

Yanks Retreat, Make River New Defense Barrier; Marines Head For Battle Lines

Corporation Profits Up Over 1949

Effects Of War Not Reflected

NEW YORK, Aug. 2.—(AP)—Corporation profits are running at a record rate, with the second quarter total 43 per cent higher than a year ago.

This upward surge developed without the stimulus of war which did not boost prices, sales, and earnings until the start of the second half of the year.

Totals Given

A compilation made today by the Associated Press of the earnings of 450 corporations in all fields of business showed these totals:

1950, second quarter \$1,625,040, 257.

1949, second quarter \$1,132,763, 017.

Increase: Forty three per cent.

1950 first half \$2,865,306,259.

1949 first half \$2,319,616,433.

Increase: Twenty four per cent.

The percentage of gain over a year ago reflects the quick recovery during the first half of 1949 which, of course, makes today's earnings look even bigger by comparison.

But the absolute dollar totals during the second quarter this year are running at an annual rate that would top any other full year.

Impressive Gain

Profits made an all-time high in 1948, and the total last year was only 2.6 per cent below that peak, an Associated Press compilation showed.

That makes the 24 per cent gain so far this year look impressive, especially since the money-making tempo is picking up sharply as the year grows older.

But higher taxes would change the picture.

President Truman is asking for higher corporation taxes to wage war on Korea, and the congressional discussion of an excess profits tax.

Another Year

That tax on what business makes could put 1950 down in the books as just another year when because of a lot of money changed hands and wound up being spent by the government.

Automobiles continue to be the nation's biggest money maker. Twelve manufacturers of autos and trucks earned \$540,291,513 in the second half, a gain of 45 per cent over the first half of 1949. Most of that was made by General Motors, which reported a first half profit of more than \$485,000,000.

The total was held back by the lengthy Chrysler strike in the first quarter this year, which resulted in a deficit by that major manufacturer. Chrysler's profit in the second quarter was more than \$41,000,000. The group as a whole made 55 per cent in the second quarter than a year ago.

Lawmakers Split Over Teacher Pay Boosts

BY ARTHUR JOHNSKY
Greensboro Daily News Raleigh Bureau

RALEIGH, Aug. 2.—Opinions on the Legislature's intent when it passed the 1949 teacher pay amendment were plentiful and diverse today among members of the 1949 senate and house.

But many of those asked by the Greensboro Daily News for their recollections of legislative intent held the view that surplus funds were to be divided annually to raise teacher pay.

In this they differed sharply with Assistant Budget Director Dave Coltrane, who has disclosed that the state wound up the 1949-50 fiscal year with a balance of \$15,000,000.

\$550,000 Tree Surplus?

In a budget statement, Coltrane said, however, the "free surplus" was only about \$850,000, and the remainder would be needed, under the Legislature's budget estimates, to prevent a deficit for 1950-51.

Coltrane holds that the balance is encumbered, and therefore is not a surplus except insofar as it, when added, to estimated revenues, exceeds the budgeted expenses for the current fiscal year.

Leaders of the North Carolina Education Association are expected to appear before the State Board of Education at its meeting tomorrow to ask for a division of funds, and perhaps a revised estimate of revenue for 1950-51 in view of increases in the state income.

First Step

First step in securing the funds for teachers must be a request by the Board of Education to the Budget Bureau.

Despite expressions from many quarters as to uncertainty as to the meaning of the law, Assistant General Harry McMullan late today had not been asked for a ruling upon it.

The Legislature shaped its decision on teacher pay in an atmosphere of factionalism and hot debate in which one fact seemed clear: The majority apparently wanted to be sure that overcautious estimating of income was not the instrument for defeating the proposed \$2200-to-\$3,100 salary range.

Issue Not Debated

The issue of whether the surplus was to be determined at the end of the first fiscal year or of the bi-

War Map Gives Man Distorted View

RICHMOND, Va., Aug. 2.—(AP)—"Please stop printing maps showing the Korean war lines of battle superimposed over this and nearby states for comparison," the letter to the Richmond News Leader said.

"My best friend left without notice for three days to get his two sisters away from Enfield, N. C., as the map showed the Communists were only a few miles away."

(Signed)
J. W. WISEMAN.

Today's Chuckle

"That's the guy I'm laying for," muttered the hen as the farmer crossed the yard.

Acme News

Man Cuts His Brother's Throat With Paring Knife, Saves Life

PLENTYWOOD, Me., Aug. 2.—(AP)—Bernard Lutness cut his brother's throat with a paring knife to save his life.

