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Government Acts To Curb Loans Enemy Pushes

Japan May Become Strongest U. S. Ally

Editorial Note: This is the third and final article by Helman Morin, brilliant Associated Press war correspondent, analyzing the situation in Korea. Morin's work broke out in Korea. Morin, just returned from four months in Japan and Korea, here discusses Japan and its value as a potential ally. Morin knows his Japan exceptionally well, having served as chief of bureau in Tokyo for the AP also before the outbreak of World War II.

By HELMAN MORIN
NEW YORK — Japan, the most dangerous enemy we ever met, is potentially our most effective ally anywhere in the world.

They tell a story in Tokyo. It is that, when the Korean fighting broke out last June, former Japanese army officer presented himself at an American army headquarters, saluted smartly, and said: "General, I can have my old regiment ready to go by Monday."

The incident probably never happened, but it is a genuine illustration of Japanese attitude.

What did happen was that thousands of Japanese ex-soldiers, and some volunteers, are flocking to the United States. They are being proclaimed Japan's right and duty

5 GM Assembly Plants To Close Temporarily

DETROIT — General Motors announced today it is closing five assembly plants of its Buick, Oldsmobile and Pontiac assembly divisions.

GM blamed a sudden acute shortage of materials for the shutdown.

Packard Ford and Studebaker announced plans to cut back production because of shortages stemming from Government restrictions on automotive materials needed for defense.

In addition to the one-week shutdown of assembly plants in Linden, N. J.; Wilmington, Del.; and Kansas City, Kan., GM said its Southgate, Calif. plant will be partially closed next week to permit inventory taking and plant re-arrangement.

All assembly will be halted in all the plants, including the Southgate one. Full scale operations will be resumed Jan. 6, J. E. Goodwin, general manager of the Buick, Oldsmobile and Pontiac assembly division said.

The plants will be shut down at the close of operations today. A brief next week would have been only a four-day work week in all.

Goodman said the shutdown would idle approximately 13,000 workers.

Packard Motor Car Co. announced it will curtail auto production 20 per cent starting Jan. 2. The firm will lay off 1,200 workers.

Mercury Division announced a cut in car production from 440 to 280 units a day at Metuchen, N. J. More than 1,000 workers will be laid off. This will bring total layoffs to 10,000.

Studebaker Corp. at South Bend, Ind., has announced a 20 per cent cutback of automobiles and trucks during January.

Further cutbacks in production are expected to hit the Detroit area the hardest. Although the auto industry has received an estimated \$1,000,000,000 in defense orders, the work is to be done in plants outside Detroit. So far most of the defense production has been assigned to new plant facilities with a minimum of interruption to auto output.

Automotive News reported it all depends on the foreign situation whether cutbacks will become more severe later in 1951. The trade paper estimated 1950 production at slightly over 8,000,000 cars and trucks. This is an all-time record by more than 1,000,000 units.

Huge Russian Army In Siberia

TAIPEI, Formosa — The Central Daily News said today Russia has 750,000 troops in Siberia for possible use to invade Japan and Alaska.

The newspaper, which reflects the views of the Chinese Nationalist Party, used the report as an argument for immediate formation of a Pacific alliance similar to the North Atlantic Pact.

Confidential reports from the Red Chinese mainland said Russia plans to train 1,000,000 Chinese in reserve force to be used in World War III.

The Nationalist defense ministry said the Chinese Communist have dumped Russian-made equipment in the United States and Shanghai. It said the motive was to weaken the U. S. currency and to force holders of genuine U. S. dollars to exchange them for Chinese Communist money.

Our Weather

Not quite so cold today, with occasional rain or drizzle. Sunrise, 7:11 A. M.; sunset, 5:19 P. M.

More Weather Data on Page 5-A

FREE WINTER HEAT
If you could use all the warmth in winter sunshine for heating your house, you might reduce your fuel bills by one-third. You've probably heard that, but it gets inside your car, where it can't do any good. For several hours in the winter sun, it has announced a 20 per cent cutback of automobiles and trucks during January.

