

Wilson Says Armed Services Keep Budget

WASHINGTON (AP)—Secretary of Defense Wilson was reported Wednesday to have concluded after a new survey that it would be militarily unwise for the armed services to cut their spending any further this year.

Informants said Wilson had assured Secretary of the Treasury Humphrey and Budget Director Rowland Hughes that the Defense Department would continue every effort—"look under every log" for more economy, as Humphrey has asked all government departments to do.

Cut Militia to Save
But they said the Pentagon chief also informed the administration's fiscal leaders that the only way savings approaching a billion dollars could be brought about in the military establishment would be by:

1. Cutting down the numerical armed forces strength, called the "force level."
2. Reducing contracts for planes, ships and other weapons and equipment, or
3. Through a combination of both.

Wilson took the stand against a further cutback in spending after reviews of the situation with each of the service secretaries, top military commanders and his own fiscal experts.

Target is Defense
The Treasury and budget chiefs hope through economies to wipe out a prospective \$1,750,000,000 deficit by the end of this fiscal year next June 30, bringing the budget into balance. The most likely target for the bulk of that savings was the Defense Department.

Re-Run Chances Discourage GOP

WASHINGTON (AP)—Most Republican leaders are reluctant to concede that President Eisenhower may retire to private life because of his heart attack. But at least a dozen are resigned to a belief he will do so.

Out of 115 GOP leaders reached by the Associated Press Wednesday, only a handful were willing to express a firm opinion whether the President should or should not run for a second term.

The vast majority said it is too early to tell, and that the decision is one for Eisenhower himself and his doctors and family.

Few took note of reports from Denver that the consensus of those around Eisenhower is that he will seek to serve out his present term but that it is highly unlikely he will be a candidate again.

The AP polled GOP state chairmen, national committeemen and national committeewomen. They were asked: "Do you believe Eisenhower should run again?"

They were asked also to name the strongest candidate the GOP could nominate in the event he does not.

Vice President Nixon was the man mentioned most frequently as the strongest candidate next to Eisenhower. Some of those naming Nixon refrained from endorsing him personally, but termed him the best known possibility. A number said they wanted to see whom Eisenhower favors if he does not run himself.

Others mentioned as the "strongest candidate" if Eisenhower does not run were Chief Justice Earl Warren, Secretary of the Treasury George M. Humphrey and Milton S. Eisenhower, the President's brother who heads Pennsylvania State University.

ment, biggest spending agency of government.

What the two fiscal officials hoped was that the pentagon could find ways to reduce spending by about another billion dollars, bringing the total defense spending for the year down to about 33 billion dollars.

Wilson has now said that such a saving is impossible. Indeed, spending for fiscal 1956 could be about 35 billion dollars if the monthly rate which has existed recently continues through the balance of the year.

Eisenhower Estimate
When President Eisenhower submitted preliminary estimates in his national budget last January, the military spending figure was set down as \$35,750,000,000.

On the basis of economies made in various places—which the Pentagon insists have not reduced combat effectiveness—the Defense Department estimated early this month that spending for the year would be about 34 billion.

Wilson's decision against more spending cuts is believed to have been made late last week.

The defense secretary was scheduled to fly to Denver on Sunday, presumably to advise Eisenhower personally of his decision. However, the President's illness cancelled that plan.

Molotov Leaves Meeting To Protest Denunciation

UNITED NATIONS, N. Y. (AP)—Russia's V. M. Molotov walked out of the U.N. Assembly Wednesday as Nationalist China's Foreign Minister George Yeh denounced Moscow's peace drive and Red "tyranny" over the Chinese mainland.

Yeh said the Communists in their six years of domination of the Chinese mainland have "spawned a gigantic system of repression and terrorism, the like of which has never been known in Chinese history."

The foreign minister gave his policy speech in Mandarin Chinese, although Nationalist delegates usually use English in U.N. halls.

He said the current peace campaign by the Reds actually is a form of war between Communism and capitalism and the "softer words" do not mean the Communists have given up the fight.

Ministers Walk Out
Molotov was joined in his walk by Vaclav David, Czechoslovak foreign minister, and Marian Naszkowski, deputy foreign minister of Poland. Kuzma Kiselev, foreign minister of White Russia, remained.

At the afternoon session, Kiselev in his policy address attacked Yeh for making what Kiselev called "slandering remarks."

V. K. Krishna Menon, India's chief delegate who has joined Molotov in advocating a U.N. seat for Red China, left at the same time Molotov departed. A spokesman said Krishna Menon had a medical appointment but added: "Our position is well known."

Nationalists Don't Care
Asked for comment on Molotov's action, a member of the Chinese Nationalist delegation said: "We don't care."

