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Tax Boost Is Forecast By Snyder

Treasury May Use Hike In Rates As Brake In Inflation

Washington, July 2.—(AP)—Secretary of Treasury Snyder said today there may be an increase in tax rates next year if prices "get too far out of hand."

Asserting that "taxes probably will follow prices," Snyder told a reporter that a rate hike may be used as a brake on inflation.

"But," he said flatly, "that no new tax bill will be proposed by the treasury for 1946."

The government's financial position for the fiscal year ending last September was \$788,000,000 less than President Truman showed a deficit but it was estimated it would be worse if the budget was revised last April.

However, improvement was due to slow progress of the international finance program, Snyder said and a "saving" actually will be merely a spill over into the fiscal year which as just started.

Bowles Bows Out



RETIRING Economic Stabilizer Chester Bowles packs his personal papers in a brief case after handing in his resignation, effective July 12. Bowles declared that President Truman's veto of the OPA bill was right thing to do. (International)

Cherry Ponders Rent Hike Problem

Price Bill Prospects Brighter

Washington, July 2.—(AP)—Vital support for re-adopting OPA along altered lines President Truman would accept developed in the Senate Banking Committee today even as chances virtually disappeared for any stop gap controls.

Senator Radcliffe (D) of Maryland, who supported the Taft profit amendment Mr. Truman criticized so severely in vetoing the price control extension bill, told a reporter he is inclined to back a compromise.

With the committee split almost evenly between those who want OPA revived in a form agreeable to Mr. Truman and those who want controls relaxed as provided in the vetoed bill, the vote of the Maryland Senator may be deciding when the issue is fought out again within the potent banking group.

And that is where the next fight is being due.

Operation Crossroads: Symbol For Future



Here is the first photograph of the giant radioactive cloud which rose to an estimated 50,000 feet following the dropping of an atomic bomb on a gunnery fleet of 73 ships at Bikini Lagoon. This photo was made from a distance of about 11 miles. Below, marines on Kwajalein stand guard at a hut containing the heart of the bomb prior to the experiment.

Governor Waiting For U.S. Action

Raleigh, July 2.—(AP)—There were indications here today that unless Congress acts quickly to revive OPA price controls, Governor Cherry may issue a proclamation restoring ceilings in rents.

The governor conferred with assistant Attorney General H. J. Rhodes today and was informed that under his war emergency powers, he has the authority to issue a proclamation placing rents under controls.

Pending action by Congress, the governor issued a statement calling on the people of the state "to do the right thing."

"Indications are that Senate action will be taken momentarily in Washington to retain certain restrictive elements of what has been the OPA program," the governor's statement said.

Citizens Intelligent

"Pending that possible and momentarily expected action, I would like to call on the people of North Carolina to do the right thing. Citizens of North Carolina are generally intelligent, fair and patriotic. We are not given in this state to taking advantage of others. Pending possible re-enactment of some measures of control applicable to all the states of the United States, I make this informal plea to our people to be fair and just and true to the best traditions of our state."

Meanwhile the governor had received calls from two Raleigh women, one of whom said that her rent had been increased by 50 per cent and the other told the governor that the rent on her five room house had been upped from \$40 to \$100 a month.

A man wired the governor from Winston-Salem saying his rent had been increased by \$5 per cent and that "we need rent control badly."

Warehousemen Gain Control Of Leaf Group

Raleigh, July 2.—Old time tobacco men have commented upon the extent to which warehousemen now control the Tobacco Association of the United States. It was quite evident at the meeting here last week that warehousemen had controlling voice in fixing auction market dates in the several belts. Formerly the processors and manufacturers exercised almost complete dominance on that point.

Two reasons are given as chiefly responsible for this change or perhaps it should be said two angles of the same reason.

STATE BAND CALL

Raleigh, July 2.—(AP)—State Banking Commissioner Gurney P. Hood today issued a call to all North Carolina state banks and industrial loan agencies for a report of their financial condition at the close of business June 29.

Violence In Hollywood

Hollywood, July 2.—(AP)—Mass violence flared today at two major studios and quieted elsewhere with police escorting non-striking workers through studio gates. First reports said several persons had been knocked down in clashes at the Warner Bros. studio in Burbank and at the MGM studio in Culver City.

New York Cotton

New York, July 2.—(AP)—Cotton futures opened 75 cents to \$1.00 a bale lower.

Novon prices were 90 cents to \$1.30 a bale lower.

July 31-25 October \$1.32 and December \$1.38.

The heat scorched the ship black but on one side of the turret, where a shadow fell at an angle, the red paint retained its color. And a red figure was left pointing aloft past the Nevada's stern.

This and other signs seen today by correspondents indicated almost exactly where the bomb exploded—astern and a little to port of the Nevada. In that area were all five of the ships that sank.

Blat Not Above Ship.
The significance is that apparently the bomb did not explode directly above any battleship of the target fleet, although it may have exploded closer to one of the ships now at the bottom of the lagoon than that it did to the Nevada.

The test did not prove conclusively whether the atomic bomb can sink a battleship from above. It did show that one inch steel is so much paper as the path of the atomic force.

It was shown that most structures of the strongest basket build now in use crumble as easily as if they were twigs. It showed that the steel canopies break down like a tin can struck with a sledge hammer.

