WEATHER FORECAST
North and South Carolina: Fair and not much change in temperatures this afternoon and tonight. Saturday fair and warmer.

THE INDEX-JOURNAL

The Leading Newspaper of Western South Carolina

GREENWOOD WEATHER
For 24-hour period ending at 8 a. m. today: Temperature, high, 52, low, 31. No rain. Total rainfall this month: 1.83 inches. (Normal for January, 3.35 inches.) Clear today.

VOL. XXIX. NO. 273 | ASSOCIATED PRESS LEASED WIRE | GREENWOOD, S. C., FRIDAY AFTERNOON, JAN. 7, 1949 | ASSOCIATED PRESS FEATURES — NEA FEATURES | PRICE FIVE CENTS

DEAN ACHESON NAMED SECRETARY OF STATE

President Sees New Records For Jobs, Production

Truman's Annual Economic Report Hails Halt In Long Price Rise As Signal Of Approaching 'Stable' Prosperity

BY STERLING F. GREEN

Washington, Jan. 7 —(AP)— President Truman today forecast new job and production records in 1949.

He acclaimed the halt of the long price rise as the welcome signal of an approaching "stable" prosperity, not of an oncoming depression

His annual economic report told Congress that the "fair deal" program he laid before it Wednesday is a two-edged weapon of government—that it is "anti-depression" as well as anti-inflation.

Mr Truman fixed these national goals for the year: another million-man increase in employment, to a yearly average of 60,000,000 civilians at work; and another 3 to 4 per cent boost in production.

Production last year was reported, in the dollar value of all goods and services poured out, at the historic high of $252,700,000,000. But the gain which Mr. Truman wants is in terms of actual goods and services, with the dollar inflation squeezed out.

The President's report showed that personal income in 1948 was $211,000,000,000. He said consumer income rose about in proportion to the climb in consumer prices.

But he declared that profits are swollen to "excess" and that "dangerous inflationary forces" still imperil the economy. Backing up his eight-point request for control legislation, he told the democratic Congress in a report that went first to the House.

"We need to have available a range of government measures which can be applied as a brake or as accelerator according to the need."

His proposed $4,000,000,000 tax increase, to be drawn mainly from corporation earnings, can be applied "without unduly interfering with prospects for continued business expansion," Mr. Truman said.

The report was notably more conciliatory toward business than the state of the union message which, 48 hours earlier, stressed the inflationary hazard and failed even to mention the price declines of recent months. Today's message had the reassurance:

1. "It is possible that WE MAY NOT, in fact, BE FORCED TO USE SUCH CONTROLS" as the standby price, wage and allocation powers he wants on the law books.

2. THE TAX POLICY "should be flexible and should be promptly adjusted to the changing needs of business and consumers"—an implied promise to lower rates again if a recession hits.

3. PRICE CEILINGS. If they are invoked on key materials, will be selective and not the "general or over-all price control of the wartime variety." Any legislation should encourage voluntary price cuts before ceilings are clamped on.

4. PRIVATE ENTERPRISE is the nation's prime reliance "for economic results," aided by a "vigorous government and the mutual respect and trust that we all hold for one another."

The President demanded rent control extension "for at least two years." Today's legislative recommendations followed in the main his Wednesday program, with this additional tax proposal:

Some new excise taxes "may be desirable," along with the rise in corporation, gift and estate levies and the possible boost in middle and upper bracket income taxes. But the oleomargarine tax and some others "should be repealed."

Mr. Truman also asked extension of the law under which steel and other scarce materials are allocated to vital industries by voluntary industry agreement—a point he failed to make in Wednesday's request for compulsory controls and priorities.

But he added: "There is grave danger that the problems of acute shortage cannot be adequate met by voluntary agreements. I therefore recommend that the use of mandatory allocation powers be authorized. x x x

On the issue of price control, Mr. Truman also declared himself convinced that voluntary efforts "cannot meet the problem unless the government possesses the power to act firmly."

While wage increases should be limited if they would otherwise cause a break in price ceilings, Mr. Truman said, there exist some current situations "where non-inflationary wage increases can be granted by employers without price increases."