The story came out today after the brother, Road Lutness, returned to his farm from a hospital.

Road found it difficult to breathe after a baseball hit his throat. He asked his sister-in-law, who once trained three months to be a nurse to operate with a Jackknife.

with the knife but didn't find the windpipe.

Bernard got the paring knife, which had been sharpened for chicken killing. He probed with it and found the windpipe. Mrs. Lutness inserted a small rubber tube from a syringe in the opening.

The three drove 25 miles to Plentywood in less than 20 minutes.

Dr. A. N. Fromm placed the tube with a metal tube. He

U. S. Invites Any Genuine Red Proposals For Korea

LAKE SUCCESS, Aug. 2.—(AP)—American Chief Delegate Warren R. Austin heatedly rejected today any "deals" for a settlement of the Korean war and invited Russia to offer any genuine proposals it has for peace in Korea.

Austin turned down for the second straight day in the Security Council a Soviet move to link the question of Red China's entrance into the U. N. with the Korean war. He said the United States will never agree that the end of North Korean aggression depends on any other issue.

Won't Chasten Suffering

"So long as men are dying on the battlefield in defense of the United Nations," Austin said, "this council will not wish to chasten their suffering or sully their heroism by seeming to engage in the consideration of deals."

The American also rejected again a Soviet move intended to water down the council's previous decision that Communist-supported North Korea is the aggressor against the Republic of Korea, which is backed by the U. N.

Soviet Delegate Jakob A. Malik, council president, replied that Aus-

tin has put up a resolution, calling for "localization of the conflict." He said that was diplomatic language that really meant: To increase and expand the conflict, increase the munitions, and the flying forces.

The council adjourned at 5:15 p. m. until 7 p. m. tomorrow without acting on its agenda. The Soviet Union is seeking to have the council take up the question of seating Communist China before going on to the Korean problem.

Nothing But Korea

Austin joined five other delegates in demanding the council put everything aside except the issue of aggression upon the Republic of Korea, a question that has been before the council five weeks. Backing Austin were Sir Gladwyn Jebb of Britain, Jean Chauvel of France, Alberto Quevedo of Ecuador, and Arne Sunde of Norway, Antonio L. Alvarez of Cuba.

Jebb told Malik, August president of the council, that Korea and China are in the same part of the world but that is about as far as he could go in admitting a link to the two questions. He said 52 of the 59 U. N. members are backing the council's efforts to end ag-

U. S. May Help Chiang Force With Arms

WASHINGTON, Aug. 2.—(UP)—Secretary of State Dean Acheson indicated today that this country may supply arms to Chinese Nationalist troops on the U. S. fleet-protected island of Formosa.

At a news conference, he also opposed the Senate-approved plan to lend Spain \$100,000,000, and accused Russian delegate Jacob A. Malik of trying to impede United Nations action to halt aggression in Korea.

Acheson refused to go into the details of possible U. S. arms aid to Formosa.

But he said President Truman's June 27 statement, ordering the U. S. Seventh Fleet to defend the island against Chinese Communist attack, replaced the previous U. S. policy of withholding military aid from Nationalist forces.

MacArthur Visits Formosa

Gen. Douglas MacArthur went to Formosa earlier this week to confer with Nationalist Generalissimo Chiang Kai-shek on Formosan defenses. The question of arms aid presumably was discussed then.

President Truman's request Tuesday for rush action on an extra \$4,000,000,000 in arms aid funds included \$303,000,000 for Asiatic countries. Part of this could be used for Formosa.

Acheson frowned on Senate suggestions that the United States send arms aid, as well as economic loans, to Spain.

He said that any plan to include Spain in the mutual assistance program (arms aid) of the 12 North Atlantic Defense Pact powers would have to be taken up with our allies.

Compulsory Controls Backed

WASHINGTON, Aug. 2.—(AP)—The Senate Banking Committee voted today for automatic price and wage controls and rationing if the cost of living rises to some point which the committee will fix later.

The "alarm clock" method of invoking the curbs was approved by a voice vote. This reversed a 121-106 vote 45 minutes earlier for the general idea of stand-by powers for President Truman to put on such controls if and when he sees the need.

The committee acted after signs had appeared in the House that the administration was grabbing up the stand-by authority bill. In that branch a last-minute substitute was introduced to broaden the limited economic control measure originally sponsored by the White House. Backed by administration leaders, it included the stand-by powers.

