

Railroad Strike, Set For Thursday, Has Been Cancelled

Three Unions Agree After Conferring With Gen. Somervell

Washington, Dec. 29—(AP)—The railroad strike is off. Three operating unions, after resisting previous offers of arbitration, agreed today to call off the nationwide strike which had been set for tomorrow.

Their decision, following similar action by two other operating brotherhoods and 15 non-operating unions, apparently cleared the first hurdle in the way of the government's return of the railroads to private operation.

On order of President Roosevelt, who said that a strike must not be permitted to interfere with the transportation of the men and machines of war, the army has taken over operation of the carriers Monday night.

Capitulation of the last three brotherhoods—locomotive firemen and engineers, conductors and switchmen—came at a conference of their chiefs with Lt. Gen. Somervell, chief of army service forces, who had been assigned to operate the railroads under Secretary of War Stimson.

After the conference, in Somervell's office, the union leaders—David B. Robertson, of the firemen and engineers, H. W. Fraser, of the conductors, and T. C. Cashen, of the switchmen—joined with Somervell in announcing that there would be no strike.

The brief announcement, read by Major General Alexander Scales, head of the War Department public relations bureau, said that the Secretary of War announced that there will be no railroad strikes. Representatives of the Order of Railway Conductors, the Brotherhood of Locomotive Firemen and Engineers, and the Switchmen's Union of North America today assured General Somervell that they and the organizations they represent will take no action which might impede the successful prosecution of the war, and they will immediately cancel the strike order.

Both Stimson and Somervell said that as far as they were concerned there would be no arbitration of wages while the roads are under their control. It remained in their discretion whether capitulation of the three brotherhoods would be on a cooperative or forced basis. Even a complete capitulation by the firemen, conductors and switchmen would not dispose of the wage controversy. The fifteen non-operating unions of more than a million workers accepted the President's offer to arbitrate, but the President announced that he cannot proceed to do that until the unions and the carriers agree on what is to be arbitrated.

Thus the controversy is back where it started, except that the 15 unions withdrew their strike authorization. They accepted the graduated increases of four to ten cents and agreed to overtime after 40 hours, but the carriers want both questions arbitrated at once. The two operating unions—firemen and engineers—who promptly accepted the President's reference are receiving meanwhile the benefits of a five-cent hourly increase which he awarded as an overtime benefit.

Secretary Stimson broadcast last night an assurance to the public that "there will be no alteration in schedules, in service or in personnel because of the change."

Mr. Roosevelt expressed hope at his news conference that the railroads can be turned back to private operation soon but he was not specific about conditions.

Both the President and the army made it clear they believed that the criminal provisions of the War Labor Disputes Act are applicable to any act of conspiracy or encouragement to strike.

Cotton Prices Are Mixed

New York, Dec. 29—(AP)—Cotton futures opened five to 20 cents a bale lower, noon values were 10 to 20 cents a bale higher.

Production Of Steel Is Near Normal

CIO Union Continues Its Negotiations in Contract Controversy

Pittsburgh, Pa., Dec. 29—(AP)—Steel production climbed back toward normal today after a work stoppage by more than 170,000 workers while the CIO's United Steel Workers Union continued negotiations for new contracts.

President Philip Murray of the union maintained his silence on the controversy, estimated by the American Iron and Steel Institute to have cost the industry 125,000 tons of steel production. He participated, however, in contract negotiations between a union committee and subsidiaries of the United States Steel Corporation.

Any pact agreed upon by the union and the U. S. Steel appeared likely to become a master plan for their contracts to be signed with some 500 steel companies. No indications were available as to when such a model contract would be ready to the War Labor Board.

The work stoppage which began at midnight Christmas Eve ended shortly after the union chairman ordered full compliance with a War Labor Board directive calling for resumption of full production and assuring workers any wage increases agreed upon would be retroactive to December 24.

A WLB spokesman emphasized that the pay boosts, if approved, would be retroactive only if they conformed with the national stabilization program, but opinion throughout the industry reflected a belief that final results will put more money in steel workers' pay envelopes.

Peace Plans Are Advanced

Washington, Dec. 29—(AP)—A plan to scrap the idea of ever signing a peace treaty with Germany has been laid before all the United Nations, it was disclosed today. A simple declaration of peace would be issued instead.

Stocks Show Fair Activity

New York, Dec. 29—(AP)—The stock market continued to show fair activity today.