"I firmly believe that the normal processes of collective bargaining will result in sound wage adjustments without the actual application of governmental authority related to wages, if business and government make genuine efforts to hold down excessive prices and profits and to reduce the cost of living."

He again scolded the housing industry for "pricing itself out of the market". And again he asked for strengthened rent control, slum clearance, and a public housing program to build 1,000,000 low-rent dwellings in seven years.

The economic message is required annually of the President by the employment act of 1946. That law binds the government to develop and follow policies leading to maximum employment, production and buying power while avoiding violent booms or depressions.

"I firmly believe that this goal is attainable," Mr. Truman said.

Goal, Record, Outlook And Proposals

Washington, Jan. 7.—(AP)—Here, in summary, is the nation's economic picture—the record, the outlook and the recommended shifts—as presented by President Truman in his economic report to congress:

The Goals

Employment — 60,000,000 civilian jobs, as against 1946's record-smashing average of more than 59,000,000.

Production—a gain of 3 to 4 per cent, about equal to last year's.

The Outlook

Prices—The overall rise is at a "welcome" halt; but "dangerous inflationary forces" persist in steel, power and other fields.

Wages—They can rise in some industries without forcing inflationary price boosts. They rose irregularly last year.

Cost-of-living—Preliminary figures for December indicate it is still declining slightly.

The Record

Consumer income—It hit a record $211,000,000,000 last year but, offset by price rises, brought "no appreciable gain" in real income.

Profits—Another record, $21,000,000,000 after taxes. Mr. Truman said they are too high.

The Recommendations

A repeat of the "fair deal" program he handed Congress Wednesday: a $4,000,000,000 tax increase, falling mainly on business; an eight-point control program including stand-by price-wage and allocation controls; rent control for "at least two more years"; a 1,000,000-home public housing program; a social program embracing higher old-age insurance benefits, 75-cent minimum wage; and a long-range farm program.

Mauna Loa's Fiery Lava Pours Faster

Hilo, Hawaii, Jan. 7—(AP)—Lava tumbling down erupting Mauna Loa's steep banks was accelerating today. The big volcano erupted violently late yesterday.

The fiery flow, pouring from the snow-capped mountain, was moving in three streams estimated to be 12 to 15 miles long down the western slope.

If it maintains its present pace and direction, said Air Force Captain Orval D. Collings of Los Angeles, it will reach the western coast of the big island of Hawaii slightly north of the town of Keokea sometime during the day.

Unless the flow is blocked or slowed, the highway along the coast will be cooked. It is about 20 miles west of Mauna Loa's summit crater and about six miles southeast of the Captain Cook monument.

Collings, who flew over the crater with Air Force Col. P. M. Rasmussen of Boston, said the lava flow across the brilliant white snow blanket was "a beautiful spectacle".

Marine Major Flaherty of Spokane, Wash., and Waterloo, Iowa, buzzed the crater in a night fighter. He said he saw two new outbreaks south of the main crater about midnight. Rasmussen earlier had reported a fourth flow starting.

Pilots said the molten lava was bubbling from 50 to 200 feet into the air. Steam and smoke billared up from the crater and Mushroomed into a flat cloud about 2,000 feet above the summit. The ruddy light from the crater reflected brilliantly from the white underside of this cloud down upon the white snow caps on the crater slopes.

"The place was lit up like a flashlight picture," said Major Flaherty. "You could see 20 to 30 miles."

BAIL PRESIDENT DIES

Cleveland, Jan. 7 (AP) — John Wysor Davin, 57, president of the Nickel Plate Railroad and chairman of the board of the Wheeling and Lake Erie Railway, died today in his home.

HERE'S ONE OF MANY TRAINS STALLED IN BLIZZARD

This Union Pacific passenger train, snow-bound at Hiliadale, Wyo., is one of many stalled in the three-day blizzard roaring over the Great Plains states of the west. The two locomotives and snow plow besides the train bucked snowdrifts 20 feet deep on their relief mission from Cheyenne, 20 miles to the west. Aviators of the U. S. Air Force's air rescue unit from Lowry Field at Denver flew over to drop needed supplies for the train, and made this aerial picture. (AP Wirephoto).

