



The Warnings Of Inflation Signals In Booming Year



Papa and Mama. (AP)

It's A Girl For Grace, Prince

MONTE CARLO (AP) — A 21-gun salute announced the birth today of a dark-haired, blue-eyed girl to the former Grace Kelly and Prince Rainier of Monaco.

The 8-pound, 2-ounce baby, who will succeed her father on the throne of this 367-acre principality unless a son is born, was placed in a gilded wood cradle used by her father.

She will be called Princess Caroline.

Palace sources said 26-year-old Princess Grace burst into tears out of joy when told that a baby girl had been born.

These sources said the baby was born with blonde eyebrows and a tiny red birthmark on the left nostril.

The 33-year-old prince went on the radio soon after the birth at 12:27 a.m. (12:27 a.m. EST) and announced solemnly that "my beloved wife, the Princess, has given birth to a baby Princess who has been given the name of Caroline Louise Marguerite."

He thanked the people for their "affectionate testimony of attachment" and asked them to "thank God and rejoice."

MONACANS JUBILANT

Monacans were jubilant at the baby's birth. If Rainier dies without an heir, Monaco becomes a French protectorate and its 4,000 citizens become subject to France's high taxes and military draft. Only House agreement on minor amendments and the government signature to become law.

All five school bills whipped through the Senate yesterday by wide majorities but with minor changes in the original proposals.

The House passed the bills last week but two failed to pass by concurrence on the Senate amendments.

The bill which permits the operation of separate white and negro schools if desired passed the Senate by a vote of 27-4.

The House approved by a 69-2 vote a second and stronger resolution denouncing the U.S. Supreme Court's ruling on states' rights. The so-called "Tennessee Manifesto," approved last week, limited criticism to desegregation rulings.

The two school bills which will go back to the House for approval of amendments give local school boards the right to transfer pupils and permits the boards to operate schools jointly with other boards.

The first was amended to lower the age of children affected from 6 to 5. The second was amended to eliminate the provision empowering school boards to levy taxes.

Charges 'Absurd' Playboy Denies All In Montesi Slaying

By RICHARD EHRMAN

VENICE, Italy (AP) — Ugo Montagna, wealthy Rome playboy, testified today he "never met Wilma Montesi," whose body was found on Ostia Beach under mysterious circumstances nearly four years ago.

Montagna is accused, along with former Rome police chief Saverio Polito, of aiding and abetting jazz pianist Gianpiero Piccioni, son of a former Italian foreign minister, who is charged with manslaughter in Wilma's death.

Elegantly dressed in a single-breasted gray suit and light blue tie and seemingly bored, Montagna was the third of the three principal defendants called to the stand.

"All the charges against me are absurd," he said. "I have never met Wilma Montesi in my life and I have never helped anybody escape justice."

READY ALIBI

Piccioni, 36, also has denied knowing Wilma. Accused of contributing to her death "by abandoning her," he believed her already dead at the edge of the sea, "he testified yesterday to an alibi."

He said he and actress Alida Valli were with other people at the resort town of Maffi, in southern Italy, at the time of Wilma's death near Rome.

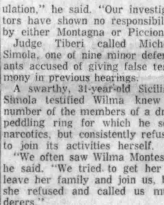
Stories that Wilma was fatally stricken at a sex and narcotics party at Montagna's hunting lodge almost caused the collapse of the Italian Government during an 18-month-long preliminary investigation in Rome.

Polito, now a broken man of 76, took the stand in his own defense.

He said the death involved no crime.

"It was merely a political spectacle," he said.

WILMA MONTESI



Montagna, 31, was charged with the murder of Wilma Montesi, a 21-year-old girl who was found dead on Ostia Beach near Rome. He was accused of aiding and abetting the murder.

Montagna testified that he had never met Wilma Montesi. He said that he was in Rome at the time of her death and that he was with other people at the time.

Montagna was charged with the murder of Wilma Montesi, a 21-year-old girl who was found dead on Ostia Beach near Rome. He was accused of aiding and abetting the murder.

