

CHERRY URGES TAXES REMAIN UNCHANGED

Belgian Bulge Blasted Anew

U.S. Air Blows Smash Japan Nazis Press Two Attacks At Bastogne

Battering Assault Aimed at Formosa; Japan Proper Hit

General MacArthur's Headquarters, Philippines, Jan. 4.—(AP)—Coordinated air blows smashed southern Japan, the Ryukus and Formosa along a solid 2,000-mile arc down through Luzon, prized island of the Philippines, as General MacArthur disclosed today his troops have made two new landings on Mindoro, his closest approach to Manila.

Hellcats, Helldivers and Avengers from aircraft carrier opened a battering ram assault Wednesday on Formosa, which tunnels Japanese men and planes to the Philippines. (A Japanese imperial communiqué said 500 carrier and land-based planes made the raids. It claimed 17 planes were shot down and eight damaged.)

The strategic nature of Formosa as a staging base would require its neutralization to cover any major Yank move to the south.

Other carrier aircraft ranged into the Ryukus at a point a little over 300 miles from Japan.

The same day, the biggest force of Saipan-based B-29s yet to fly to Japan started huge fires at Nagoya, Nippon's airplane center on southern Honshu.

Admiral Nimitz announced the Formosa attack in a Pearl Harbor communiqué, which, meagre details suggested a radio silence to protect just such a continuing operation as the last previous carrier base bombing of Formosa in October, the prelude to MacArthur's return to the Philippines.

Nimitz also tersely reported the attack on Okinawa in the Ryukus.

MacArthur has not yet reported the air activities over Luzon for Wednesday, but today's communiqué told of bombers and fighters based in the central Philippines ripping that island from north to south, heavily pounding Clark field in the Manila area, and sinking or setting afire 25 ships off the west coast. These raids were Monday.

Stettinius Says U. S. And Britain Agree

Washington, Jan. 4.—(AP)—Secretary Stettinius declared today that the United States and Great Britain are in basic agreement on aiding Italy, but are still worrying on how to go about it.

Bringing Anglo-American-Italian policy up to date from the time last September, when President Roosevelt and Prime Minister Churchill enunciated a policy of assistance to the co-belligerent countries, Stettinius issued a statement at his news conference, which said:

"A series of discussions subsequently has taken place between British and American officials concerning the methods of implementing the joint policy set forth above. There have been no major differences between the British and ourselves in these discussions, and they have resulted in substantial agreement between the two governments."

"It is perfectly clear that the United States and the United Kingdom governments are in basic agreement, and they desire to provide assistance to enable the Italians to start rebuilding their economic life and furnish their maximum contribution to the war effort."

Cotton Gains Toward Close

Table with 4 columns: Month, P.V. Close, Open, and another column. Rows for March, May, July, October, December.

Mail Train Rams Limited, Kills 51



STEEL CARS PILED UP in a heap in a Southern Pacific train wreck on a rock fill-in leading onto the Great Salt Lake trestle near Ogden, Utah, taking a toll of at least 51 lives and injuring more than 100 of the 300 passengers aboard. The wreck occurred when a Southern Pacific mail-express rambled into the rear of the B-passenger-car Pacific Limited. (International Soundphoto)

Roosevelt May Read Message To People

Congress Quickly Demonstrates Its Own Independence

Washington, Jan. 4.—(AP)—President Roosevelt is thinking of driving his annual message home to the American people Saturday by submitting it to Congress and then putting it in the air in person.

That's the procedure he followed last year. He sent the "State of the Union" message to Capitol Hill at noon January 11, then read it almost word for word over the radio the same night.

Whether Mr. Roosevelt will take another spin around the same course Saturday has not been determined finally, partly because the message has not been finished.

He went on the air a year ago because he was "very anxious that the American people be given an opportunity to hear what I have recommended to the Congress, and the reasons for those recommendations."

One of those recommendations was for national service legislation. He tied it into a five-point program which he said he wanted in his entirety and not piecemeal. Congress did not give it to him.

Whether the President may have some equally far-reaching proposals this year remains to be seen. Washington is wondering to what extent he may back up suggestions already made by War Mobilizer James E. Byrnes on such points as to draft 4-F's for limited service or for work in war plants.

The message will also be scrutinized for any bearing it may have on Allied disagreements in Europe.

NEW CONGRESS QUICKLY SHOWS ITS INDEPENDENCE

Washington, Jan. 4.—(AP)—Storm signals were hoisted today over the newly launched 79th Congress.

A huge question mark arose over the ability of the administration to command a constant majority in the House as a Republican-Democratic coalition overrode Democratic leaders on the opening day of the Congress to put the old so-called Dies committee on a permanent basis.

Democratic Leader McCormack, of Massachusetts, arguing against a disregard for precedent, told the House that never before in history "has Congress created a permanent investigatory committee."

The new committee to inquire into un-American activities will be the

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House Fight On Gag Rule Again Fails

Raleigh, Jan. 4.—(AP)—A final effort by Representative John Unstead of Orange to eliminate the two-thirds rule in the House, which some legislators say will prevent passage of a referendum bill at this session, failed today and the House will abide by its 1943 rules.

