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FRENCH ATTITUDE SLOWS OCCUPATION PLAN IN GERMANY

Artificial Boundaries in Reich Must Be Removed, U. S. Chief Says

Frankfurt, Dec. 28.—(AP)—General Joseph McNaney, chief of United States occupation forces in Germany expressed belief today that it would be virtually impossible to restore a minimum sustaining economy for Germany so long as France holds out against treating the country as a single economic unit.

McNaney's view was set forth in his first monthly report as U. S. military governor, which reflected an attitude of temperate realism.

Caricels Broken Up

Further progress has been made in demilitarization, breaking up of the German cartels and laying the machinery for reparations and there are no immediate threats of epidemics or revolts, he said.

But, in the basic matter of establishing administrative agencies for Germany he conceded, Allied control authority is deadlocked.

Restoration of a minimum sustaining economy is most difficult if not impossible as long as artificial zonal boundaries restrict movements and trade," he said.

While elections in the United States zone are only a month off, McNaney said, it is apparent that the "German masses still remain alien to any form of political life."

RALEIGH'S HOUSING SITUATION 'ACUTE'

Raleigh, Dec. 28.—(AP)—Chancellor J. W. Harrelson described the housing situation at N. C. State College as "the most acute in the history of the institution" as admitted veterans beg for sheltering today.

The heavy influx of veterans, many married, posed a vexing housing problem to the college's administration and brought an appeal from Harrelson to the citizens of Raleigh to come to the rescue by renting unused rooms.

He said many veterans and their wives are living in Raleigh in hotels and tourist homes until they can obtain permanent places of residence.

SEABOARD MILLIONS TO BE DISTRIBUTED

Baltimore, Dec. 28.—(AP)—Distribution of approximately \$4,300,000 in seagoing interest to 204,100 bondholders of the Seaboard Air Line Railway who were recognized in the railroad's reorganization plan was completed today by Judge W. Calvin Chesnut in United States District court.

Stating that he did not wish the sum to be considered a "windfall," Judge Chesnut said it was accumulated interest which the railroad had earned and to which the bondholders were entitled.

The judge also ordered the assignment of \$250,000 in additional compensation for the receivers, counsel, and the chief finance officers of the reorganized railroad.

Judge Chesnut stated he would consider applications for additional compensation after the reorganization, which has been in effect for 15 years, has been completed.

Curfew Put Into Effect In Palestine

Jerusalem, Dec. 28.—(AP)—Helmeted British Tommies enforced a tight curfew in municipal and Jewish residential quarters of this uneasy city today while investigations of bombings and gun fire which last night killed at least nine persons and injured eleven began.

Business was almost at a standstill. Thousands of persons in the curfew area were confined to their homes. Local telephone communications went out after 6 a. m. and some morning newspapers did not appear.

Early in the day truck loads of civilians were being bundled up to detention barracks for questioning in connection with the bombings which destroyed the Criminal Investigation Department headquarters.

Only British forces and Government officials were exempt from the curfew and police trucks, radio cars and military vehicles patrolled the streets to enforce it.

Squads of workmen dug through piles of rubble at the headquarters in Jerusalem where seven persons were officially reported killed and 11 injured either by snipe-fire or in a series of heavy explosions.

DISTRIBUTING BREAD TO HUNGRY IN BERLIN



BREAD IS SHOWN BEING DISTRIBUTED in Berlin to some of the 5,000 unwanted Jews from Poland who had just arrived in the German capital. They spent five weeks on a train, during which many suffered from starvation. Most of them left their children in the care of the United Nations Relief and Rehabilitation Administration. The bread is rationed at the rate of one loaf per day to every four persons. (International)

Atomic Energy Control Up To UNO

May Play 'Amber'



NINETY-NINE POUND Irish actress from London, Peggy Cummins, 20, is mentioned in Hollywood circles as a leading candidate for the role of "Amber" in a forthcoming movie of that name. (International)

Big Three Foreign Chiefs End Parley; Deadlock Broken

Washington, Dec. 26.—(AP)—Russia argued nerves today behind Anglo-American proposals to put atomic energy control up to the United Nations and in turn win a voice in control of beaten Japan.

