

ALLIES CALL  
CONFERENCE  
ON ASIA

Plan To Begin Work  
On Defensive  
Alliance Next Month

WASHINGTON (P)—The United States, Britain and other friendly nations have agreed to call an international conference late next month to write a defensive alliance designed to protect the non-Communist lands of southeast Asia against Communist conquest.

Highly placed diplomatic authorities said an announcement of the meeting is expected shortly.

The agreement was reached, these officials said, among Secretary of State Dulles, Under Secretary Walter Bedell Smith, British Foreign Secretary Eden and others at Geneva after it became certain that the fighting in Indochina would be ended by negotiated peace with the Communists.

Some officials told a reporter the meeting probably will be held some place in the Asian area and that the level of representation—foreign ministers or persons of lesser rank—is yet to be determined.

The United States originally proposed that 10 nations make up the Southeast Asia treaty organization. They were the United States, Britain, France, Australia, New Zealand, Thailand, the Philippines and the Indonesian states of Viet Nam, Laos and Cambodia.

The British wanted to bring in as many additional Asian nations as possible, including India, Burma and Pakistan.

The makeup of the projected meeting remains to be worked out. If Laos, Cambodia and Viet Nam are permitted by the Indo-China peace terms to agree to terms they will undoubtedly be included. But even if it is finally decided they cannot attend, American officials said privately that the defensive alliance can be written to protect them as well as countries like Thailand which would be members.

Britain has been deeply concerned to obtain India's cooperation so far as possible and it is understood that the London government is planning to consult with India Prime Minister Nehru as well as friendly governments of other Asian nations in the hope of obtaining their sympathetic understanding and moral support if not their outright participation.

PAKISTAN LIKELY

In fact, the participation of Pakistan has been considered by government "go slow" attitude arising out of Britain's solicitude for India. It had been generally expected that diplomatic quarters here until this morning that no conference could be held for several months at least.

Three Killed In  
Factory Explosion

CRANBURY, N. J. — (P)—A terrific explosion blew a building to bits at the Unexcelled Chemical Co. plant today, killing at least three workers and injuring many others.

The firm, one of the state's largest fireworks manufacturers, had been working on government munitions contracts exclusively in recent months, a spokesman said. It was the nation's third fatal blast in a similar installation within a week. At least 13 persons were killed last Friday in explosions at Chicago and Chesterford, Md.

Grunewald Is Indicted  
On Perjury Charges

WASHINGTON (P)—Henry W. Grunewald (Grunt Dutchman) was indicted today on charges that he lied repeatedly in denying tax evading activities under the Truman administration.

The indictment, returned by a federal grand jury, accused Grunewald of committing perjury in

OUR WEATHER

Partly cloudy with scattered showers and thundershowers mostly this afternoon and tonight. Rather warm today. Not quite so warm tomorrow.  
High temperature yesterday—81 degrees.  
High temperature expected today—81 degrees.  
Low temperature this morning—73 degrees.  
Low temperature expected tonight—71 degrees.  
Sunrise 5:24 a.m.; sunset 7:34 p.m.  
More Weather Data on Page 2-A

Train-Tanker Collision  
Kills One, Injures Two

Station, Cars Burn  
At Union Mills

UNION MILLS, N. C.—(AP)—A highway oil tanker struck a train here today and the resulting explosion and fire killed one man, seriously injured two, burned down the railroad station and destroyed half a dozen freight and passenger cars.

The truck driver burned to death in the cab of his tanker as horrified spectators looked on. Intense heat prevented their reaching him.

The explosion set after the Southern Railway station in this Rutherford County town and spread flames along the rear cars of a 15-car southbound combination passenger and freight train.

Two rural mail carriers, Hugh Simpson and Don Humphries, who dashed in an attempt to save the truck driver were burned when an explosion tossed oil in every direction. They were rushed to Rutherford County Hospital at Rutherford.

The line passenger car was new to the end of the train, en route from Marion to Rock Hill, S. C. The caboose, two box cars and two coal cars burned fiercely.

Fire fighting equipment rushed in from Rutherford, Spindale and Forest City and helped Union Mills firemen prevent the flames from spreading from the depot to the postoffice and four other adjacent business structures.

The truck, enroute to Spruce Pine, carried fuel oil. A member of the train crew said that there were no passengers aboard the coach. He added that all members of the train crew escaped.

The sound of the explosion, the rise of heavy smoke and the sirens of incoming fire trucks attracted hundreds of spectators who loomed traffic for miles around this town of about 900 population.

She had come here without luggage, except for an evening gown which she had designed herself and a bathing suit which contest officials gave her. That was all she had when she left her home.

Her luggage, lost on an airliner that brought her here last week, wasn't caught up with her yet. She scored heavily in the bathing suit and evening gown competitions but she was her naturalness and humor in the poise and personality talk that won her the judges' nod.

Contestants were asked to give a brief speech on "the most important thing in my life." Miss South Carolina brought down the house when she told the big crowd at Municipal Auditorium that the most important thing in "mak life" was to get mah luggage back.