Nanking Predicts Second Government Peace Statement

Nanking, Jan. 7. —(AP)— The Nanking Evening News reported today that the government would issue a second "peace statement" in an effort to clear up the stalemate produced by Chiang Kai-shek's New Year's message.

Government spokesman Shen Chang-huan said he knew of no such plans, but other sources said they considered it "quite probable" that some official utterance will follow the apparent Communist rejection of Chiang's offer to discuss terms for peace.

As the peace issue flared all over Nationalist China with business men clamoring for cease fire orders, informed sources in Nanking said a force of 150,000 government troops surrounded southwest of Suchow was melting away under Red attacks.

Dr. Lefevere Arrives To Play Carillon

Dr. Kamiel Lefevere has arrived in Greenwood from New York in preparation for the three concerts which he will present on the new carillon at the Callie Self Memorial Baptist Church tower.

The first recital will be tomorrow afternoon at four o'clock, with another Sunday afternoon at the same time and the third one Tuesday evening at 7 o'clock.

Dr. Lefevere has tried out the carillon and expressed himself as highly pleased at its quality. The carillon would be described as of medium size, he said, and is of excellent tone.

Dr. Lefevere, carillonneur at Riverside Church in New York, is on his second visit to Greenwood, having come here first in 1939. He was particularly pleased with the warm sunshine which greeted him here, in contrast to the bad weather he left in New York City.

Harry T. Van Bergen, under whose direction the carillon was installed, advises those wishing to hear the concert to station themselves within 300 or 400 yards of the tower. The carillon can be heard for a much farther distance, of course, but the tone is better in this area.

The new carillon is played manually in the tower, and has

Continued on Page Five

Greenwood May Get Service From New Highway Postoffice

Chances of Greenwood obtaining service from a new highway postoffice route appear to be good, according to information received from several sources.

Postmaster Grover Henderson asked about the possibility of such a route through here, said that he has received no official information as yet. Service from a highway post office would improve mail service here, he said, particularly with the Edgefield section. Mail for Edgefield now has to go by either Augusta or Columbia, he said.

Under the schedule as discussed this week in a story in The Saluda Standard, quoting several different sources, the bus carrying mail clerks and mail would leave Greenville at 6:10 a. m., Anderson 7:25, and reach Greenwood at about 9 o'clock. It would get to Saluda at 10:12, Johnson at 10:42, Edgefield at 11, Trenton 11:15, Aiken 1150, Warrenville at 12:05 p. m., Gloverville at 12:10, Langly 12:15, Bath 12:25, Clearwater 12:35 and arrive at Augusta at one o'clock in the afternoon.

On the return trip the highway postoffice would leave Augusta at 2:50 in the afternoon and arrive back in Greenville at 9:50.

This would give Greenwood direct mail service with Edgefield and that territory on to Augusta.

Another route which has been discussed, the Standard reports, is from Greenville to Charleston through Simpsonville, Laurens, Clinton, Newberry, Saluda, Batesburg, Leesville, Lexington and Columbia. Thus the two routes would cross at Saluda.

A highway postoffice was established a short time ago between Asheville to Blue Ridge, N. C. The new venture of the post office has received wide comment. The rolling postal cars are fully equipped for working mail enroute, just as is now done in railway mail cars. Those in operation at the present time carry two mail clerks in addition to the driver. The advantage is that mail is worked enroute, speeding its delivery.

GIRL DIES OF BURNS

Columbia, Jan. 7—(AP)—A seven-year-old girl died today of burns suffered the day after Christmas when her clothes caught fire from a sparkler.

She was Donna Grigsby, the only daughter of Mr. and Mrs. Thomas Grigsby.

GOP To Wipe Out 'Me Too' Party Theme

By D. Harold Oliver

Washington, Jan. 7—(AP)—Republican campaign workers are far from agreement on what the party should do to win future elections, but a big block of them unite on this general theme:

Don't try to ape the New Deal. Don't be a "me too" party.

Rep. Hugh D. Scott, Jr., of Pennsylvania, chairman of the Republican National Committee, agrees. He promises there will be some changes made; that the "status quo will be disturbed."