Before it got into the price-wage-rationing issue, the Senate committee definitely wrote in the bill an amendment hitting hard at hoarders and black marketers with a threat of a year in jail and fines up to \$10,000.

Senate Group Hits Hoarders

Senator Brickner (Republican, Ohio), an opponent of all-out controls, sponsored the criminal penalties plan. "He told newsmen his idea was this:

"About one prosecution by federal attorneys in each area and we would stop hoarding and black marketing."

Senator Fulbright (Democrat, Arkansas) advanced the automatic plan and consumer controls, which appears in some respects to run counter to administration desires.

No Obligations

Truman advised Congress yesterday that he would have "no objections" to the addition of stand-by powers if they were not allowed to get in the way of the other controls he did ask. And he specified he did not want the authority now unless it was feasible both in the tightness and timing of controls and the method of administration.

But, the senator added, the details have not been worked out to contemplate giving the President discretion to slip controls on a single industry, or a single commodity, if prices in a particular field appear to be getting out of hand.

But, the senator added, the President would have no discretion as to over-all price-wage-rationing controls if general costs rose above a specified point.

100,000 North Koreans Flung At Defense Lines

TOKYO, Thursday, Aug. 3.—(AP)—American troops today fell back on the central front to make the Naktong River the United Nations defense barrier for much of the north and west sides of the Korean beachhead.

Field dispatches said the general withdrawal was expected to be the last major U. N. pullback of the war. Battle-ready U. S. Marines streamed ashore and started immediately for the hard-pressed lines. Ahead of them were army reinforcements which had arrived earlier.

However, on the East Coast, the Reds were chased out of the battered town of Yongdok by the South Korean Third Division Wednesday under the covering fire of a U. S. cruiser and destroyers.

A Far East naval communique said the South Korean counter-attack carried three miles north of Yongdok, northeast anchor of the twisting front.

One of the critical sectors was west of Pusan, the main supply port at the southeastern tip of Korea. Fighting raged only 40 miles to the west of the city.

The general withdrawal, however, apparently did not extend this far south on the western side of the box-shaped beachhead.

Latest field reports said army tanks and troops were engaged in bloody fighting after halting a powerful Korean Communist thrust 40 miles west of Pusan with a counterattack. The Americans drove within three to five miles of Chinju before returning to their positions, an Eighth Army communique said today.

To Relieve Pressure

The general withdrawal—planned and originally begun two days ago. Its aim apparently was to relieve the heavy pressure of 10 Red divisions—possibly 100,000 troops—until fresh army and newly arrived marine units can get into combat.

The Reds were pressing hard all along the shrunken U. N. defense perimeter which cut numbers American and South Korean forces have been holding. The line was marked by flaming towns and villages from Chinju, 55 miles west of Pusan, on the south, to Yongdok on the East Coast 80 miles north of the key port.

Quit Old Line

For two days, the Americans and South Koreans have been pulling back behind the Naktong River on the north. They gave up their old line from Hamchang at the northwest corner of the box to Andong, eastward toward Yongdok. The Americans on the north-south front just below Hamchang withdrew from Sangju eastward to new positions behind the river. Wednesday, the forces built around the north front, abandoning the town 30 miles northwest of Taegu.

How far south the withdrawal carried was not clear either in field dispatches or the Eighth Army communique. The communique indicated, however, that the Naktong bends eastward toward Samnangjin north of Pusan. It said "highway bridges have been destroyed at strategic points on the roads leading from the friendly areas northwest of Chinju."

Taking The Shock

General MacArthur's war summary early today identified 10 North Korean divisions in action along the front. Elements of three U. S. divisions and South Korean divisions were taking the shock. MacArthur conceded the "main enemy effort continued" on the Chinju-Pusan axis, the front about 40 miles west of Pusan. Field dispatches said casualties were heavy on both sides.

Front dispatches said the American forces built around and shattered fragments of the 24th Division and reinforcements from Okinawa a launched two counterattacks led by Sherman tanks.

One American counterthrust was halted along the Chinju-Pusan road, but the other appeared from the air to be moving ahead.

Correspondent Hal Boyle, who witnessed the fighting from an ob-

More Divisions Will Be Sent To Korea

WASHINGTON, Aug. 2.—(GNS)—Military spokesmen indicated today that at least two more crack regular army divisions shortly will be en route to Korea to bolster Gen. Walton Walker's hard-pressed forces.