Explosion Sends Up Big Flame

YORK, Pa. (AP) — The "Little Inch" natural gas pipeline exploded 15 miles north of here today and sent flames shooting 200 feet in the air for more than two hours before the fire was extinguished.

There were no casualties and company officials said service would not be disrupted.

At first it was believed the "Big Inch" line had blown up but later the Texas Eastern Transmission Corp. operators of the system said it was the smaller "Little Inch." The two lines run within eight feet of each other at the point of the explosion.

The explosion occurred on wooded farm land three miles northeast of the small community of East Berlin. The nearest houses were 1,500 yards away.

SEEN 20 MILES

The noise of the blast could be heard for several miles. The bright glow of the flames could be seen for 20 miles.

Ten fire companies rushed to the scene. Firemen went down all buildings in the vicinity to prevent sparks or the intense heat from spreading the fire.

Trees in the immediate area caught fire but the blaze was confined until the gas could be shut off.

The lines were finally cut off at control points at Chambersburg, Pa., 25 miles below the explosion and Marietta, Pa., 40 miles to the east. The fire then burned out as the gas in the pipe was exhausted.

E. R. Cunningham, vice president in charge of operations of Texas Eastern, said in Shreveport, La., headquarters of the company, that service would not be disrupted.

NO OTHER DAMAGE

He said there was no material damage other than the broken line. Cunningham explained that the larger "Big Inch" and Penn-Jersey lines could handle the additional load until the "Little Inch" was repaired.

The "Little Inch" runs from the explosion and Marietta, Pa. There was no immediate cause established for the explosion.

Our Weather

Cloudy and windy followed by clearing and much colder this afternoon and tonight.

Thursday partly cloudy and much colder.

Low this morning — 64
Low tomorrow morning — 62
High today — 66
High yesterday — 66
High tomorrow — 48
Sunrise today — 7:25 a.m.;
sunset today 5:42 p.m.

More Weather Data on Page 3-A

Evening Prayer

Our Father, help up this day as we plan the activities of our church. May we have as our controlling motive the salvation of persons, and the strengthening of them in the Christian way of life. For our Saviour's sake. Amen.

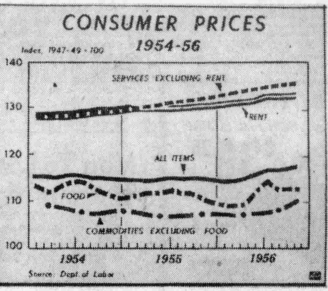


Chart Shows Consumer Price Rise.

... Case Of Paranoia'

Doctors Explain 'Mad Bomber' Acts

NEW YORK (AP) — What made the "Mad Bomber" tick?

To psychiatrists the answer appears simple. One described him today as a "classic textbook case of paranoia."

The dictionary defines paranoia as a mental disorder characterized by "delusions of persecution and of one's own greatness."

In learning George Metesky, a textbook case, Dr. James A. Brussel, assistant commissioner of the State Department of Mental Hygiene, noted that it had been possible to predict months in advance what type of man would be found.

BASED ON ACTIONS

These predictions were based on the actions of the man in planting 82 bombs in the city and on his anonymous notes expressing rancor against the Consolidated Edison Co.

Brussel had described the then unknown bomber as single, a lone wolf, neat in appearance, well proportioned physically, an immigrant or first generation American, highly religious, and disinterested in women.

Police cover up powerful but forbidden sexual wishes.

Both Brussel and Kaufman said sexual forces and repression play a part in paranoia.

DESIRES TO ESCAPE

Brussel said a paranoid desires to escape from the real world and cover up powerful but forbidden sexual wishes.

Kaufman said the process often starts with an unconscious homosexual desire in conflict with society's repressions.

Dr. M. Ralph Kaufman, chief psychiatrist at St. Vincent Hospital, told an interviewer that, as paranoia spreads, any two objects that have anything in common regarding low illogical, become equal in the mind.