Runners-up in the contest were in this order: Miss Virginia, Ellen Whitehead, an 18-year-old Chat ham, Va.; runner-up, Miss New York State, Karin Hultman, 22, of Rochester; Miss New York City, Renee Roy, 23-year-old actress, and Miss Texas, 20-year-old Betty Lee of Austin, one of the tallest girls in the contest.

Miss South Carolina is a senior at Lander College, Greenwood, S. C. She is a major in home economics and can cook and sew. She wants to get married but says she wants to take a crack at a movie contract.

She also won a new convertible, plus a number of other prizes. Tonight she and the foreign beauties will go through preliminary rounds to testify. The final round judging will last late into the night with the finals tomorrow night.

Grunewald, 38, who became an associate of prominent persons in the capital and a man of mystery, made some appearances before the grand jury late last year when he was completing a 90-day jail sentence for contempt of Congress.

That sentence, which included a \$10,000 fine, resulted from Grunewald's refusal in 1952 to give the House committee anything more than his name when he answered a subpoena to testify. The jail term was originally suspended.

However, Grunewald and a woman companion were found apparently overcome by gas in a Jersey City apartment in August, 1953, and he was made to serve the time, on grounds that he had left the jurisdiction of the Miss Universe contest of the District of Columbia courts without permission.

1954 Budget  
Deficit Less  
Than Expected

WASHINGTON (P)—President Eisenhower announced today the government "made a better showing than expected" in the fiscal year just ended by winding up \$2,029,000,000 in the red on June 30.

That was a deficit of a quarter of a billion dollars less than Eisenhower had predicted for the fiscal year 1954 in his January budget message. It was \$6,893,000,000 less than former President Truman forecast for the same year in his final budget.

And it was \$6,411,000,000 below the \$9,499,000,000 by which the government overspent its income the year before.

The presidential announcement, based on the treasury's statement of the nation's finances on June 30, closing day of the fiscal year, was handed to reporters by presidential press secretary James Hagerty.

The 7½ per cent reduction from the deficit predicted in January—when the fiscal year was half over—was achieved, Eisenhower said, despite a sharp fall in the government's income under the predicted level.

The government's receipts in the 12 months ended June 30 ran 2 billion dollars lower than predicted, the president said, but the administration meanwhile whacked spending \$3½ billion dollars below what had been forecast.

That made the deficit a quarter of a billion dollars less than had been expected. The Treasury's year-end figures showed that fiscal 1954 tax receipts from individual income taxes were a billion dollars less than previously estimated and that corporation tax receipts were down over 1½ billion dollars. The bulk of the spending cut, about 2½ billion dollars of it, was in national security outlays of all kinds, with direct military outlays absorbing the biggest cut.

The reduction of the fiscal 1954 deficit to nearly three billion dollars, Eisenhower said, takes the administration "two-thirds of the way" toward balancing the budget.

WHAT'S INSIDE

THE HOLE-IN-ONE TOURNAMENT, an annual event sponsored by The News, wound up last night with some outstanding prizes given out. Read about it on the sports pages.

THE EDITORS OF THE NEWS dug into the files and pulled out an editorial written in 1938 on the Munich agreement, which they reprint today along with an editorial on the Geneva settlement, which is disturbingly similar to Munich. Turn to the editorial page, 10-A.

Business ..... 2B  
Classified ..... 14-17B  
Comics ..... 16B  
Crossword ..... 2B  
Editorials ..... 10A  
Features ..... 2B  
Obituaries ..... 18B  
Radio & TV ..... 3B  
Serial ..... 11A  
Sports ..... 13-14A  
Theaters ..... 14A  
Women ..... 6-7A



Vietnamese Students Picket White House, Protesting Partition. (AP Wirephoto).

Senate In Marathon Session  
Private Power Foes Fight On

WASHINGTON (P)—Senate critics of the administration's atomic legislation fought on doggedly today through worn by an all-night session and beaten badly on a test vote which upheld President Eisenhower's order for a new private power plant in Arkansas.

They were plainly out, however, to dramatize the issue and build it up to importance in the election campaign. Sen. Gore (D-Tenn) told newsmen he would stump the nation to call "the people's attention to the capture of the Eisenhower administration by the private power trust."

At 10 a.m., EDT—the 24-hour mark of the session—Sen. Morse (Ind-Ore) was in the midst of a speech he had begun at 5:16 a.m. Fewer than half a dozen senators were in their seats and one of the Senate's two women members, Sen. Bowring (R-Neb), was presiding.

Many senators had remained close by through the night, however, napping on cot set up in cloakrooms or on couches in their offices. And through the night, there were always a few spectators in the public galleries.

The big test vote, taken before midnight, defeated 53-48 an attempt to block Eisenhower's order for a new private power plant in Arkansas. A second vote, 56-33, then clinched it by giving affirmative approval for the plan.

