich a colonial wedge.