FEELING SPREADS

Thus, he said, a feeling that one is being persecuted by a foreman can spread to any company, to anybody served by the company and to the whole world.

The bomber originally planted bombs on Consolidated Edison premises but later planted them in such apparently unrelated property as railroad stations and theaters.

Metesky's court-appointed lawyer, Benjamin Schmeier of the Legal Aid Society, described him as having a schizophrenic, or disintegrated, personality.

Before Metesky was committed to Bellevue Hospital

3 Hungarians Doomed To Die

BUDAPEST (AP) — Radio Budapest said today three more Hungarians have been sentenced to death for inciting strikes and urging other resistance to the regime of Communist Premier Janos Kadar.

This brought to at least 28 the number of death sentences announced publicly since the revolution was put down. Elsewhere, many other death sentences and executions never made public.

School Bills Await Signing

NASHVILLE, Tenn. (AP) — Five administration measures, which would permit voluntary segregation and pupil assignment in Tennessee public schools, awaited today only House agreement on minor amendments and the government signature to become law.

The House approved by a 69-2 vote a second and stronger resolution denouncing the U.S. Supreme Court's ruling on states' rights. The so-called "Tennessee Manifesto," approved last week, limited criticism to desegregation rulings.

The two school bills which will go back to the House for approval of amendments give local school boards the right to transfer pupils and permits the boards to operate schools jointly with other boards.

The first was amended to lower the age of children affected from 6 to 5. The second was amended to eliminate the provision empowering school boards to levy taxes.

2 KKK Men Shot After Argument

BIRMINGHAM, Ala. (AP) — Two Klud members of the Ku Klux Klan of the Confederacy were wounded here last night in a meeting at a neighborhood after now leased by the North Alabama Citizens Council.

Homicide Sgt. M. H. Hesse said J. P. Tillery, 24, and Charles Bridges, 54, were shot during a fight which came at the end of a Klan meeting.

Both are in a Birmingham hospital and are expected to recover.

Hesse said the two men gave an account.

About 30 men attended the Klan session, and Tillery objected to what he termed "one man rule" of the organization. He was asked to "come to the office" and then was grabbed by three robed men.

As he scuffled on the floor, Tillery was shot in the hip and chest. Bridges was hit twice in the hip as he tried to come to Tillery's aid.

As G. Carter, executive secretary of the North Alabama Citizens Council denied that he was a member of any Klan group and said he did not attend it meeting last night.

Carter said he allowed the Klan to use the meeting place since nothing else was scheduled but went to Tusculoona about 9 p.m.

Tillery's objection to "one man rule" apparently precipitated the altercation.

EMPTIED FAST

The theater emptied rapidly after the shooting. Bridges managed to crawl from the building. Go First to FIELDS — Expert Watch Repairs.

Pool Shows Hot, on General Assembly

By JULIAN SCHEER
Charlotte News Staff Writer

The 1957 General Assembly which gets under way Feb. 6 may be a much hotter and much longer session than a number of members of the legislature expect.

A Charlotte news survey of members of the legislature turned up a sharp division of opinion on the biggest issues facing the legislature.

These issues include taxes, reorganization of the highway commission, separation of highways and prisons, and reapportionment of the General Assembly.

The lawmakers surveyed agreed on none of these issues, except the proposal to divorce the prison system from the highway department.

SURVEY RESULTS

Here, briefly, are the results of The News' survey:

Members of both the House and Senate favored separation of the highway department and the prison system.

Members of both houses favored, by a narrow margin, reorganization of the highway commission.

Members of the House favored immediate legislative re-

apportionment, but the Senators did not go along.

Members of the House and Senate were against the reorganization plan submitted by the Committee on Legislative Reorganization.

Neither house favored the complete tax plan as submitted by the governor's Tax Survey Commission, but there was overwhelming support for some of the proposed changes in the state's tax structure.

Thirty-eight members of the House and 23 members of the Senate participated in the survey.

Here is the survey boxscore:

Q. Do you favor the separation of the prisons from the

highway department, as proposed in the report of the special legislative study committee?

