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U. S., Yugoslav Ties Strained

Issue Provides U. N. Council First Big Test

Entire Question May Hinge Upon Big Five Veto

New York, Aug. 22.—(AP)—The United States ultimatum to Yugoslavia threatens to confront the United Nations Security Council with a problem which could bring the whole peace organization to a bitter showdown which may hinge upon the big five veto power.

Council delegations were cautioned today in speculation on what might happen if the Yugoslav government ignored the American demand for release of airmen held prisoner by the Tito government following the shooting down of unarmed transport planes.

However, it was conceded that the American threat to appeal to the Security Council should Yugoslavia fail to comply would give the council its supreme test of authority to settle disputes peacefully.

Up to now the council never has been faced with such an emergency as might be brought before it were the Yugoslavs, stiffened by Russian backing, to ignore or reject the American ultimatum.

The Yugoslav case, if it reaches the council, is confidently expected in informed United Nations quarters to fit the pattern of conflict between Russia and the western powers over the Iranian and Spanish cases still languishing on the council's agenda.

The veto power vested in the big five, which Russia twice invoked in the Spanish case, may well prove the deciding factor should the Yugoslav case come before the council.

Special Session May Result. Should the United States receive a satisfactory reply from Belgrade within 48 hours after the ultimatum is delivered in the Yugoslav capital, the American government is expected to ask the president of the Security Council, Dr. Oscar Lange of Poland, to call a special session of the council.

The American delegation could ask for a hearing after the customary three-day interval or could plead urgency and demand a session at once. Lange could disagree with the idea of emergency or with presentation on the subject itself, which, according to one source,

will be held in a special session of the council. The American delegation could ask for a hearing after the customary three-day interval or could plead urgency and demand a session at once. Lange could disagree with the idea of emergency or with presentation on the subject itself, which, according to one source,

Balkans Threaten Peace Of World, Conference Told

PARIS, Aug. 22.—(AP)—The Ukraine warned the peace conference today that "once more the Balkans may become the powder keg of Europe."

Taking the side of Albania, against Greece, in the firing of Balkan quarrels before a plenary session of the conference, Dimitri Maniatsky, chief Ukraine delegate declared:

"We now see how the declarations made here by Greece really are evidence of the peace of the world. We know how wars have been prepared."

Greek Premier Tsaldaris earlier announced he sought to amend the Italian treaty to award northern Epirus (southern Albania) to Greece. He said Greek claims to the area went back several centuries and were based on a "practical point of view."

Stock Market Hit By Heavy Selling

New York, Aug. 22.—(AP)—Heavy selling hit the stock market today as the belwether, American Telephone, dived about 12 points to a new year's low and virtually all departments suffered losses of one to six or so points.

Among conspicuous losers were U. S. Steel, General Motors, U. S. Rubber, Sears Roebuck, and Chrysler. Telephone bonds slumped with stocks. Some commodities backed away.

COLORADO SENATOR WON'T RUN AGAIN

Denver, Aug. 22.—(AP)—Senator Edwin C. Johnson, (D-Colo.), member of the Senate Military Affairs Committee, said Wednesday "I will not be a candidate for reelection."

In a surprise statement to reporters preceding a scheduled address before a Democratic Luncheon Club, the state's senior senator added he would not accept nomination for a third term two years from now even if nominated.

NO INFORMATION. Washington, Aug. 22.—(AP)—Asked about a news conference today about a report that Yugoslav had released the occupants of American planes recently forced down, State Department Press Officer Lincoln White said he had no information on any such releases.

Real 'Sky Pilot'



IN MILITARY parlance a preacher is a "sky pilot." Here's a minister who's really one. He's the Rev. H. Park Tucker, of Chillicothe, Ohio, dedicating the plane which will make it possible for him to give services in neighboring towns as well as Chillicothe each Sunday. Formerly a mine worker, he turned to the ministry after losing an arm in an accident. (International)

Tito Summons Best Advisors To Set Policy

American Envoy Travels To Bled To See Marshal

Belgrade, Aug. 22.—(AP)—Marshal Tito summoned his number one foreign relations experts to his side today to help formulate a stand on the United States ultimatum demanding release of American airmen forced down in unarmed transport planes by Yugoslav fighters.

Acting on instructions from the Yugoslav chief, General Vladimir Velebit left Belgrade to be present at the meeting near the Austrian border today between Tito and United States Ambassador Richard Patterson.

Velebit is deputy foreign minister and attended the San Francisco conference. He is regarded as Tito's top foreign relations advisor.