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\$2 Billion 'Frozen Out' Of Market

U. S. Takes Over Control Of Rubber

WASHINGTON — (AP) — The Government cut down sharply today on money available for private loans and forged strong new links for harnessing the international economy more firmly to the defense drive.

A Federal Reserve Board order to its 6,000 members has called for freezing \$2,000,000,000 out of the loan market.

The board said its action would cut off a potential further increase of \$1.4 billion in the already record-high volume of bank loans. This is because banks could have lent \$2 billion dollars over and over again.

The Economic Stabilization Agency (ESA) announced that it will open thirteen regional offices to handle price and wage problems, a step apparently necessary for stricter controls expected later.

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RUBBER TAKEN OVER

The National Production Authority (NPA) decreed that the U. S. will take over immediately as sole importer and distributor of natural rubber. Since it already controls synthetic production this move puts the Government in virtual control of all rubber.

NPA announced this new move last night only a few hours after it had forbidden hoarding of 53 essential materials, including steel, lumber and paper. An NPA spokesman interpreted the latter ban as apply to foreign goods.

Another order today, NPA slapped tight controls on use of oil, a vital material in many products. Beginning Feb. 1, the Government will parcel out supplies of kerosene for use in the small used for battery refrigerators and washing machines. It also will control the manufacture of radio and television speakers. NPA officials said TV and radio manufacture likely would be hit "extremely hard."

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RAISE REQUIREMENTS

The board's reserve requirements — the proportion of deposits that member banks are required to post with Federal Reserve authorities — are non-liable reserves.

Reserve system member bank account for the great bulk of U. S. bank deposits and loans, although they constitute a minority of the nation's 15,000 banks. It is up to state banking authorities whether to apply a similar freeze to the remaining banks.

The board's crack-down on its members with a compulsory freeze on a recent burial.

Seoul: A City Full Of People And Not A Single Home

With transportation facilities limited or non-existent, some 700,000 refugees are fleeing Seoul to escape the threat of Red Chinese massed on the 38th Parallel. One father puts his son aboard a bicycle, and others wait patiently for trains that probably won't come. Some Koreans carry all their belongings on their backs, and some carry them on their heads. Two youngsters are put high on top of the family belongings on a two-wheel cart. They all have a common destination—safety and warmth. (Acme Photos by Walter Lea.)

THESE MEN CHOSE THE MAN OF THE YEAR



Who will be the Charlotte News' Man of the Year for 1950? These men have met and discussed the accomplishments of various leading Charlotteans, and their selection will be announced in The News tomorrow. The selection group is always composed of previous Men of the Year, plus three News executives. Shown here, seated from left to right, are C. W. Gilchrist Jr. (Man of 1949), News Publisher Thomas L. Robinson and Coleman W. Roberts (Man of 1944). Standing, from left, are Executive Editor Brodie S. Griffith, James B. Marshall (Man of 1946), George M. Ivey (1947), J. N. O'Connell (1948) and News General Manager J. E. Dowd. Attorney Henry C. Dockery, Man of the year for 1949, was unable to attend the session.

In Icebound East

Weather Making Driving Risky

By ASSOCIATED PRESS
Freezing rain and sleet created hazardous driving conditions over the Eastern part of the country today.

At the same time most of the Eastern half of the country was still getting cold weather — but much warmer than earlier in the week.

The U. S. Weather Bureau in Washington issued a special warning to motorists in the Eastern States to use "extreme caution" in driving because of the freezing rain.

The Boston Weather Bureau issued a special bulletin forecasting snow lasting into Saturday and piling up to six inches in parts of New England. The forecast was for "alternate periods of snow, sleet and freezing rain."