The two-thirds rule, sometimes referred to as the "gag" rule, requires a two-thirds vote of the House to adopt a minority report of a committee.

Two minor amendments transferred the clerk of the institutions committee to a committee of veterans legislation.

Unstead, continuing the fight which he started at the opening session yesterday, first moved that the report go over until tomorrow. He

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Nazi Thrust Forces Reds At Budapest To Retreat

Moscow, Jan. 4.—(AP)—Mobile warfare raged between Budapest and Vienna today, as a huge German tank and infantry force, mounting the first German counter offensive on the eastern front since October sought to break through the Russian lines to relieve the surrounded garrison in the Hungarian capital.

In the last two days the Russians had given ground and it was probable that more would be yielded, although the Russians appeared to be getting the situation in hand.

The German counter assault sprang from Korom, a Danube river town 45 miles northwest of Budapest.

The German-Hungarian garrison in Budapest, where the Russians have overrun 1,062 city blocks, was reported making savage attacks in an effort to break out toward the relieving force.

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Both Sides Reveal Some Advances In Different Sectors

Paris, Jan. 4.—(AP)—First army tanks and infantry bit into the northern and south-western tip of the Belgian bulge today, while the famous 101st airborne division battled Germans around Bastogne, who halted third army advances on the south.

Field Marshal Von Rundstedt reinforced his threatened southern flank and sent 100 tanks and two infantry regiments cranking into snow around Bastogne against the sky-proopers in two counter thrusts. Some tanks filtered through the line of the Eagle division, which had shouted a defiant "Nuts" to a demand for surrender when surrounded at Bastogne earlier in the campaign. The fighting was in a lull, with temperatures down to zero.

The first army advanced a mile and a half against the nose of the German bulge against Reberfort and was described officially as making "good progress" from Grandmenil on the northern flank of the salient.

The German radio said the Allies had launched an all-out offensive in the bulge from Stavelot to Marche. Whatever the outcome of the bitter battle in the heavily-frosted hills where the Allied winter campaign was slumped to a standstill, it became increasingly apparent that Von Rundstedt intended to stay on the defensive.

On fishing attacks all the way from the Saar to the Rhine moved up to four miles through American lines and forced the third and seventh armies to give up two of three footholds on German soil there. His stubs below the Saar threatened at any time to burst into a full-scale offensive.

Von Rundstedt's casualties in the bulge were estimated officially at 69,000, of which 29,000 are prisoners.

Navy Seeks Huge Additional Funds For Its Program

Washington, Jan. 4.—(AP)—The Navy asked Congress today for \$1,500,000,000 "to keep pace with a vastly expanding operation program."

The funds would be used for construction work. Secretary Forrestal said. Of the total of \$1,515,000,000 requested, Forrestal estimated \$988,000,000 would be for "advanced base construction, material and equipment."

Another \$230,000,000 will be needed for shipbuilding, repair and laying up facilities," he added.

WEATHER

FOR NORTH CAROLINA. Mostly cloudy and slightly warmer, with occasional light rain tonight; Friday cloudy, light rain in east portion, with little change in temperature.

Becomes Governor of North Carolina



R. GREGG CHERRY

Highlights Of Inaugural Address Of Gov. Cherry

Raleigh, Jan. 4.—(AP)—Here are the highlights of Governor R. Gregg Cherry's inaugural address today:

"I recommend studies of current policies, with a view of framing a declaration of North Carolina policy in respect to all Federal matters, foreign and domestic."

"It now appears, since we have the money on hand, that we should provide for the retirement of this (bonded) indebtedness."

"The present tax structure should remain as it is."

"The General Assembly should make provision for re-enacting the (State employees') bonus for the remainder of this fiscal year."

"The beginning teacher, with an A-grade certificate, should have at least \$125 per school month."

"I recommend that you enact adequate and effective machinery for fiscal control of the public school funds."

"The time has come when all-weather roads should be available to every section and community of our State."

"I believe the time has come when the people of North Carolina should consider the establishment of a new type of school for North Carolina farm youths."

"The State at least could offer free tuition in State institutions of higher learning to all the sons and daughters of our deceased veterans."

"We cannot build a great State or lift the average of all the people unless we assist, most, those less fortunate."

"I recommend an amendment whereby women may enjoy the privileges accorded to the male."

"I recommend that you establish a department of State police and public safety."

"I recommend provision for holding a statewide referendum on the liquor question."

Cherry Speech Outlines Sound Policy For State

Full Program Outlined By New Governor

Raleigh, Jan. 4.—R. Gregg Cherry, of Gastonia, lawyer, legislator and former soldier, today took his oath of office as Governor of North Carolina and delivered an inaugural address that embraced his recommendations to the General Assembly. The legislative body, in joint session, heard the address.

Speaking for an hour, Governor Cherry presented a program of outlined growth and development for the State during the next four years when he will be North Carolina's chief executive. Emphasis was given to matters of finance, health, education, highways, agriculture, welfare, labor and the handling of veterans and their affairs at the close of the present war.

