

ATTACK ON COURT PLAN OPENS IN HOUSE

House Gets Revenue Bill For \$74,750,000 Taxes

MONEY MEASURE IS MORE THAN ENOUGH TO SQUARE BUDGET

Huge Sum Sought from Taxation Is Exclusive of Millions from Highway Sources

SECURITY PROGRAM EXCLUDED, HOWEVER

Only New Tax Is That On Intangibles; Favorable Report on Bill Is Considered Victory for Conservatives; Supplementary Taxes for Security

Daily Dispatch Bureau, In the Sir Walter Hotel, Raleigh, Feb. 10.—The revenue bill for the new biennium beginning July 1, 1937, designed to produce the revenue needed for the operation of the State government and the public schools for the next two years, was reported into the House today by Chairman Victor S. Bryant of the House Finance Committee.

The revenue bill will yield a total of \$74,750,000 during the next two years, exclusive of the highway fund, according to the committee estimates. The bill is expected to yield \$36,750,000 for the year 1937-38 and \$38,000,000 for the year 1938-39. The bill is regarded as being in almost exact balance with the appropriations bill as recommended by the Advisory Budget Commission, calling for appropriations totalling \$74,750,000 for the biennium, which is regarded as being about in line with the appropriate amount.

Continued on Page Five.

New Crisis Developing At Madrid

(By The Associated Press.) Censored reports limping over crippled communications lines from Madrid described today a new crisis in the three-months Fascist siege of the Spanish capital.

With telephone lines cut by the Fascist assault on the vital road from Madrid to Valencia, meagre reports from Madrid by cable included: 1. Fourteen Fascist planes flew over Madrid this morning. Whether they tried bombardment was not stated. 2. Fierce fighting raged southeast of Madrid for possession of the Valencia road, which leads to the seaport seat of the temporary government, the Socialist government commanders insisting the Fascists had not "physically cut the road" up to last night. 3. Declarations that the government will be able to hold Madrid indefinitely, come what may of the present fighting, were coupled with contradictory newspaper declarations that "Madrid is in danger," and that all reserves must be mobilized anew to stop the Fascists.

Flood Fear Remains On Mississippi

Water Sluggish And Fails To Pass On; Engineers Are Confident, However

Memphis, Tenn., Feb. 10 (AP)—As it determined to gain by siege what they failed to win by assault, ponding waters kept flood fear alive along the mid-Mississippi today by stubborn refusal to speed their almost imperceptible upward crawl. The river fell slowly above Memphis but in this sector record levels re-

Continued on Page Four.

Revenue Bill Carries Levies Of \$36,904,200 Annually For Biennium

Inheritance tax	1,250,000
License taxes	2,350,000
Franchise taxes	8,081,200
Income taxes	9,600,000
Sales tax	8,850,000
Beer tax	1,000,000
Wine tax	150,000
Liquor tax (7 per cent)	650,000
Gift taxes	200,000
Intangibles tax	1,900,000
Gas tax diversion	2,100,000
Miscellaneous taxes	10,000
Non-tax revenue	1,400,000
Total	\$36,904,200

The finance committee believe that these same sources of revenue will bring in at least \$38,000,000 in revenue the second year of the biennium, Chairman Bryant explained. This bill does not provide the additional \$2,000,000 a year needed to provide for old age pensions and aid to dependent children, however. It is expected the committee will try to work this additional amount into a supplementary bill to be brought in later.

Legislative Debate On Taxes, Social Security Begun As Bill Enters

Roanoke Rapids, Feb. 10 (AP)—The body of Ralph Merritt, 21, one of the two youths who disappeared on a hunting trip two months ago, was taken from the swift waters of the Roanoke river early today. Coroner R. L. Grant, of Northampton county, opened an investigation immediately. The coroner said there was a hole in Merritt's stomach and side and called physicians in to examine the body. The body was found late yesterday, but officers abandoned any attempt to remove it from the water until today.

Think Scott Would Pack Board Also

Wants Ten Instead of Five Members To Get Majority Favorable to Him

Daily Dispatch Bureau, In the Sir Walter Hotel, Raleigh, Feb. 10.—Commissioner of Agriculture Kerr Scott seems to have torn a leaf from President Roosevelt's notebook in his proposal to increase membership of the State Board of Agriculture from five to ten. The idea was translated into action Tuesday with introduction of a bill Representative J. H. Poole, of Moore.