To Search Area. While Patterson journeyed to Tito's summer headquarters at Bled, United States Graves Registration Commission representatives were given permission to search the nearby area for the bodies of three U. S. air force personnel believed to have been killed Monday when a C-47 transport was shot down in flames.

The wreckage was said to be about two miles inside Yugoslavia from the Austrian border. Two more members of the crew seen to parachute were believed held by the Yugoslavs, along with seven other Americans and three other American passengers of another C-47 forced to land ten days earlier.

The best information here was that the two transports were not attacked by lend-lease planes since Yugoslavia no longer was believed using any types of British or American-made fighter craft.

Development Of Anti-Polio Serum Nears

Tests Conducted At Johns-Hopkins A Year On Chimps

Baltimore, Aug. 22.—(AP)—A vaccine against poliomyelitis, may one of these days be found at the Johns-Hopkins hospital, if so, a group of chimpanzees, serving as guinea pigs, will share in the credit.

Year long experiments on six chimps were disclosed today.

Definite results are not expected for another 12 or 14 months, but Dr. Howard A. Howe said the experiments thus far to establish that chimps once infected with the crippling disease are resistant to it the second time.

He declined to give particulars of his findings until further studies are made, and they are now at a temporary standstill. The six original chimps are so immune that they no longer are useful research subjects.

Dr. Howe and his associates are waiting for a new set after taking time out to find a "suitable" home for one chimp to which they have become attached during the year of tests. The others were turned over to an animal dealer for sale to zoos.

BRITISH WILL TAKE FORCES FROM N. E. I.

Singapore, Aug. 22.—(AP)—A British military spokesman said today that present plans call for the withdrawal of all British forces from the Netherlands East Indies by November 30.

He estimated that British troops in India now number about 20,000 men.

WAC Capt. Durant Is Arranged In Big Jewel Theft

Frankfurt, Aug. 22.—(AP)—A stern faced court martial arraigned WAC Capt. Kathleen B. Nash Durant today in the \$1,500,000 theft of the Hesse family jewels from Kronberg castle.

The 43-year-old Phoenix, Ariz., woman is accused of larceny, embezzlement, conspiracy, and absent without leave.

Her lawyer, Lt. Col. John S. Dwinell, told the court Mrs. Durant had asked and been denied permission to make her detained husband, Col. Jack W. Durant, her special defense counsel.

Durant, 36, who married the defendant shortly before the bulk of the jewels was discovered in the United States, is awaiting trial in the same case, but has not been formally charged.

CHARLOTTE AGENT PROMOTED BY FBI

Charlotte, Aug. 22.—(AP)—The Federal Bureau of Investigation yesterday announced that Edward Scheidt, in charge of the local FBI bureau, had been promoted to agent in charge of the New York office. A native of St. Paul, Minn., where he was born 43 years ago, Scheidt had been in Charlotte since 1937.

FORRESTAL SEES 'EM DIG IN



OBSERVERS AT OPERATION CAMID (cadets-midshipmen), Secretary of the Navy James Forrestal and Admiral Aubrey W. Fitch, superintendent, U. S. Naval Academy, watch two cadets dig in after storming ashore during amphibious training. The men are E. C. Vreeland, Maywood, N. J., and D. T. Hule, Decatur, Ala. Engaged in the training program are 440 Annapolis midshipmen and 315 West Pointers. (International)

ARENA OF YUGOSLAV TROUBLE



TENSION GRIPS the area shown in the above map which locates the spots where two American air transports were forced down by Yugoslav fighters and indicates the friction zones. Heated American-British notes have protested unprovoked attacks on U. S. troops in the Aurisina section, and "illegal forays" were also charged. (International)

Parade Of Prices: Coal, Oranges Go Up, Meat Down

All-Out Campaign On Black Markets Pledged By Porter

Washington, Aug. 22.—(AP)—The cost of coal and oranges is going up but lower meat prices will go into effect September 9.

Naming the date when retail meat ceilings are to apply again, OPA Chief Paul Porter also pledged an all-out drive against black markets.

As this campaign developed, OPA authorized a price boost of 30 cents a ton for hard coal and for coke, and an increase of 16 cents a ton for soft coal.

There retail price hikes, effective Friday, are required by the new price control law, OPA said.

On oranges, maximum prices in retail stores will climb about a half-cent a pound as soon as growers receive the same price, but has not been authorized for production.