How? That remains for future party conferences. The first powwow will come January 26-27 in Omaha, Neb., when the national committee meets. It will decide whether to call a party program meeting on a much larger scale later in the year.

Scott wrote 150,00 party workers from national committeemen and state chairman on down to precinct and ward door-bell ringers asking:

1—"What must we do to correct our errors?"

2—"If you can help us out with $5 or $10 or $100, or $500—won't you do it today?"

That was on December 6. Today, a month later, more than 4,000 replies have been received. Committee officers estimate from one-third to one-half have accompanied their unusually frank suggestions with donations of from one to a hundred dollars.

But many say they will not contribute another dime until the party cleans house, gets some new leaders, adopts a forward-looking program, and, as they phrase it, stops trying to be the "tail-end of the New Deal."

Bob Patton Speaks To Inter-Civic Club This Evening

Bob Patton, noted North Carolina humorist, will be principal speaker this evening at the annual meeting of the Inter-Civic Club to be held in the Herman Moore room of the Oregon Hotel.

Mr. Patton has attracted wide attention with his entertaining lectures. This evening he will speak on "The Mission of Laughter."

The Inter-Civic Club Council meets once annually, always with an outstanding speaker. It is composed of all the civic and service clubs in town.

Recruit Killed By Accidental Shot

Fort Jackson, Jan. 7 (AP) — The body of a Sparta, Tenn., recruit accidentally killed here yesterday has been sent home for burial.

The post Public Information Office said Richard L. Dents, 20, was shot when a rifle held by another recruit discharged.

Fair, Warmer Weather Relieves Storm Areas

By The Associated Press

Fair weather and rising temperatures today helped speed relief work in the storm-harrassed areas of the West and in the flooded regions of four Southern states.

There wasn't much inclement weather across the entire country, federal forecasters said. Some snow fell near Lakes Ontario and Huron and there was rain along the Washington coast. The only sub-zero mark reported was -4 at Green River, Utah.

But the damage from the blizzard in the Western states and the earlier freezing weather in California took a heavy toll, both in lives and crops. Flood waters in Mississippi, Alabama, Tennessee and Georgia left more than 3,000 temporarily homeless.

The job of rescuing the thousands stranded in the western blizzard belt continued. The death toll mounted to 17. Nine persons lost their lives in Wyoming, including a family of four, six in Colorado and two in western Nebraska.

As southern California's coldest weather in 30 years appeared ended, earliest estimates placed crop losses at more than $25,000,000. The losses included $10,000,000 in citrus crops; $5,000,000 in vegetables, and more than $10,000,000 in cut flowers.

Except for a few areas, the mercury was well above the freezing mark in the California-Arizona citrus belt today. It was in the 50's in Los Angeles early today as against a record low of 27.8 yesterday.

In the Colorado-Wyoming-Nebraska storm area, train service was being restored but not all lines were cleared. Several of the passenger trains stalled in the Plains arrived in Chicago today, nearly four days late.

Nearly all highways in Colorado and Wyoming were open but huge drifts blocked many roads throughout western Nebraska. Plows were being used to rescue stranded motorists, and to drop food and supplies to isolated farm homes. Temperatures were well above freezing.

The area hardest hit by floods in the southern states was along the Tombigbee river in extreme northeast Mississippi.

Marshall, Lovett Resign; US Policy Not Be Changed

Top-Level Shakeup Not To Alter Cold-War Strategy, Truman Emphasizes; Marshall's Health Caused Resignation; Webb New Undersecretary

BY JOHN M. HIGHTOWER

Washington, Jan 7 —(AP)— President Truman today named Dean Acheson to replace the ailing Secretary of State Marshall but emphasized that this top cabinet shakeup will not alter America's cold war strategy.

Mr. Truman announced at his news conference that Marshall is resigning effective Jan. 20, for reasons of health, and will be succeeded by Acheson, who served as undersecretary with Cordell Hull.

Asserting these and several other top-level switches in his administration will mean no change in American foreign policy, the President declared specifically and in strong language that there is absolutely no foundation to reports that he wanted to soften America's present "tough" policy in dealing with Russia.

Mr. Truman announced Marshall's resignation suddenly after opening his news conference by saying he had some announcements to make.