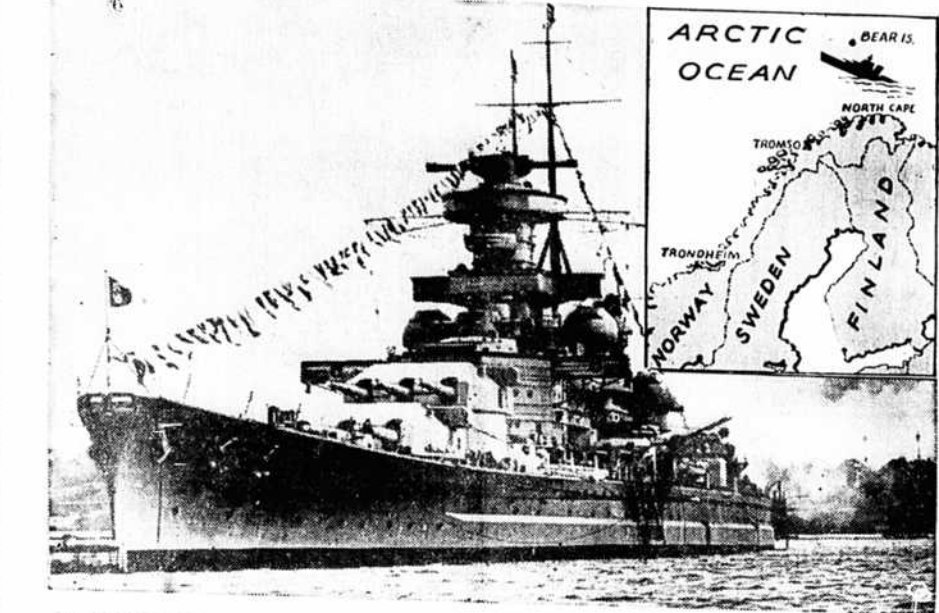
Trends were mixed from the start with a number of pivotal groups fractionally lower ground until a midday rally brought a somewhat better balance.

Among stocks given better support after noon were Southern Railway, Baltimore and Ohio, Chrysler and American Telephone, Bethlehem, U. S. Rubber, Sears Roebuck and Woolworth shares dropped one to three points.

Bonds and commodities were irregular.

WEATHER FOR NORTH CAROLINA. Fairly cloudy and colder tonight with lowest temperature 10 to 21 west and north portions, 21 to 32, south portions, Thursday partly cloudy, continued cold, 10-15; higher afternoon temperature.

GERMAN BATTLESHIP SCHARNHORST SUNK BY BRITISH



THE BRITISH NAVY, long seeking a fight with the 26,000-ton German battleship Scharnhorst (above), finally came to grips with her on Dec. 26 off North Cape, Norway (see map inset), and sent her to the bottom of the sea.

Canadians Take Ortona, Push On Toward Pescara

Bitter Struggle for Adriatic Port Ended With Town in Ruins

Allied Headquarters, Algiers, Dec. 29—(AP)—Canadian troops, who captured Ortona in the most violent house-to-house battle of the Mediterranean campaign, smashed north along the coast in snow and sleet today toward Rome's Adriatic port of Pescara.

The Allied communique announced that the eight-day "bitter struggle for Ortona is over."

Medium bombers bombed "airfields near Rome," the communique declared, pounding hangars, buildings and dispersal areas at Ciampino, south of Rome, and "accurately" blasting Centoforte, east of the Italian capital.

Sees FDR Re-Election Unless Germany Cracks Up By August

Business Volume in 1944 to Be Greater, Mr. Babson Forecasts

BY ROGER W. BABSON, Copyright 1943, Publishers Financial Bureau, Inc. Most firms are looking to capacity. It may be more business were offered they would not be able to handle it for many months.

Businessmen should watch the government's policy of disposing of its huge inventories of consumer merchandise. With supplies at a much higher level than in World War I, retailers, wholesalers, and manufacturers should insist there be no dumping on domestic markets.

Gas Quota Cut Ten Percent

Raleigh, Dec. 29—(AP)—Governor Brantley says North Carolina will set its full allotment of gasoline this month but that a ten percent reduction in the quota will be made January 1.

Mussolini Again Is Reported Dead

London, Dec. 29—(AP)—A Madrid dispatch to the London Daily Mail quoted a diplomatic source today as saying that Benito Mussolini died ten days ago in a German hospital "from longstanding stomach trouble complicated by acute mental derangement."

Russian Forces At Outer Defenses Of Zhitomir, Korosten

Three Nazi Destroyers Are Sunk

British Victory in Bay of Biscay Told; Other Ships Damaged

London, Dec. 29—(AP)—A brilliant new victory in the British navy's campaign to destroy the last effective strength of the German fleet—the sinking by combined warship and air action of three German destroyers in the Bay of Biscay and crippling of others—was announced today.

A joint admiralty and air ministry communique telling of these blows in southern waters off the coast of France followed by only a few hours publication of the full story of the sinking of the German battleship Scharnhorst in the cold Arctic.

Full details of the Biscay action are yet to be told but it plainly was a large scale enterprise and one which perhaps is still continuing. "Other details are awaited," the communique said.

In the same area an axis blockade runner was sent to the bottom by coastal command planes.

This new spurt of British naval fire—fire which already has dealt a crippling if not a mortal wound to German capital ship power—brought to at least 42 the number of German destroyers and torpedo boats known sunk since the start of the war.

