

Cut In Service Ordered on Coal-Burning Railways

RAILROADS TO PAY TAXES, IF DEAL

Ship Crewmen Ask Naval Protection

By WAYNE RICHARDSON
HONG KONG—AP—The U. S. State Dept. was asked by 20 American crewmen today to arrange naval protection for the Shanghai-bound freighter Flying Arrow or to authorize their release from contract.

The Americans asked also that the State Dept. arrange repatriation of any U. S. seaman who elects to leave the ship rather than sail for the Communist-ruled port. None of the ship's officers signed the crew statement.

The U. S. Consulate informed the 20 crewmen that the State Dept. already had authorized their repatriation if the freighter is scheduled to sail for Hong Kong tomorrow. The consulate offered to arrange loans to finance return of the crew to the United States.

Capt. Joseph J. Jones of the Flying Arrow, chief of the crew, said a last-minute effort to hinder the ship's departure. The Flying Arrow would risk the greatest loss of life if it sailed for Hong Kong. Many of the crewmen are not addition to those the Chinese claim to have held in the Pacific River coast.

As the sailing hour drew near the Flying Arrow, four National Maritime Union delegates aboard another laborer line

One-Third Slash Set For Jan. 8

Fuel Shortage Causes Action

WASHINGTON—(AP)—The Interstate Commerce Commission today ordered a general one-third cut in railroad passenger service on lines using coals as fuel. The reduction is effective at 11:59 P. M. local time Sunday, Jan. 8.

The order applies to all rail lines having 25 or less days supply of fuel coal for their passenger service. The order also applies to all rail lines having less than 10 days supply of fuel coal for their passenger service.

The ICC said the action was necessary because of the declining supply of coal due to the recent disturbances and curtailments in the coal-mining industry.

The commission said all railroads having less than 10 days supply of fuel coal should reduce coal-burning passenger service to 1-3 per cent less than the same services provided as of Dec. 1, 1949.

EXPIRES MARCH 8
 The order was drawn to remain in effect until March 8, but will automatically expire at midnight March 8 unless the ICC itself takes action.

The Association of American Railroads said it will file a lawsuit which will affect immediately the order.

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STATE OF THE UNION



President Truman delivered his annual message to Congress this afternoon in a setting similar to that shown above. The picture shows the President as he delivered the 1949 State of the Union message in the House of Representatives last January. (AP Photo)

President Presents Plans To Congress

By ERNEST H. VACCARO
WASHINGTON (AP)—President Truman asked Congress today for a "moderate amount" of new taxes and called again for the domestic program he dubs the "Fair Deal."

In a 6,000-word "State of the Union" message, Mr. Truman told the legislators the country is in sharp shape for peace at home and succeeding in its foreign policies aimed at checking Communism.

But this is no time to rest on past achievements, the President said. He urged Congress to go ahead with expansion of Social Security, the Truman farm plan, this civil rights program, and compulsory health insurance.

Speaking into microphones that carried his words around the world, Mr. Truman called, too, for continued United States aid to other nations opposing Communism.

GAZERS AGGRIEVED
 Addressing a joint Senate-House session in the newly-renovated House chamber, the crowded galleries above included many disappointed onlookers.

If America keeps growing as it has in the last 50 years, he told Congress, the Federal Reserve Board's 50-year plan would be nearly four times what it is now. The plan would be nearly four times what it is now.

FULL TEXT ON PAGE 12-A
 Some billions of dollars a year, the structure of the family life of America.

Rep. Martin (Mass.) House Republican, said the President's message was a "moderate amount" of new taxes and called again for the domestic program he dubs the "Fair Deal."

Reactions Cut Across Party Lines

WASHINGTON (AP)—Democrats found much to praise, Republicans much to criticize in President Truman's State of the Union message to Congress today.

President Truman followed party lines, especially on civil rights and foreign policy, Senate Democrats and House Republicans.

Rep. McCormack (Mass.), House Democratic leader, said the President's message was "a moderate amount" of new taxes and called again for the domestic program he dubs the "Fair Deal."

State Dept. Policy On Formosa Secret

WASHINGTON—AP—The State Dept. has been busy for several days in secret efforts to bring out the details of its policy on Formosa. The policy is set to be announced in the near future.

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U. S. Debt Over \$257 Billion

WASHINGTON—AP—The Government's debt, including about \$237,000,000,000 on the date of Dec. 31, 1949, is set to rise to \$257,000,000,000 at the end of the fiscal year ending June 30.

