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

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, By J. C. BASKERVILL

Raleigh, Feb. 10-The revebeginning July 1, 1937, design- biennium, are as follows: ed to produce the revenue needed for the operation of the State government and the public schools for the next two vears, 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 beinnium, which is regarded as eing about in line with the approp-

Continued on Page Five.)

New Crisis Developing At Madrid

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

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 know the inner working of the board of agriculture, a majority is not in accord with the commissioner on a accord with the commissioner on a

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

Memphis, Tenn., Feb. 10 (AP)-As if determined to gain by siege what they failed to win by assault, ponderous crests kept flood fear alive along the mid-Mississippi today by stubborn refusal to speed their almost imperceptible southward crawl.

The river fell slowly above Memphis but in this sector record levels re-

(Continued on Page Four.)

MONEY MEASURE IS Revenue Bill Carries Levies Of \$36,904,200 10 SQUARE BUDGET Annually For Biennium

Daily Dispatch Bureau,			
By J C BASKERVILI			
Raleigh, Feb. 10.—The new revenue			
bill will yield between \$36,750,000 and			
\$36,904,200 a year, according to esti-			
mates made by the Department of			
Revenue and submitted to the finance			
committees just before the bill was			
reported out favorably. The bill was			
submitted to the House today by			
Chairman Victor S. Bryant, of the			
House Finance Committee. The last-			
minute decision of the committee to			
bring all meals in hotels, restaurants			
and cafes under the three per cent			
sales tax, increased the estimated			
yield of the bill by \$363,000 to an es-			
timated total of \$36,904,200, or more			
than enough to balance with the ap-			
propriations bill (without provision			
for old age pensions and aid to depen-			
dent children) calling for a total of			
\$36,750,000 a year. The meals tax was			
later cut out.			
The various taxes imposed in the			

	ASSACRA CONTRACTOR	1
	Inheritance tax\$	1.250.000
	License taxes	2,250,000
le.		8.081,200
d	Income taxes	9,600,000
i-		8,850,000
of	Beer tax	1,000,000
e	Wine tax	150,000
us	L'quor tax (7 per cent)	650,000
ıs	Gift taxes	200,000
У	Intangibles tax	1.000.000
ia	Gas tax diversion	2,100,000
t-	Miscellaneous taxes	10,000
0	Non-tax revenue	1,400,000
s		

The finance committees 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 committees will try to bill and the amount each is expected work this additional amount out in a nue bill for the new biennium to yield the first year of the coming supplementary bill to be brought in

Legislative Debate On Taxes, Social Security Begun As Bill Enters

Find Youth's Body After Two Months

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 North-

ampton county, opened an investigation immediately.

The coroner said there was a hole in Merrit's stomach and side and called physicians in to examine the hody.

ine the body. The body was found late yester-day, 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,
By J. C. BASKERVILL
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. According to those who ought to know the inner working of the board number of policies, and Mr. Scott has

tility in certain instances. Hence the effort to increase the board in expectance that the added members will show a more sympathetic attitude toward the commissioner and his projects. Hope along this line however, will prove well or ill-founded only after the additional members have been named, if the Poole bill passes, for the measure puts their selection in the hands of Governor Hoey, and it is by no means a certainty that

been forced to contend with open hos-

yes-men for the places. At the same time that he introduced he reorganizaion measure, Representative Poole also tossed in a bill repealing an act of 1925 which gave the commissioner of agriculture al- Carolina, levying one-quarter per cent

the executive would choose only Scott

Continued on Page Five.)