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Allies Raid Airfields Near Rome

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Strikes Are On Increase In Last Year

Washington, Dec. 29—(AP)—The anti-strike law went into effect last July 1 as a strike stopper but now strikes are averaging ten a day throughout the country compared with about four a day this time last year.

Vatutin Is Nearing Strategic Points on Important Railway

London, Dec. 29—(AP)—Six days after his troops regained the offensive, General Nikolai Vatutin's forces today were storming the outer defenses of Zhitomir and Korosten, strategic junction points on the Leningrad-Odessa railway, 80 miles west of the Ukrainian capital of Kiev.

Front dispatches placed one spearhead of Vatutin's first Ukrainian army within ten miles of Zhitomir after sweeping through Korostishev and Smolovka. Other advance units smashed weakening enemy lines and captured Zlobichi, five miles southeast of Korosten, and Bekni, an equal distance to the northeast.

In the first week of his new winter offensive, Vatutin has recaptured approximately 400 square miles of territory which Marshal Van Manstein took during his abortive five-week offensive in the Kiev bulge. Important towns retained include Radomyshl and Brusilov.

Reoccupation of Zhitomir and Korosten, apparently just a matter of days, would nullify almost all the enemy's gains achieved during his costly counter-offensive.

The Red Army seized on two other important sectors in northern White Russia General I. S. Bagration's Siberian shock troops captured 16 German machine-gunners on the approaches to Vitsebsk, killed more than 1,200 Nazis and liberated several villages. Disputes and Bagration's vanguards were within five miles of this heavily fortified enemy stronghold.

U.S. Marines Advance To Jap Airfield

Marines Push From Invasion Beachheads At Cape Gloucester

Advanced Allied Headquarters, New Guinea, Dec. 29—(AP)—Stiffening Japanese ground resistance and a heavy tropical rainstorm failed to halt the United States Marines' advance from their invasion beachheads at Cape Gloucester, New Britain, toward the enemy's airfield.

The Leathernecks, with tank support and aided by planes, which pounded enemy defenses with 160 tons of bombs, pushed their way two miles from the shore where they landed Sunday to within one mile and a half of the airfield.

General Douglas MacArthur's communique today also reported that American air fighters and ground and torpedo boat guns beat off persistent air attacks at Arawe, the army's invasion base 60 miles southeast of Cape Gloucester, downing 27 enemy planes.

The Cape Gloucester Marines collected dividends in supplies, ammunition and artillery captured from the Japanese who, to escape the tons of explosives laid down by planes and warships when the invaders hit the beach on the northwest tip of New Britain.

Four enemy counterattacks inland from the Marine base east of the cape were repulsed, and ten out of 36 planes which attacked vessels off the beachheads were downed by the ships' guns.

Marines in the invaded sector west of the cape have consolidated their positions and put patrols into enemy territory, the communique said.

At Arawe the Sixth Army sent patrols back into the jungleland above the base of the Arawe peninsula, resuming operations in an area from which the Americans were driven Sunday by a Japanese counterattack which was halted at Umtingou village.

THUMBNAIL OUTLOOK FOR 1944. 1. GENERAL: Year 1944 should be divided into two parts: (a) From January 1st to date of Germany's collapse; and (b) from said date to December 31st. 2. PRODUCTION: Babsonchart Index will average around 139, about 12% below 1943. 3. COMMODITIES: Strength in various commodities should be followed by renewed weakness. 4. SALES: Retail sales DOLLAR volume will average higher for entire year, but PHYSICAL volume will be down 10%.

of our surplus will be given to peoples of Continental Europe and China. Sales Prospects. I forecast that retail dollar sales will average 5 percent to 10 percent higher in 1944 than in 1943. Sales volume of consumer goods will again start to climb as smaller commodities get the okay on postwar mechanism. I expect some decline from 1943 in the physical volume of retail sales due to scarcity of goods and less employment. Substitute merchandise has sold well but manufacturers and wholesalers are now wary of it. As good news increases, consumers will wait for new postwar merchandise rather than buy synthetic war-time goods. Merchants should keep a workable inventory. Do not over-accumulate. The following ten states are tops for 1944: New York, Pennsylvania, Ohio, Indiana, Illinois, Missouri, Texas, California, Oregon and Washington. Of smaller volume states, I like Georgia, Minnesota, Florida, Nebraska, Utah and Arizona. Florida may see a real boom. Outstanding sales cities are scarce. A year ago it was simple to spot cities with expected gains of 40 percent to 50 percent. Now more cities will show gains of only 5 percent to 10 percent in 1944 over a year ago. Here is the pick of the lot: Detroit, Michigan; Jackson, Michigan; Knoxville, Tennessee; Phoenix, Arizona; Portland, Oregon; San Diego, California; Savannah, Georgia; Springfield,

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