In short order then he said the 68-year-old Marshall and Undersecretary Robert A. Lovett, a Wall Street banker, are resigning from their jobs effective January 20, inauguration day for Mr. Truman's new term.

To replace them, he said, he has named 55-year-old Dean Acheson, Washington lawyer and staunch party Democrat, as Secretary of State, and James E. Webb, the present budget director as undersecretary.

Mr. Truman announced further that Franc Pace, assistant budget director under Webb, will be promoted to director and that Fred J. Lawton, a career man in the Budget Bureau would succeed Pace.

The President disclosed that the letters of resignation from Marshall and Lovett had reached him under date of January 3. That was almost a month after Marshall, just back from a United Nations meeting at Paris, had a kidney removed at the Army's Walter Reed Hospital.

Marshall, who has been recovering from the operation at his home in Pinehurst, N. C., and Lovett **has been actively running the State Department. Lovett's tenure of office has been dependent on Marshall's. Both men had long counted on resigning when Mr. Truman's new term began.**

Acheson, whose law office is in Washington, was unavailable for comment immediately after the President's announcement because he was attending a meeting of the Hoover Commission on Government reorganization. One of his first big jobs will probably be a reorganization of the State Department along Hoover commission lines.

Both Acheson and Webb are expected to begin working directly with Lovett in a few days so that there will be no break in the continuity of American foreign policy when they take over.

In a speech at Lansing, Mich., last Sept. 30 Acheson declared that "We live in dangerous times because of the decisions of another power which are beyond the control of any or all of us."

Mr. Truman made no effort to conceal his extreme regret at losing Marshall's services. He re-emphasized that "I think General Marshall is the outstandin man of war period."

After the President made the announcement he was asked whether the personnel shifts meant "any change in foreign relation along the lines of the article written by Jay Franklin (in today's Life magazine).

Mr. Truman declared it does not mean any change. He said the article to which the reporter referred was absolutely without foundation in fact and that in nearly every sentence and every paragraph there was some error of fact.

The main point of Franklin's article was that Mr. Truman was now waging a fight inside his cabinet, chiefly against Lovett and Secretary of Defense Forrestal, to soften American policy toward Russia in hope of clearing the way for peace.

(Continued On Page Five)

Straw Paper Process Reported Perfected

Cleveland, Jan. 7 (AP) — Kinsley Chemical Co. it has developed a method for manufacture of paper entirely from straw instead of wood pulp.

The Cleveland company claims it has licked old problems of expense and dissatisfaction by producing a long fiber that gives strength, endurance and quality to straw paper.

The process was demonstrated recently for the first time on a commercial basis Chemical Paper Mfg. Co. of Holyoke, Mass., with a run of several tons of newsprint.

H. Lee Kinsley, president of the Cleveland company, emphasizes that the new straw paper is not a substitute.

"Straw pulp is a new source for fine paper fiber," he declares. He reports plants built to use the process—and he says it calls for standard equipment — can turn out paper to sell 40 to 60 per cent below wood pulp paper.

"For instance," he says, "straw newsprint would cost about $65 a ton compared with the current price of around $100 for wood pulp newsprint, and straw cigarette paper would sell for $120 to $130 a ton against $480."

Kinsley is so enthusiastic that he is laying plans for construction of a $500,000 addition to his own plant to provide space for manufacture of the secret chemical used in the process.

He reports he is closing deals for licensing a company in Spain and one in South Africa to employ the process. He also says he is conferring with two groups in New York City, one in Rochester, one in the state of Washington and two in the wheat belt for use of the process.

Developer of the new process is Edward R. Tirkiowski, who began experiments in 1942 as an auxiliary to the company's interest in chemicals for the paper industry.

He examined many annual growths, such as cotton, corn stalks, soya bean straw, wheat straw and ramie, searching for high yields of fiber. Wheat was finally selected because of its abundant supply.

Flexible Aid Is Supported For Farmers

By Ovid A. Martin

Washington, Jan. 7 (AP) — President Truman came out today for flexible farm price supports, thereby rejecting congressional proposals to continue present 90 percent parity farm price floors.