OPA Cuts Meat Prices. But even while the parade of price increases continued, OPA went ahead with an assignment it rarely handles, any more — a price cut.

Porter reaffirmed that the new meat ceiling which the price control board ordered restored will be at or near 30 to 30 figures.

In ordering them back, the board said meat prices had climbed from 20 to 80 per cent after controls lapsed June 30.

Porter also announced a price increase of 7 cents a hundred pounds for flour, effective Friday, to offset higher parity prices for wheat, which remains ceiling free, along with all other major grains.

This price hike is expected to raise retail flour ceilings about one cent on a ten pound sack, on top of a cent a pound increase allowed early this month.

WHISKEY OUTPUT IS CUT SHARPLY

Washington, Aug. 22.—(AP)—The Distilled Spirits Institute said yesterday the country's 154 distilleries turned out only about one-fifth of their capacity in whiskey in the first six months of 1946 because of tight government controls.

The statement reported that whiskey production declined progressively from 17,128,413 gallons in January to 7,423,189 in June. Days of operation dropped from 10 in January to three in May.

The restrictions, which still are in effect, were imposed to save grain.

DALLAS VETS SEEK MAYOR'S REMOVAL

Dallas, Aug. 22.—(AP)—A group of World War II veterans at a meeting here last night expressed dissatisfaction with Mayor A. J. Maxwell and said they would seek to oust him.

It was reported that more than 80 veterans attended the meeting. A committee, composed of John Click, Henry R. Cloninger and Fred Weathers, was named to look into the matter and report back to the group at a later meeting.

Jews Blow Hole In Ship In Palestine

Jerusalem, Aug. 22.—(AP)—Swimming saboteurs using limpet mines blew a hole eight feet long and three feet wide below the water line of a British troopship Empire Rival in Haifa harbor shortly before midnight last night, but failed to sink her, the government announced today.

The announcement came only a short time after British troops moved into the all-Jewish city of Tel Aviv and four other towns in Palestine in the wake of new Jewish underground threats of violence.

Three swimmers were observed around the stern of the ship and the military guard aboard opened fire on them, though apparently without effect. The announcement said, in describing the attempt to sink the Empire Rival, which had just returned from transporting a second load of illegal Jewish refugees to Cyprus.

"Approximately a half hour later two explosions took place and the after hold of the Empire Rival began to fill with water. The bulkheads which had been closed, and the next hold remained clear of water."

After an investigation by divers, the 7,045-ton vessel moved into shallow water under her own power. No immigrants were aboard at the time and no casualties were reported.

CONTINUED RAIN INJURING COTTON

College Station, Raleigh, Aug. 22.—Continued rainy weather in causing an increase in boll rots in many cotton producing sections and farmers are planning to defoliate their cotton, where it has made exceptionally leafy growth, say county agents of the Extension Service in Director I. O. Schaub of State College.

Approximately 500 tons of cyanamid defoliant has been allotted to North and South Carolina, and in many sections it is being applied to cotton by airplane. Last year was the first time that this defoliant was applied on a relatively large scale and many farmers reported increased yields from its use.

Where the defoliant was not used, losses from boll rot in many instances ran as high as 30 per cent. Where these losses were combined with boll weevil damage, yields of cotton were greatly reduced.

RED GENERAL DIES

Moscow, Aug. 22.—(AP)—The army newspaper Red Star announced today the death of Lt. Gen. Peter Ivanovich Kikorev, chief of staff of the Leningrad military district.

Byrnes, Advisors Confer In Paris

Secretary Leaves Conference Session To Discuss Tense Yugoslav Situation

Paris, Aug. 22.—(AP)—United States Secretary of State James Byrnes left the peace conference session almost as soon as it had convened this morning to confer with his advisors on the Yugoslav situation.

His action emphasized how the United States' blunt 48-hour ultimatum to Yugoslavia overshadowed all else among the diplomats assembled in Paris to write Europe's peace treaties.

Byrnes closeted himself at his headquarters with Charles E. Bohlen, State Department advisor on eastern European affairs and Samuel Reber, advisor on European affairs.

There appeared little immediate official comment from the Yugoslav peace conference delegation on the ultimatum, which demanded that Yugoslavia release American airmen forced down in Yugoslavia within 48 hours or face action by the United Nations Security Council.

An unofficial Yugoslav source said he did not believe the American press reaction to the shooting down of the two U. S. transport planes would have been so strong.

AIRMEN RELEASED.