These two results highlighted the 11-day meeting of big three foreign ministers in Moscow—a meeting which originally permitted the top wartime allies in their efforts to solve the formidable problems of peace.

Breaking a deadlock in their relations which lasted nearly three months, United States, Russia and Britain also agreed in a communique made public simultaneously in three capitals on:

Unified China Sought

1—The necessity for a unified, democratic and independent China under the National Government now headed by Generalissimo Chiang Kai-shek.

2—The establishment of a provisional government for long-suffering Korea, with prospects of complete independence for that nation in five years.

3—By ending the government of Romania and Bulgaria and plans for continuing peace treaties with them along with Italy, Hungary and Finland.

Availability of these agreements were Secretary of State James Byrnes, Foreign Secretary Ernest Bevin of Britain and Foreign Commissar V. M. Molotov of Russia.

They hammered them out in a conference which, in results, provided a sharp contrast to the London meeting of foreign ministers last September.

Yet many vexing problems remained unsolved—and unresolved. Among them are the uprising in Soviet-occupied northern Iran; the issue of access to the Dardanelles; Germany's western border; and a common big three policy on the Franco government of Spain.

One United States official concerned with the Far Eastern policy making machinery said that as a practical matter, the present advisory commission probably would become the main policy-making body with the addition of Russia which previously refused to participate.

The commission now is en route to Japan for an inspection trip. It is possible, this official said, that a Russian representative might join the group in Tokyo and return with it to Washington about Feb. 15. Other commission members are the United States, Britain, France, China, Australia, New Zealand, Canada, the Netherlands, India and the Philippines.

Atom Bomb Test Poses A Question

Should Observers For Other Nations Watch Experiment?

Washington, Dec. 28.—(AP)—The forthcoming army-navy test of atomic bombs at sea poses a military diplomatic question for the United States.

Should the precedent of the 1923 air power-vs-warships experiment be allowed to permit foreign observers to attend.

The co-possessors of the bomb secret—the United States, Britain and Canada—apparently made no commitments in the Moscow foreign ministers' conference to share the secret with any other power at this time.

This, however, does not necessarily preclude the possibility that some foreign observer might witness phases of the test, if visible observation is possible.

Observers Saw 1923 Test

On the other historic occasion—when the army air corps' Brig. Gen. William Mitchell bombed and sank German and American warships off Cape Hatteras—world powers had long requested there to learn what results they could.

They were about the navy transport Henderson, anchored well away from the target ships. They were able to report only what they saw.

The U. S. navy and army withheld detailed technical data, especially that concerning tests against the uncompleted United States battle ship Washington. There is this difference between the 1923 test and those of the atom bomb: The Mitchell experiment involved no truly secret weapon.

PART OF MISSING YACHT CREW FOUND

Wilmington, Dec. 28.—(AP)—B. R. Gray of Wrightsville Beach said today he received a call from Capt. J. T. Hawling of Morehead City advising him that four crew members of the yacht Baltimore had landed safely near New Haven a lot after riding out a three-day storm at sea in a small dingy.

Gray said he was advised that the yacht's crew, missing since Christmas Day, reached safety at the inlet east of Jacksonville at 1:30 a. m. today. All were safe, he added, but "suffering from exposure and hunger."

Lint Futures Fall 40 Cents at Noon

New York, Dec. 28.—(AP)—Cotton lint futures opened 10 cents a bale lower to 20 cents higher.

	Per Cents	Close
March	21.76	21.72-73
May	21.70	21.66-67
July	21.55	21.52
October	23.85	23.85
December	23.75	23.77
March (1946)	23.61	23.65

WEATHER

FOR NORTH CAROLINA
Mostly cloudy and slightly cooler tonight. Occasional light rain in east portion tonight. Saturday partly cloudy and not much change in temperature.