Governor Cherry is the second governor of the State to be inaugurated during wartime. Zeb Vance, the other such governor, took his oath of office while the civil war was in progress.

In his statement of fiscal policy, Governor Cherry said that appropriations for the coming biennium "must be kept within the availability of revenues estimated to be received during the biennium."

The present general fund surplus, he added, will amount to \$70,000,000 by June of 1945, because of abnormal wartime business conditions. "This surplus must not be dissipated in current

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It Indicates Fully That Cherry Will Be Governor Himself

BY LYNN NISBET Daily Dispatch Bureau

Raleigh, Jan. 4.—Immediate reaction among most of those who heard Governor Cherry's inaugural address Thursday, as well as that of a few State leaders who had seen advance copies of the speech, is that it outlines a thoroughly sound policy for the next four years, being progressive and vigorous, without partaking of a crusade or approaching the radical.

The second impression is that the address indicates Gregg Cherry will be governor. The suggestions and recommendations express his personal philosophy of government, and it is known that in some instances they were not fully approved by his political advisers.

The address held few surprises. It was expected to be progressive and individual. On most controversial issues he takes definite position; on others he frankly says his information is not sufficient for formulating policy and he asks for careful study on these points.

There is emphatic recommendation for statewide vote on the question of liquor sales, without reference to the war or absence of so many voters and without suggestion for absentee voting. Some of his friends think those recommendations will come later. Meantime, the governor demands adequate laws and more rigid enforcement as to shipment of liquor into dry areas within the state.

There is also positive recommendation for a state police department into which would be merged the highway patrol, state bureau of investigation and other agencies. This is the idea opposed by the execu-

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Referendum On Liquor Is Proposed

Wants Surplus Used To Pay Debt; Urges Higher Teacher Pay

BY RALPH L. HOWLAND.

Raleigh, Jan. 4.—(AP)—Governor R. Gregg Cherry told the North Carolina Legislature today in his inaugural address that "the present tax structure should remain as it is," and called for a statewide referendum on the sale of liquor.

"The Iron Major" of Gastonia, who gained distinction in the first World War and came home to prominence in legal and legislative circles, was the second governor of North Carolina to take the oath during wartime. The other was Zebulon B. Vance, 1862.

Cherry, returning to the hard-hitting tactics of his speakership days in 1937, also asked the Assembly to:

"Make a study of current policies, with the view of framing a declaration of North Carolina policy in respect to all Federal matters, foreign and domestic."

"Keep appropriations in the coming biennium within the availability of estimated revenues."

"Make provision for payment of the general fund indebtedness of approximately \$32,000,000 out of an anticipated surplus of \$70,000,000 and place the balance in a postwar reserve fund."

"Make provision for a constitutional amendment granting equal rights to women, including jury service."

Continue the war bonus to state employees.

Pay beginning teachers with A-grade certificates at least \$125 a month, with increments for experience.

Raise the compulsory school attendance age from 14 to 16.

Enact legislation particularly beneficial to war veterans."

Study the best way to adequately develop the wild life, inland game and fish preserves of North Carolina.

Enact machinery for fiscal control of the public school funds, since the recent constitutional amendment made no provision for a comptroller.

Create a department of state police and public safety, embracing the present department of state fire and public safety, the highway patrol, bureau of investigation, drivers' license bureau, safety division, fingerprint bureau of state prison, and possibly other agencies.

And, while awaiting a liquor referendum, provide for controlling liquor shipments through the state in violation of the law.

Large Crowd Sees Parade At Raleigh

Raleigh, Jan. 4.—(AP)—R. Gregg Cherry, of Gastonia, lawyer, legislator and World War hero, became governor of North Carolina at 12:52 p. m. today.

Cherry, the second North Carolina governor to take his oath during wartime, was sworn in by Chief Justice W. P. Stacy, of the Supreme Court. Preceding him in the oath-taking were the following constitutional officers:

William P. Hodges, commissioner of insurance; W. Kerr Scott, commissioner of agriculture; Harry McMillan, attorney general; Clyde Erwin, superintendent of public instruction; Charles M. Johnson, State treasurer; George Ross Pou, State auditor; Thad Eure, secretary of state; Forrest H. Shuford, commissioner of labor; and W. A. Devin and A. A. F. Seawell, associate justices of the Supreme Court. All are Democrats.

Next to take the oath was Lt. Gov. L. Y. Ballentine, of Wake county, dairyman and former State senator.

Cherry began his address to the General Assembly and to the State at large, immediately after being sworn in.

Memorial Auditorium, which holds more than 4,500 persons, was filled for the ceremony.

Outgoing Lt. Gov. R. L. Harris, of Roxboro, presided. The formal exercises started at 11:15 a. m., at the executive mansion. From there the parade, composed of military units, the American Legion post from Gastonia, the LeNoir high school band, the highway patrol and others, wound its way to the auditorium.

Adjutant General J. Van B. Metts, in charge of the occasion, estimated

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