Revenue Measure Offered in House Month Sooner Than in Session Two Years Ago

BILL IS EXPLAINED SECTIONS AT TIME

Gravely of Nash Elaborates on Social Security in Senate, Where Amendment Is Offered for State To Pay All Instead of Splitting With Counties

Raleigh, Feb. 10.-(AP)- The House received the biennial revenue bill from the joint finance

committee today. The measure was reported in record time, more than a month earlier than last session, and proposes raising a record total of more than \$75,000,000 in general fund revenue for the biennium

Highway revenues are not covered by the general tax bill. Immediate consideration by the House as a committee of the whole was voted.

problems, taxes and social security, started today. The House got the \$75,000,000 biennial general fund revenue bill, and quickly, as a committee of the whole,

debate on two major

Legislative

started adopting sections as amended by the joint finance committee. No opposition developed to the inheritance and license tax articles, exbers, et cetera, which were "tentatively" adopted, while all others were

adopted as written. Representatives were asked, however, to withhold proposed amend-ments until the bill had been worked

(Continued on Page Three.)

Has Plans To Abolish Sales Tax

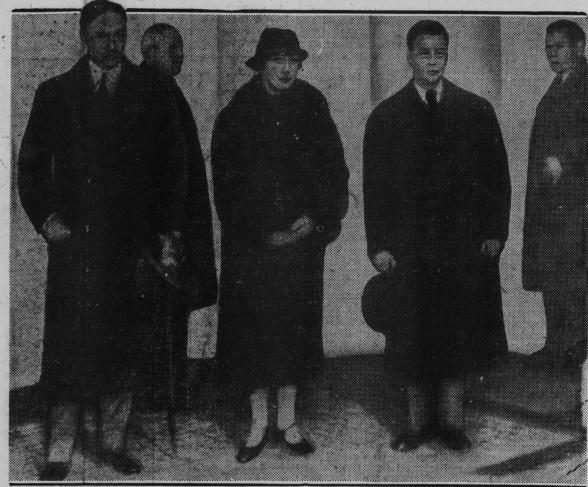
Daily Dispatch Bureau, By J. C. BASKERVILL Raleigh, Feb. 10—Representative J.

B. Volger, Mecklenburg, has announced hi sintention to offer to the House measure which he believes will abolish the sales tax and at the same time raise more money for the State than tht much attacked measure has ever netted.

Briefly he proposes to tax every form of business activity in North

(Continued on Page Four.)

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 cororonation of their brother, George VI, in May.
(Central Press)

IS UNCHANGED BUT MEETING GOES ON

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

WOULD LIMIT SCOPE OF LEWIS AUTHORITY

His Union Would Speak Only for Its Own Members; Union's Board of Strategy Holds Long Session Before Meeting With General Motors Chiefs

Detroit, Mich., Feb. 10 (AP)-Representatives of General Motors Corporation and labor considered a definite plan for strike settlement for two and thre quarters hours today, then recessed for two haurs.

Governor Frank Murphy said the situation was "unchanged from last night," and announced another conference would begin at 3:30 or 4 o'clock this afternoon. John Lewis, director general of strikes against General Motors automotive units, and the board of strategy of the U. A. W. A. had met earlier in the day in a possibly significant session that delayed the opening of cept the sections on contractors, plum the 13th general assemblying of the conference.

The board of strategy, once empowered to call a general strike of all union members employed by G-M. has the authority to approve a proposal for a settlement of the bitter dispute that has halted he corpora-

(Continued on Page Four.)

HOPEWELL MATRON FREED IN SLAYING

Mrs. Kathleen Abernethy, 18, Waş Accused of "Date on Bet" Kill-ing Brother-in-Law

Hopewell, Va., Feb. 10.-(AP)-The State today dropped its case against Mrs. Kathleen Abernethy, 18, charged with the "date on a bet" slaying of her brother-in-law, at the start of her scheduled second trial in Hopewell circuit court.

The 18-year-old bride of a jail rom ance sat weeping as Commonwealth's Attorney John Goodman offered a motion to dismiss the charge. Judge Marshall Peterson replied:

"I think the motion is proper and the case is nolle prosed.' The judge, who set aside the verdict of a jury in October, which convicted the girl of voluntary man slaughter, and recommended a five year prison term, immediately ordered Mrs. Abernethy's release.