General Motors Quits Fact Finding Hearing

Board Plans To Continue Wage Work

Washington, Dec. 28.—(AP)—General Motors Corporation withdrew today from President Harry Truman's fact finding hearing on the General Motors automobile strike.

The fact finding board promptly announced it would continue its hearings, even though the largest of the automotive big three had withdrawn.

"We have withdrawn and I'm going back to New York," Walter G. Merritt, corporation lawyer, told reporters.

Challenges Promit Issue

General Motors withdrew because it challenged the inclusion of its profits as a factor in setting the 30 per cent wage increase demand of the CIO-United Auto Workers union.

Merritt hadly announced General Motors had withdrawn from the hearing after first submitting a ten page statement of the company's position in the wage dispute.

Chairman Lloyd K. Garrison recessed the fact finding board until late today, at which time he will make a short statement on its position.

Will Not Retreat

The chairman said the fact finding board has no intention of retreating from its analyzing its statement of December 21 in which it declared G. M.'s ability to pay would be one factor to be considered.

After the recess, Garrison said, "we will be prepared to proceed with the taking of evidence."

Asked whether this meant the board would continue with the G. M. wage dispute, Garrison replied "certainly."

In outlining G. M.'s belief that "it has no choice but to withdraw from the proceedings" if the board considers profit, Merritt accused the CIO-UAW of infringing on management's rights.

As Merritt finished his statement, Walter P. Reuther, UAW vice president, accused him of deliberately misstating the facts of the industry position, because he hopes to gain some propaganda advantage.

"The corporation is unwilling to participate in the proceedings of this fact finding board so long as its prices, profits, and ability to pay—which are not facts but forecasts and estimates for the future—are to be regarded as proper factors in determining wage as applied to individual business," the G. M. statement said.

Declaring that the CIO-United Auto Workers in setting the wage increase, and demanding that present figures be made public were attempting to enter into management of the company, Merritt added that G. M. felt Congressional action would be required before the firm would "blaze a trail in this direction."

"The G. M. Corporation feels," Merritt said, "that it has no choice but to withdraw from these proceedings, unless and until the board, in further consideration, should decide that, under the peculiar circumstances of this case, ability to pay is not a proper factor for its consideration."

Gale Sweeps East England

London, Dec. 28.—(AP)—A violent 90-mile an hour hurricane swept the south and southeastern coast of England today, washing mines ashore and making the channel impassable.

Life boats braved raging seas to aid three vessels in distress.

London had its first snow flurries of the winter.

Russia Only Major Power Not To Sign Bank Papers

Washington, Dec. 28.—(AP)—A Russian question mark cast its shadow today over the newly created international stabilization fund and world bank.

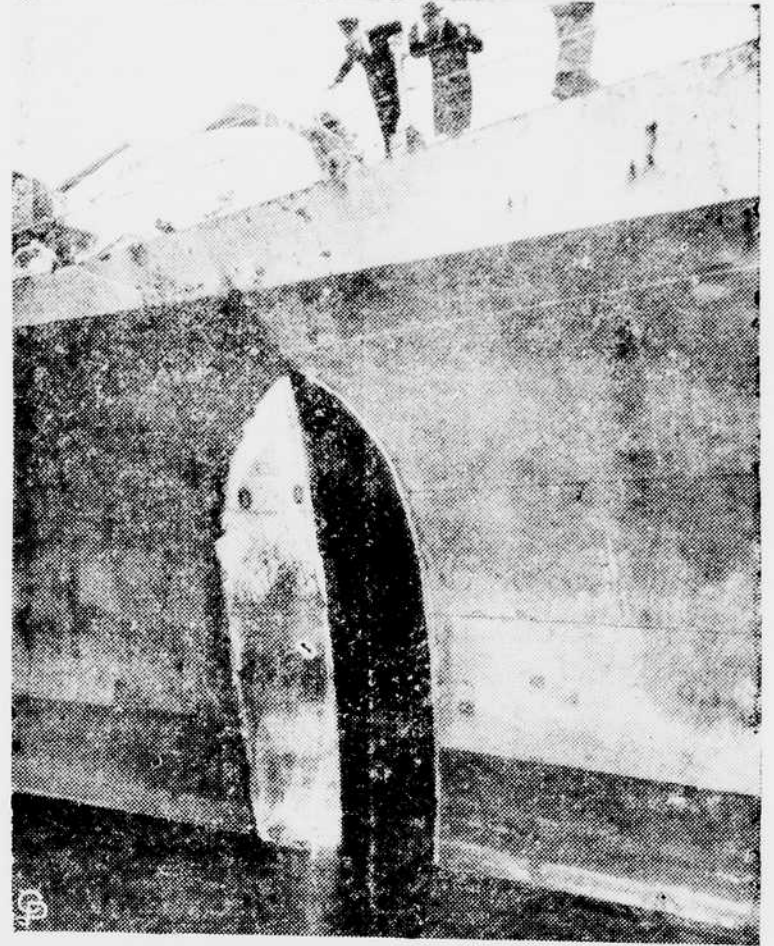
The Soviet Union was the only major power among 16 nations whose signature lines remained blank at yesterday's ceremonies that brought the two big financial agencies into being.