Has Plans To Abolish Sales Tax

Daily Dispatch Bureau, In the Sir Walter Hotel, Raleigh, Feb. 10.—Representative J. E. Volger, Mecklenburg, has announced his intention to offer to the House a measure which he believes will abolish the sales tax and at the same time raise more money for the State than the much attacked measure has ever netted. Briefly he proposes to tax every form of business activity in North Carolina, levying one-quarter per cent

Continued on Page Five.

Windsor and His Royal Sister in Vienna



This picture, flown to London from Vienna and radioed to New York by R. C. A., shows Mary, Princess Royal, with her husband, the Earl of Harewood (left), and Edward, Duke of Windsor, The Princess is said to have made the trip to Vienna to settle questions of finance and to attempt to dissuade Windsor from marrying Mrs. Wallis Simpson before the coronation of their brother, George VI, in May. (Central Press)

STRIKE SITUATION IS UNCHANGED BUT MEETING GOES ON

Plan Similar to That Which Ended Toledo Glass Strike Is Under Consideration

WOULD LIMIT SCOPE OF LEWIS AUTHORITY

HOPEWELL MATRON FREED IN SLAYING

Mrs. Kathleen Abernethy, 18, Was Accused of "Date on Bet" Killing Brother-in-Law

HOPEWELL MATRON FREED IN SLAYING

Eleven Perish As Air Liner Plunges In Frisco Waters

San Francisco, Cal., Feb. 10.—(AP)—Its eleven occupants given up for dead, a wrecked United Air Lines plane was found early today under except for its tail, in South San Francisco bay, where it plunged last night after passing up a landing field. "There is no possibility any one on board is alive," said B. M. Doolin, San Francisco airport manager, after returning from inspecting the wreckage. Several prominent westerners, including a millionaire, Mark Fontana, 57, manufacturer and yachtsman of San Francisco, were on board.

STATE ARRIVES AT SATURATION POINT

Nothing Else to Tax Without Meeting Law of Diminished Returns

HOPEWELL MATRON FREED IN SLAYING

OUR WEATHER MAN

CHARGES MADE OF HITLER, MUSSOLINI, STALIN RULE HERE

Meantime, President Summons Five Senators To White House for Talk On Proposal

OPPOSITION BLOC FORMED IN HOUSE

Roosevelt Sends Message Asking Congress To Work Out Long-Time Program for Reclaiming Once Fertile Acres of Dust Bowl of Great Midwest

Washington, Feb. 10 (AP)—Opposition to President Roosevelt's plan for reorganization of the Federal court burst forth today on the floor of the House. Representative Lamneck, Democrat, Ohio, said the program might lead to a "Hitler, a Mussolini or a Stalin government."

Submitted a report of his Great Plains drought committee, he proposed a Federal-State-private alliance

Ex-Convict Questioned On Mattson

Seattle, Wash., Feb. 10 (AP)—An ex-convict whose arrest was termed "hot" by one officer was fired questions today about the brutal kidnap-killing of ten-year-old Charles Mattson. Plans were rushed for witnesses of the abduction to confront the man. The man, identified as James McDonald, steadily denied any connection with the crime, but William Cole chief of the Washington State Police, said he strikingly fitted the boarded kidnaper's description and his movements at the time of the kidnaping were suspicious. "It may be just another false lead, but it looks hot to me," Cole said.

Hutson Talks Ever Normal Granary Idea

AAA Tobacco Expert Speaks at Goldsboro Meeting; Has Four Point Program

Goldsboro, Feb. 10 (AP)—Bethel school in Haywood county won first place in the crop and seed judging contest for vocational agricultural students here today. Teams from 60 schools, composed of 192 students, competed. John Graham school at Warrenton, took second place and Sheriff's Ford school third. Goldsboro, Feb. 10.—(AP)—J. E. Hutson, assistant AAA administrator, outlined a four-point program built around an "ever normal granary"

Continued on Page Five.