House: Yes—22 No—11
Senate: Yes—16 No—4

Q. Do you favor reorganization of the State Highway Commission as proposed in the report of the special study committee?

House: Yes—19 No—11
Senate: Yes—13 No—11

Q. Do you favor reorganization of the State Highway Commission as proposed in the report of the special study committee?

House: Yes—19 No—11
Senate: Yes—13 No—11

Q. Do you favor the immediate reorganization of the State Legislature as proposed in the report of the Commission on Legislative Re-

organization?

(Regardless of what is done for future reapportionment, the Commission recommended "immediate" reorganization by the 1957 Assembly based on 1950 census figures.)

House: Yes—22 No—11
Senate: Yes—16 No—4

Q. Do you favor the proposed reorganization of the Legislative Representation for a constitutional provision limiting any representation to two senators, limiting the size of senatorial districts to four counties, and increasing the size of the House by 10 members?

House: Yes—16 No—16
Senate: Yes—5 No—10

Q. Do you favor all the changes suggested by the Tax Survey Commission?

House: Yes—4 No—13
Senate: Yes—3 No—17

Q. Do you favor some, but not all, suggested tax changes?

House: Yes—23 No—1
Senate: Yes—16 No—1

Q. Do you favor the separation of the highway department and the prison system?

House: Yes—22 No—1
Senate: Yes—13 No—3

Support for separation of highway and prison system.

See NEWS on page 3-A

Tax Cuts Will Draw Opposition

WASHINGTON (AP) — President Eisenhower reported to Congress today that a record 1956 prosperity should continue into this year. But he cautioned that more inflation may ride along with it.

In the last of his three major annual messages, the economic report, Eisenhower stressed for the third time in as many weeks his strong opposition to tax cuts and a sober appeal for restraint in wage boosts.

He listed 38 laws he wants from the 85th Congress. They include providing federal aid for school construction, more teeth in the anti-monopoly and antitrust laws, and more help for small firms caught in the credit squeeze.

The nation's total output of goods and services reached a record 412 billion dollars last year, and for the final quarter a peak annual rate of 44 billion. Eisenhower reported, forecasting continued good times.

BASIC THEME

But his basic theme was an appeal to industry and labor unions to join the government in blocking the leading factors for school construction, more teeth in the anti-monopoly and antitrust laws, and more help for small firms caught in the credit squeeze.

The figures Eisenhower cited showed that the country achieved a spectacular 2 1/2-billion-dollar advance last year in the annual rate of production, but he said that had the gain merely reflected price increases.

The climb in prices "may not have run its course," he said. It represents one of the "uncertainties and problems" which cloud the economic future.

Eisenhower suggested strongly that he thinks the government is doing all it can do to curb price pressures, short of heavy-handed restraints that would retard the economy and invite a recession.

Therefore, he urged industry and labor leadership have the responsibility to reach agreements on wages and other labor benefits that are fair to the rest of the community as well as to those persons immediately involved.

"Negotiated wage increases and benefits should be consistent with industry prospects and with the maintenance of a stable dollar."

PRICE NOTES

"And business must recognize the broad public interest in the prices set on their products and services."

"If all live up to these responsibilities, the capacities of our economy to provide the high levels of employment, production and purchasing power envisaged by the employment act, and broadly attained in the past year, are further enhanced."

CONGRESS

Congress did not renew his direct request for a year ago that Eisenhower consider restoring standby authority to regulate down payment on repayments on a consumer installment credit. Administration advisers are split on the issue.

In a brief reference, Eisenhower said the Federal Reserve Board shortly will complete a study that will serve as a useful guide in determining whether legislative action is desirable.

The report showed that Americans entered 1957 carrying a record installment debt of \$31,600,000, but the rate of business was only about an third as rapid as that which auto and appliance sales in 1955.

The President took note of complaints in Congress and elsewhere about the government's "tight money" policy. He renewed his proposal, first made in the State of the Union message, that Congress set up a commission of "dis-

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