Ljubljana, Yugoslavia, Aug. 22.—(AP)—Yugoslav authorities today released Americans who had been taken in custody after their C-47 army transport plane was forced down here Aug. 9. The crew men, with the exception of the pilot, declared following their release that their plane was not fired upon after it was on the ground.

if equal publicity had been given to the Yugoslav note of several weeks ago protesting against Allied planes making unauthorized flights over Yugoslav territory.

"That note was delivered two weeks before the first plane was shot down," he said.

News of the American ultimatum—ordering Marshal Tito's government to give the United States satisfaction within 48 hours for acts described as war like or face action by the U. N. Council—circulated quickly among peace conference delegates during the morning hours.

Debate on reparations and territorial demands against Italy by Albania, Egypt and Austria was on today's agenda for the 21-nation peace conference. Allied diplomats, however, were concerned mainly with the effects of what some observers considered the sharpest blow yet to hope for early and amicable settlement on treaties, coming as it did, on the heels of stubborn wrangling between the western powers and Soviet Russia and her eastern European adherents.

Yugoslav Planes Made In America?

Trieste, Aug. 22.—(AP)—An American who saw the United States army transport shot down at the Yugoslav frontier Monday said today the Yugoslav fighter planes appeared to be of American make.

Yugoslavia received \$28,800,000 of war supplies, including planes, under the lend-lease program during the war.

Telephone lines throughout the American and British occupation zone in this territory, disputed between Italy and Yugoslavia, were unusually busy today, and many high ranking officers were absent from their desks, indicating unaccustomed activity.

Some Allied Military and political figures, who may not be named, expressed the opinion that Washington might go so far as to break off diplomatic relations with Yugoslavia over the downing of two American C-47 transport planes by that country.

The eye-witness, a former soldier with combat experience in Italy, said the sound of the plane's motors and their lines convinced him that they were American P-51 Mustangs.

CLARK IN GERMANY TO DISCUSS TRADE

Berlin, Aug. 22.—(AP)—U. S. Attorney General Tom Clark arrived today to discuss relaxing of negotiations against trading with Germany.

He will talk during two days with Lt. Gen. Louis D. Clay, deputy American military governor, and with representatives of the division breaking up German cartels.

NEW YORK COTTON.

New York, Aug. 22.—(AP)—Cotton futures opened 40 to 50 cents a bale lower. Noon prices were 60 cents to \$1.80 a bale lower. October 35.34, December 35.43 and March 35.30.

BACK TO WORK.

Salisbury, Aug. 22.—(AP)—City garbage collectors returned to work yesterday following a one-day walk-out caused by a wage dispute.

On the Spot



MARSHAL TITO

Transports Might Get Protection

U. S. Remains Silent On Location Where Planes Shot Down

Washington, Aug. 22.—(AP)—The United States is considering fighter plane protection for American transport planes which may have to pass near the Yugoslav border while flying the Austria-Italian route, top diplomatic authorities reported today.

The plan under consideration would retain the present absolute ban against any American fighters over Yugoslav territory and would be designed to protect U. S. aircraft from attack by Yugoslav fighter planes which might venture over Austria.

The whole consideration is based on a point made in the ultimatum sent to the Yugoslav government in which the United States said that the two airplanes already attacked by Yugoslav fighters may not have been over Yugoslavia at all.

The American note, demanding release of any of the 15 persons in the two planes who are "still alive" declared that for the time being the United States makes "no statement" as to the exact location of the two planes when they were attacked.

Undersecretary of State Dean Acheson today called in Ambassador Herschel V. Johnson for a conference, presumably to discuss the possibilities of filing an American complaint against Yugoslavia in the United Nations Security Council if the Yugoslavs do not comply with the 48-hour ultimatum.

The exact time the ultimatum period ends has not been officially announced. The question is whether the time begins to run from the hour at which the Yugoslav foreign office here received the text of the note or when the American embassy in Belgrade received it.

State Department officials told reporters there probably would be some determination of the time element later in the day.

Considerable interest was manifested by officials here in reports that American-made fighter planes reaching Yugoslavia through landless channels may have been involved in the shooting down of American transport planes on August 9 and August 19. However, a State Department informant said the only planes lend-leased to Yugoslavia were three trainer and one small cargo craft. If any American-made planes are now in Yugoslav possession, some diplomats suggested, they may have got there by way of Russia. The Soviet Union received thousands of United States combat craft during the war.

Weather

FOR NORTH CAROLINA. Partly cloudy with showers tonight and Friday. Slightly cooler extreme north portion Friday.