The troops will augment the First Marine Division and four army divisions now in the Korean theater of operations, and some experts believe the reinforcements will enable the launching of a U. S. counteroffensive by mid-September.

Six Divisions Needed

American war planners have estimated that such a drive can be undertaken when U. S. strength is built up to a point where Walker can hurl six divisions against the Korean Communists while holding one division in reserve.

Defense officials pointed out that the four national guard divisions and two regimental combat teams now under mobilization orders can replace in part the army's mobile reserve stationed in the U. S.

Pentagon observers anticipate that embarkation orders soon will be issued to the 82nd Airborne Division at Ft. Bragg, N. C., and the 3rd Infantry Division at Ft. Benning, Ga.

Both the paratrooper 82nd and the famed 3rd Division are in an advanced state of combat readiness and are close to full war strength.

Indication that their departure is imminent came in an official spokesman's insistence that though the situation in Korea is "still serious" the over-all, long-range position of United Nations forces is "improving."

Call-up of the national guard units and reactivation of two World War II training camps emphasized the steadily increasing intensity of the rearmament program.

Cool Criminal

BRONSON, Iowa, Aug. 2.—(AP)—A cool bank robber walked on two

Marines Ready To Give Best

A SOUTHERN FRONT IN KOREA, Thursday, Aug. 3.—(AP)—The U. S. Marines began going ashore early this morning and started moving immediately toward the critical Korean battlefield.

Unloading of marine equipment continued through Wednesday night following the docking yesterday.

Loaded for combat, the marines arrived vowing to "give them the best we got—and that's a lot."

The words were spoken by a sergeant veteran of World War II as he looked out across the rail at the low hills of Korea: He wasn't cocky. "Just confident."

Other Transports

Behind the first transport steamed other transports, bringing more Leathernecks to a strange and alien land—much the same sort of land they have fought over in their long, proud history.

They were bringing with them the kind of fighting tools that have been lacking as U. S. and South Korean troops battled to hold off a well-prepared enemy in the southeast corner of Korea.

In their battle gear and equipment are Pershing 45-ton tanks, with a 90-mm gun that will give Americans armored firepower they have not yet had. Russian tanks have been superior so far.

More Superbazookas

The Marines brought more of the superbazookas which can stop the heavily-armored enemy tanks.

And there are the flamethrowers which the marines learned to use with good effect in many a bitter battle with the Japanese in the last war.

The first marine ashore was Lt. John Strength of Marshall, Tex. He supervised the tying of the transport's lines.

There was a band waiting at the dock. It was made up of Negroes and Korean musicians who somehow had done a creditable job of mastering "From the Halls of Montezuma to the Shores of Tripoli" and "Semper Parvulus."

"We figure this will be tougher

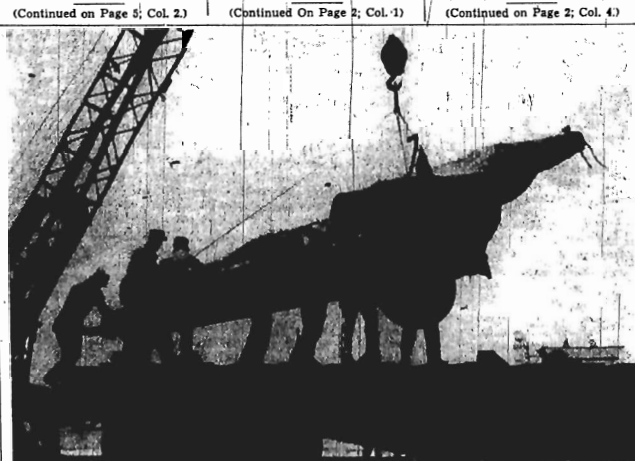


Yanks Withdraw From Kumchong

Burning Kumchong (underlined) on the central Korean front, was abandoned to North Koreans (dark arrow) yesterday, flanking the Reds only 30 miles (broken arrow) from Taegu. The left flank of the U. S. forces was threatened by a Red drive through Koehang and Hyophon. In the south, counterattacking Yanks have retaken heights east of Chinju.

Casualties

Wounded
PFC. BOJAY FAULKNER, son of Mrs. Sadie B. Faulkner, Warren-ton.
PFC. HOWARD J. HERMAN, Route 1, Neuse.
Missing in Action
PVT. RUFUS G. HUFFSTICKLER, son of Steery Reid Huffstickler, Kings Mountain.
CAPT. ZEMIRA V. SIZEMORE, husband of Mrs. Dorothy C. Sizemore.



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