The Treasury, reporting this today, showed a \$20,000,000,000 deficit of borrowing in 1949. The deficit was \$20,000,000,000.

Truman's New Program Some Hot 1949 Issues Missing

WASHINGTON—AP—There were some differences between President Truman's State of the Union message today and the one he delivered before the first session of the 81st Congress a year ago.

For one thing, there was no mention of a new cabinet position—the whole 1949 inflation control program was missing from the 1949 message. That apparently reflects the President's belief that immediate inflation is no longer a danger to the nation.

Many of his inflation control programs last year stirred sharp controversy among Congress members.

Among the items dropped in his new message was his request for authority for the Government to build steel mills and plants for materials in "critical" short supply if industry declines to erect them with or without Federal aid. He left it to Congress to determine whether any such plants were needed.

Also missing was the 1949 request for a new cabinet position to handle Federal health and welfare matters. That proposal, submitted as a reorganization plan last year, was defeated in Congress.

The President also left out of his 1950 program a recommendation for \$4,000,000,000 in new taxes. He left it to Congress to determine whether any such taxes were needed.

Rayburn Says Budget Will Call For Substantial Cut

WASHINGTON—AP—Speaker Rayburn said today President Truman's budget for the fiscal year 1950 will call for a cut of \$1,500,000,000 from this year's spending.

Rayburn told a news conference the new budget, to be presented next week, will reflect cuts of around \$3,000,000,000 in foreign aid and defense spending and an increase of about \$1,200,000,000 in domestic spending.

Rayburn said the new budget would be the first since the beginning next July 1. Spending will be \$38,000,000,000 a year, that will reflect cuts of around \$1,500,000,000 a year.

Since Congress members got back to town in the new session there has been an increasing clamor for a cut in the budget.

CANNON VOYS SLASH
 In advance of Rayburn's statement, Chairman Cannon (D-Mo.) of the House Appropriations Committee told reporters his group was going to slash spending no matter what recommendations the President made.

Cannon said he is aiming at a balanced budget for the new fiscal year. Since revenue is now running about \$38,000,000,000 a year, that would require heavier cutting than Rayburn mentioned—or else higher taxes.

Rayburn would not say where the increase in domestic spending would be. It might be for flood control or soil conservation. Such projects are always particularly popular in a Congressional election year.

Cannon was emphatic that there

Meyers' Lawyers Argue For Release From Jail

By ERNEST H. VACCARO
CHARLOTTE NEWS WRITER
 Counsel for Bennett E. Meyers, former U. S. House member, general now serving a term in a Federal prison, argued today to the Fourth U. S. Circuit Court of Appeals here today that Meyers should be released from the institution on a "work of habeas corpus."

The attorney, who was appearing in a decision of the U. S. Court for the Eastern District of Virginia, contended that the Federal Government's case against Meyers should be dismissed because he had been committed to prison for a period of 18 months without a hearing.

Not all the members of the committee opposed the case for Meyers. The brief was prepared by S. J. Bland, Washington attorney.

Stanley S. Kaplan, of Washington, D. C., argued the case for Meyers. The brief was prepared by S. J. Bland, Washington attorney.

See MEYERS on page 1-A

NEW DEFICIT SEEN

A further deficit of more than \$4,000,000,000 is expected to show up in the President's budget message sent Monday for fiscal 1951, according to the Treasury report on the mid-fiscal year position shown in round numbers.

The Treasury report shows an increase of \$2,700,000,000 over the \$1,700,000,000 deficit of the preceding year.

Once Over Lightly

By WALTER SCHEIDT
 But other Senators were not sure they would be right thing to do. Sen. Lodge (R-Mass.) said he had grave doubts about taking military action against the U. S. in Formosa. Sen. Brewster (R-Me.) said he had grave doubts about taking military action against the U. S. in Formosa.

Deficit Financing

The problem of Federal Government deficit financing in a period of expansion is now enjoying a special interest at the second session of the 81st Congress gets under way today.

Upon invitation of the Charlotte News, Dr. C. K. Brown, dean of the University of North Carolina and a ranking economist in his field, has written a clear, penetrating discussion of deficit financing which appears in the January 4 issue of the News. The article points to a certain financial crisis for the United States.

Dr. Brown's article will be found on pages 6-A and 7-A of today's edition. The News invites your thoughtful consideration of the views expressed therein.

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