Eleven Perish As Air Liner Plunges In Frisco Waters

No Possibility Any One Escaped; Shifting Tides Submerge Plane, Which Dive d Out of Sight Except for Its Tail; Prominent We sterners Aboard Ship

-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 Franc'sco 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, San Francisco, were on board.

San Francisco, Cal., Feb. 10.-(AP) Later shifting tides pushed over the wreckage of the 12-ton ship and submerged it while a derrick and deepsea diver prepared to go to the scene near Mills Field.

The tragedy increased to 45 the number who have died in western transport crashes since December 15. When found the plan e lay on its back with only about ten feet of the fuselage portruding. Its nose was ram med into the muddy bottom of the bay within a few miles of the airport over which it flew a few minutes be-57, manufacturer and yachtsman of fore it dived into the bay about 9 o'clock last night.

STATE ARRIVES AT SATURATION POINT

Nothing Else to Tax Without Meeting Law of Diminished Returns

Daily Dispatch Bureau, In the Sir Walter Hotel, By J. C. BASKERVILL Raleigh, Feb. 10.—The reason the revenue and appropriations bills are still approximately \$2,000,000 out of balance, the reason the General Asto the appropriations bill and give the school teachers the 20 per cent salary increase they want, the reason the various State hospitals are being fed on only mush, molasses and bread on an allotment of only 14 cents a day per patient, is that the State has reached the saturation point in raising revenue from indirect forms of

(Continued on Page Three.)



FOR NORTH CAROLINA. Partly cloudy to cloudy today, colder tonight; Thursday generalfair and continued cold.

ACCEPT PROGRAMS

Balking at Roosevelt Reorganization Measure As New Venture

> By CHARLES P. STEWART Central Press Columnist

Washington, Feb. 10.-Congress is showing less inclination to rush through President Roosevelt's governmen-tal reorganization plan than might sembly cannot add another \$2,000,000 have been expected, considering how strongly the White House tenant emphasized it as a "must" piece of busiincrease they want, the reason the ness for his enormous majority on thousands of insane patients in the Capitol Hill to attend to.

The fact is that the lawmakers quite generally feel balky at the idea of surrendering so much of their legislative authority to the President. Outsiders may not realize it but the truth is that congressmen are extremely jealous of their prescribed

rights under the Constitution, The Senate is as proud as Punch of its executive title to confirm presidential appointments and ratify treaties. The House of Representatives is equally conceited over its prerogative to initiate all financial legislation. They are jealous of one another and jointly jealous of the executive power

A DIFFERENCE Now, the so-called "independent of-

fices" which Congress creates are supposed to be manned by Congress' own hired men, answerable only to Con-

A cabinet member is different. He

(Continued on Page Three.)

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 gov-

He spoke even as five senators were summoned to the White House to talk over the general court situation with

Some officials said the conferences were arranged so the President might amplify his aims in proposing the judicial reforms. Outspoken opposition in the House

followed organization of a group of ten Democrat representatives to unite efforts against the plan. In a special message, Mr. Roosevlet asked Congress to work out a longtime program for reclaiming the once

fertile acres of mid-America's dust Submitting a report of his Great Plains drought committee, he proposed a Federal-State-private alliance

(Continued on Page Three.)

Ex-Convict **Ouestioned** 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 kidnapkilling of ten-year-old Charles Mattson. Plans were rushed for witnesses of the abduction to confront the

The man, identified as James Mc-Donald, steadily denied any connection with the crime, but William Cole chief of the Washington State Police, said he strikingly fitted the bearded kidnaper's description and his move-ments at the time of the kidnaping were suspicious. "It may be just another false lead, but it looks hot to me," Cole said.

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HutsonTalks **Ever Normal** GranaryIdea

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 riff's Ford school third.

Goldsboro, Feb. 10.-(AP)-J. B. Hutson, assistant AAA administrator. outlined a four-point program built around an "ever normal

(Contirued on Page Five)