Under terms of the 45-nation Bretton Woods pact, the 16 have until next Monday midnight to sign as original members.

Loan May Be Key

Some Government officials expressed belief that Russia would come in under the deadline. There was speculation among others, however, that she might delay action pending some word whether this country will be receptive to a Soviet loan application.

STORM-BATTERED SHIP IN NEW YORK



AFTER BATTLING A TERRIFIC STORM in the Atlantic, the light cruiser Philadelphia is shown after docking in New York with her decks loaded with returning veterans from Europe. The forecabin deck of the storm-battered ship was buckled and a five-foot strip of hull plating was folded on the starboard bow of the cruiser. (International)

Huge Fire Hampers Mine Rescue Squad

Woody Men Say Blaze Will Take Some Time to Be Pitt Out in Kentucky Pit

Pineville, Ky., Dec. 28.—(AP)—Rescue crews trying to reach more than 30 coal miners trapped early Wednesday by an underground explosion, today said an emerging fire in the pit that they faced their biggest fire yet encountered.

The woody men said a big timber fire was raging which would take some time to put out. They rescued 22 fires had been put out thus far.

1,500 Feet To Go

The rescue squad said they were at least 1,500 feet from the actual scene of the blast but they were at the point where they may begin to find the bodies at any time.

As the search for the miners, entombed in the Number One mine of the Kentucky Straight Creek Coal Co., entered its third day, new fire-fighting crews were being pulled from the surrounding counties to relieve the exhausted miners. Efforts to reach the miners were hampered by great accumulations of fallen rock.

Peace Plan For Chinese Is Criticized

Nationalists Say Proposal Wouldn't Solve Two Issues

Chungking, Dec. 28.—(AP)—Generalissimo Chiang Kai-shek is considering Chinese Communist proposals for an unconditional truce and an official reply probably will be issued as a formal meeting tomorrow.

A Government spokesman, however, was critical of the offer. He complained that any plan freezing both sides in permanent positions would have intended "two very important matters"—the restoration of communications and disarmament and repatriation of Japanese forces.

These were the jobs Chinese government troops were moved north to do.

Government delegates to the forthcoming peace conference participated last night in an important meeting of the 5-province national defense council. The Chinese press reported today. It gave no details, however.

FORMER SS LEADER SENTENCED TO DIE

Aachen, Germany, Dec. 28.—(AP)—Maj. Gen. Kurt Meyer, former SS regimental and division commander, today was sentenced by a Canadian military court to be shot after he was found guilty on three of five charges in connection with the death of 45 Canadian prisoners of war.

Auto Wreck Fatal to Two S. C. Men

Florence, S. C., Dec. 28.—(AP)—Andrew B. Bethea, 66, lieutenant governor of South Carolina from 1915 to 1919 and Arthur Adams, 52, Columbia business man, were fatally injured early today when the car in which they were returning from Charleston to Columbia went off the highway and plunged into a swamp.