In his annual economic report to Congress, the Chief Executive said rigid supports would in the end cut farmers' income and force rigid production controls upon them.

Mr. Truman's advocacy of flexible supports came at a time when the congressional farm bloc is split over the issue of long-range government aid to farmers.

One group — led by Democratic chairmen of the Senate and House Agriculture Committees — wants the present wartime 90 percent parity supports continued indefinitely. They are due to expire at the end of 1949 under terms of a law passed by the Republican-controlled 80th Congress.

(Parity is a legal standard of prices held to be fair equally to farmers and consumers).

Another group — led by Senators Lucas (D-Ill.) and Aiken (R-Vt.)— wants a system of flexible supports, along the lines of the GOP-passed law.

This GOP law authorizes supports ranging between 60 and 90 percent of parity for major crops and from zero to 90 percent for other products. Supports would be highest in times of shortages and lowest in times of surplus.

Mr. Truman said this law, which he signed, "represents an important step forward in recognizing the difficulties associated with over-rigid supports." But he said it needs revision to make it even more flexible.

The President said flexible supports would be useful in helping obtain shifts in crop production—that is, away from crops in surplus supply to those in short supply. Rigid or equal supports for all crops would hinder such shifts, he said.

As for the GOP law, the Chief Executive said its formula for determining actual supports do not allow the Agriculture Department enough discretion in meeting special commodity situations

Succeeds Marshall

DEAN ACHESON

Has 6 Years Service In Department

By EDWARD BOMAR

Washington, Jan. 7. —(AP)— Six years service in the U. S. State Department gives Dean Acheson a wide background for his new post as secretary of state.

Throughout World War II he served as Assistant Secretary of State under Cordell Hull. Then he became undersecretary August 27, 1945 and held this post until his resignation was accepted with "great regret" by President Truman effective July 1, 1947.

Since then Acheson has been engaged in private law practice in Washington. He has kept his hand in government affairs enough to be a member of President Hoover's Commission for Reorganization of the Government.

A native of Middletown, Conn., Acheson is 55, and a graduate of Yale and the Harvard Law School. After World War One service as a naval ensign he became private secretary to Supreme Court Justice Louis Brandeis and then entered private law practice.

President Roosevelt brought him into the administration as undersecretary of the Treasury at the start of the New Deal in 1933.

When James F. Byrnes stepped out as Secretary of State in January, 1947, Acheson prevailed on Mr. Truman to permit him to quit the State Department. As undersecretary he had borne much of the burden of detail of the department and of the diplomatic service.

President Truman reluctantly accepted his resignation on May 12, 1947, in a letter in which he stated "You have been the type of efficient public servant whose withdrawal from public life at any time would be a loss to the nation."

"You have brought to your duties in the Department of State legal training and experience; familiarity with finance, particularly in its bearing upon international relations; clear-cut judgment and incisive power of reasoning," Mr. Truman said.

"These with your prodigious industry, have been assets upon which we could always rely and we shall miss them in time to come. I shall like to think that I can, as need arises, call upon you for advice."

Little Change In Weather Predicted For The Carolinas

By The Associated Press

Fair weather with little change in temperatures today and tonight was predicted for the Carolinas. Partly cloudy and warmer was forecast for tomorrow.

Low temperatures this morning were 15 to 20 degrees below yesterday's. At most points the mercury dropped near, or to, the freezing point.

An exception was North Carolina's eastern coast. Cape Hatteras had a minimum of 44 degrees: Cherry Point 49. South Carolina's coast was less fortunate. For example, Charleston's low was 25 degrees.

Jewelry Valued At $200,000 Stolen From NY Apartment

New York, an. 7 (AP) — Theft of jewelry valued by the owner at $200,000 was reported to police last night.

Erhart Ruegg, a textile manufacturer, said he discovered the jewels missing from a bedroom closet when he returned home from a night club at 11 p. m. with his wife, Lisette Verea, a former Hungarian actress.

Ruegg said the jewels were mostly insured.

The Rueggs had been absent for three hours from their luxurious apartment in a house at 25 East 62nd avenue, overlooking the East river.

A handbag containing $1,000 in cash was found untouched on a chair of the closet, which they had left locked.