The south's slippery pavements brought death to five persons. Four members of an Alcoville, Ala., family were killed when their truck and another collided near Vance, Ala., and in Louisiana, two kindred cars crashed, killing 11-year-old Harry H. Martin Jr., son of a Jacksonville, Fla., attorney. The freezing rain hit areas from northeast Georgia into southeastern Pennsylvania and to New York City.

It was expected to continue almost all day in western Virginia, western Maryland, western North Carolina, extending to West Virginia and most of Pennsylvania and southeastern New York.

Baltimore reported a mass traffic jam. Police reported every half mile in the northern section of the city and all nearby highways "covered with ice." Dozens of accidents, mostly minor, were reported. Pooled switchboards were flooded with calls from motorists who were forced to abandon their cars on the city streets.

There was light snow in upper Michigan, most of Wisconsin and in the northern Great Plains. Snow was forecast for other North Central regions.

The bitter sub-zero weather of the past three days in many Mid-west and Eastern areas moderated. Temperatures climbed over a broad area extending from Texas northeastward into the Ohio Valley, Great Lakes region and into New England. Readings continued on the chilly side over the South Atlantic states.

FEW MINUS ZEROS
There were only a few below zero readings today, but they were at Jamestown, N. D., one of the lowest marks. At the same time it was one above in Minneapolis, 13 in Chicago, 27 in St. Louis, 31 in New York, 34 in Fort Worth, 46 in Seattle, 53 in Los Angeles and 63 in Miami.

This week's cold weather was blamed for at least seven deaths including three in Ohio, two in Indiana and one in New York.

OVERCOAT LEADS
NEW ORLEANS — It was chilly in New Orleans last night so chilly a robber took a man's overcoat off his back. Another man in pin-pointing any units of his huge force at this time.

Who the lid was was a hit-
See ALLIES on page 5-A

Californian Chosen As Champion Liar Of 1950

BURLINGTON, Wis. — A Californian who wandered far afield for the locale of a weird weather story was crowned today as the world's champion liar of 1950.

The Burlington Liar Club picked this one by Frank J. Goulette of Los Angeles from a pack of lies submitted from all over the nation and from foreign lands in its annual contest.

"One winter, while I was working on a pile driver in North Dakota it got so cold that one night a member of our crew froze to death in bed."

"The ground was frozen so hard that it was impossible to dig a grave. In fact, we never did find out how far down it was frozen. But this I do know: seeing we couldn't dig a grave, we shot the fellow on his head under the pile-driver. He had to drive on his own seven days and seven nights before we got him down far enough for a decent burial."

The judges laid this one by Joseph Flynn of Cleveland, Ohio, aside for the locale of a weird weather story was crowned today as the world's champion liar of 1950.

"One night," Flynn lied, "when I was firing on the railroad, we got orders to go into a strike to let a passenger train by. We had a long drive, including 65 carloads of canaries, and when we got the highball the engineer just couldn't get rolling — too much weight."

"I guess we would have been there yet if I hadn't solved the problem. Going back along the train I hung a lighted lantern in every one of those canary cars. The birds, thinking it was morning, flew lit their perches. With the birds in the air we had enough weight off the wheels so that we could get going."

Other honorable mentions went to Donald M. Moriarty of Ottumwa, Ia., and L. W. Tupper of Ontario, Alberta, Canada.

Hasty Marriages Won't Help Now

RALEIGH — (AP) — It won't help any more for young men to marry in haste in order to avoid the draft. Selective Service headquarters announced today a change in policy regarding the status of those who marry after they receive their orders to report for their physical examinations.

Heretofore, local draft boards have deferred those who married before they actually received their orders to report for induction.

Under the new policy announced by the Selective Service headquarters those who marry after they get their orders to report for their physical examination will not be deferred.

What's Inside

Classified Want Ads	Page
Comics	48-49
Crossword Puzzle	49
Markets	60
Radio Program	5A
Shows	5A
Show 'Nuf	5A
Sports	5B-10
Theater	5A
Wishing Well	5A
Women's Pages	1A-5A