Parley Date Nearly Set By Ministers

Paris, July 2.—(AP)—With an accord on the knotty problem of Trieste apparently within their grasp, the big four foreign ministers resumed on the second day of setting the date for a 21 nation European general peace conference.

The council yesterday in what western power sources described as a "very great advance," adopted French Foreign Minister Georges Bidault's compromise proposal to Yugoslavia's western frontier, but both Secretary of State James Byrnes and British Foreign Secretary Ernest Bevin said they were more time to consider a compromise project for internationalizing Trieste. They said they would give their answers today.

Russian Foreign Minister V. M. Molotov, in one of the most dramatic moments of this conference, accepted both of the proposals yesterday, thus agreeing to establish a new Italian-Yugoslav boundary along a line running generally from Tarvisio to Gorizia, and down to the coast just south of Papodistria.

Selected Stocks Manage To Gain

New York, July 2.—(AP)—Selected stocks managed a sweeping advance today, while many market leaders rested behind minus signs.

Modest support was attracted by Goodyear, Sears Roebuck, Montgomery Ward, General Electric, Dupont, Great Northern and Pennsylvania.

State's Revenue Collections Hit A Record High

Raleigh, July 2.—(AP)—The North Carolina Department of Revenue collected a record breaking total of \$137,937,658 during the fiscal year ended June 30. Revenue Commissioner Edwin Gill reported today.

The collections were 18.02 per cent more than the \$116,871,644 collected in the previous fiscal year during which collections also broke all records.

National Bank Call Is Issued

Washington, July 2.—(AP)—Federal banking authorities called upon banks today to report their condition as of the close of business last Saturday, the end of the fiscal year.

The Federal Reserve System is sued the call to its members, the comptroller to national banks and District of Columbia banks, and the Federal Deposit Insurance Corp., to FDIC-insured state banks which are not members of the Federal Reserve System.

WEATHER

FOR NORTH CAROLINA
Fairly cloudy and continued warm with scattered showers and thunderstorms tonight and Wednesday.

USE TOWERS IN A-BOMB TEST



THIS HIGH STEEL TOWER, one of many erected on Bikini Atoll in the Pacific, under the direction of a joint Army-Navy task force, will hold news cameras to be used in photographing closeups of the atomic bomb explosion. The cameras, filming the test from start to finish, will operate automatically. Official U. S. Navy photo. (International Soundphoto)

Chiang, Red Leader Talk China Truce

Nanking, July 2.—(AP)—Generalissimo Chiang Kai-shek and the chief Communist negotiator, General Chou En-lai, held a half hour personal conference today but made no progress toward settlement of China's civil conflict.

A spokesman reported the discussions had covered a number of points but resulted in no agreement.

General Chou left the generalissimo's home without scheduling a future meeting.

U. S. General George Marshall reportedly arranged the conference shortly after the government announced it would maintain the current truce with the communists indefinitely to permit further peace talks.

Coroner's Jury Returns Verdict In Chicago Fire

Chicago, July 2.—(AP)—A coroner's jury returned a verdict of accidental death today in its investigation of 61 fatalities in the LaSalle Hotel fire of June 5, and recommended improvement of fire safety regulations in Chicago.

Specific points raised by the jury of experts in hotel engineering and related fields included suggestions that the city council bring the city code into agreement with the highest national fire standards for places of public assembly.

Bikini Lagoon Still 'Reacting'

Fire Fighters Work On Blasted Vessels; Forrestal Surprised

Aboard The U. S. S. Appalacheian, July 2.—(AP)—Fire fighting crews worked on into the second day in atom blasted Bikini Lagoon today, where five of the 73 vessels of the target fleet already have been sunk.

That the second test, tentatively scheduled within three or four weeks, may take a far greater toll was indicated in an interview which Navy Secretary James V. Forrestal sent from the flagship Mt. McKinley. He expressed surprise at the "relatively unimportant" damage inflicted upon the heavier ships by Monday's air drop, but noted that such ships are "difficult to sink unless they sustain underwater damage."

The second atomic blast is to be set off underwater, with the sea transmitting a terrific blow to the

Lagoon Still Reacting.

The lagoon at mid-afternoon today still was "reacting" from the blast and lethal radiation of yesterday morning's aerial burst. Brig. Kawajalein. He termed the operation a "complete and a qualified success."

Forrestal warned against premature conclusions, but expressed confidence as the result of his own observation: "There still will be no victims in the future."

Whether crew-kill could have lived through the blast remained an unanswered question, but scientists expect to learn much by observing the effects of the bomb radio-active rays upon surviving test animals, tethered at battle stations aboard the target fleet.

Jap Ship First Sunk
Fifth test ship to sink was the broken Japanese cruiser — Sakawa — a modern warship, welded instead of riveted and consequently much

Grotesque Shadow On Nevada Shows Bomb Blast Point

stronger.

First listed as "missing," the destroyer Anderson later was revealed definitely sunk, as were the attack transports Gilliam and Carlisle and the destroyer Lamson. Badly damaged were the carrier Independence, battleship Arkansas, Japanese battleship Nagato, heavy cruiser Pensacola. Some 25 others were damaged in varying degrees, and few — if any — escaped unscathed.

Aboard The U. S. S. McKinley, at Bikini, July 2.—(AP)—On one side the U. S. S. Nevada's forward 14-inch gun turrets, a grotesque hand and figure etched in the battleship's red paint, points to the exact place in the sky where the atomic bomb exploded.

It was etched by the heat of the