This issue had been discussed of when Morse, who holds the Senate's long-distance speaking record of 22 hours and 26 minutes, gained the floor for what he said would be a "relatively short speech" of five or six hours.

But Morse poured away at the power provision, calling it a "give-away to private monopoly." There seemed scant prospect of any final vote before late in the day at the earliest. Sen. Gore and Hill (D-Ala) were definitely set to follow Morse with speeches. Others were expected also to want the floor.

Morse started with a 41-page prepared address which took him about three hours. When he finished with that, he referred to it as the "first part of this speech." He was next going to "turn for the floor."

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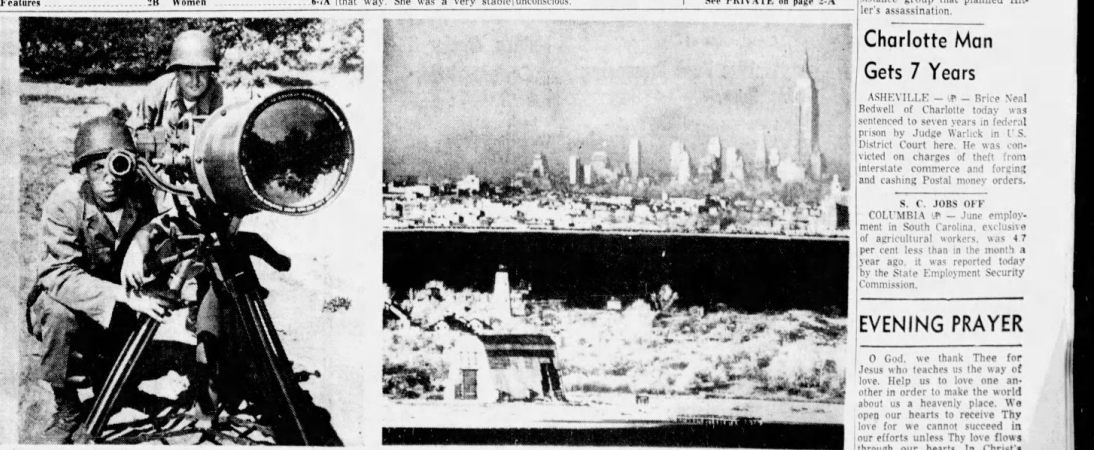
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Signal Corps' New 100-Inch Camera Can See Beyond Enemy Lines. \* Its Photo of Manhattan Was Taken 26 Miles Away. (AP Wirephoto).

Builder Says  
FHA Showed  
Way To Profit

No Capital Required  
For Big Windfalls

WASHINGTON (P)—A Los Angeles builder told investigating senators today that Federal Housing Administration officials taught builders exactly how to profit from a postwar government-backed housing program without putting up "any capital."

Witnessing testimony under oath, said that he cleared \$367,343 on two projects and later sold his interest in them for an additional profit of \$125,000.

Sen. Capehart (R-Ind.), chairman of the Senate Banking Committee which is conducting the housing investigation, asked Weber: "Do you feel that you were promoted in this by the FHA?"

Weber replied: "There is no question about that. Frankly, I wish I had never seen them. We acted in good faith. Our hands were tied."

Earlier, Sen. Maybank (D-SC), senior Democrat on the committee, said FHA officials should act at once to "cut back on windfall profits and reduce the inflated rents of tenants who are paying for them."

"Everybody's made money in those housing project deals except the tenant," he said. "He's the guy who's been paying for it."

West German  
Official Skips

BERLIN (P)—Police announced today Dr. Otto John, a West German anti-Communist chief, went to Communist East Berlin with a friend Tuesday night and that a note left behind indicated he would not return.

The West Berlin police announced he followed by a few hours a statement by the West German Interior Ministry that John was believed kidnapped by the Communists.

John's official title is chief of the Federal Office for the Protection of the Constitution. The office is charged with guarding against treason, espionage and activities endangering the democratic state. Though its powers are more limited, it handles duties much as the Federal Bureau of Investigation does in the U.S.

John's office deals mainly with Communist and other anti-democratic organizations in West Germany.

The missing official went to Berlin last week to attend the re-election of West German President Theodor Heuss and the 10th anniversary observance of the July 20 bomb plot against Hitler.

John was a member of the resistance group that plotted Hitler's assassination.

Charlotte Man  
Gets 7 Years

ASHEVILLE (P)—Brice Neal Redwell of Charlotte today was sentenced to seven years in federal prison by Judge William W. U.S. District Court here. He was convicted on charges of theft from interstate commerce and forging and cashing Postal money orders.

S. C. JOBS OFF  
COLUMBIA (P)—June employment in South Carolina, exclusive of agricultural workers, was 4.7 per cent less than in the month a year ago. It was the third today by the State Employment Security Commission.

EVENING PRAYER

O God, we thank Thee for Jesus who teaches us the way of love. Help us to love one another in order to make the world about us a heavenly place. We open our hearts to receive Thy love for we cannot succeed in our efforts unless Thy love flows through our hearts. In Christ's name. Amen.