The walkout is a favorite Soviet device going back to 1946 when Andrei A. Gromyko, now first deputy foreign minister, left the Security Council when it decided to hear Iranian charges against the Soviet Union.

The parade against Nationalist China began in January, 1950, when Jacob A. Malik, who is here

Washington Leaders Again Say "Business As Usual" For U.S.

By Whitney Shoemaker
Of the Associated Press

Washington (AP)—Administration leaders Wednesday emphasized "business as usual" in running the government in the aftermath of President Eisenhower's heart attack.

Presidential assistant Sherman Adams, Vice-President Nixon and others by word and action laid stress on what appeared to be a policy of operating as normally as possible during Eisenhower's absence.

Nixon told newsmen things are "going smoothly and we see no serious legal problems involved" in moving ahead while the President's guiding hand is idled by illness.

Condition Satisfactory
Washington officialdom breathed with greater confidence as reports from Denver continued

to picture Eisenhower's condition as satisfactory.

Anticipating the President's gradual recovery, administration leaders talked no more of delegating executive powers to Nixon or department heads.

Senate Republican Leader Knowland of California, just back in town, acted to squelch conjecture on the need for a special session of Congress.

As if to underline the business-as-usual talk, the White House permitted photographers to come in and take pictures of officials at work.

Adams, top assistant to the President, was pictured conferring with Chairman Lewis L. Strauss of the Atomic Energy commission and with Meyer Kestnbaum, a presidential consultant on government reorganization and relations.

Stock Market Recovers From Monday's Decline

NEW YORK (AP)—The stock market Wednesday extended its recovery from Monday's sharp decline with a vigorous rally that brought gains of \$1 to \$5 a share.

Buying favorites were such key stocks as the steels, motors, rails and oils, but the recovery em-

braced nearly all sections of the list.

The market opened higher, in a continuation of Tuesday's upswing, and the ticker tape ran behind for more than an hour in reporting transactions. Then things quieted down and prices generally receded.

In the afternoon, however, a rally began that carried through to the closing minutes. There was only a modest shading of gains by profit-taking at the close.

The Associated Press average of 60 stocks, which fell \$11.40 on Monday following news of President Eisenhower's illness, advanced \$2.00 Wednesday to close at \$175.00.

This \$2.00, added to Tuesday's gain of \$2.90, indicates that the market has recovered about 43 per cent of the ground lost on Monday.

The market valuation of all shares listed on the New York stock exchange dropped on Monday by roughly 13 billion dollars.

The upswing Tuesday and Wednesday recovered around 5½ billions of this amount.

Market observers credited the recovery to good news on the President's condition and to the fact that share prices dropped so sharply on Monday that they looked attractive to traders and investors seeking bargains.

Ike May Have Had Hint of Illness

PORTLAND (AP)—President Eisenhower may have had a premonition of his heart attack, Wendell Wyatt, Oregon Republican chairman, said Wednesday.

Wyatt told the Multnomah County chapter of the Republican Club of Oregon that the President at Denver two weeks ago told Republican party leaders:

"You as state chairmen urging me to run again must remember that men are frail and men are mortal. Never pin your flag to the mast so firmly that if the ship sinks you can't pin the flag to another mast. Our philosophy of government, respecting the rights of the individual, is bigger than any one individual or any one party. Follow this basic philosophy and the individual that carries it out will not be very important."

Wyatt said the President's illness has not killed the party's chance of success in 1956, but "it has made our job a little more difficult. We must get out and work a little harder."

"Strategy Same," GOP Leader Says

BANGOR, Me. (AP)—GOP Chairman Leonard W. Hall Wednesday night repeated his assertion that President Eisenhower's illness hasn't changed Republican campaign strategy, and declared Republicans are "in the best shape we've been for 25 years."

"We will," he said in an address at a Republican rally, "face the elections a year from now confident that the American people will judge our party on its performance."

Prior to the rally, Hall told a televised news conference he expects the Republicans to win next year's presidential election no matter what candidate heads the national ticket.

He declined, however, to speculate on possible candidates should President Eisenhower's illness prevent him from seeking a second term. Hall also refused an opinion on Vice President Nixon's presidential chances.

The new attitude marked a switch from the initial reaction to Eisenhower's attack last Saturday.

The first news from Denver set officials to pondering the need for legal steps to equip others with authority granted the President to maintain the government's foreign and domestic policies.

What now seems to be the approach—a holding operation his feet—crystallized after a high level meeting Tuesday.

Nixon was present with Secretary of the Treasury Humphrey, Atty. Gen. Brownell, Adams, the President's ranking assistant, and Deputy Atty. Gen. William P. Rogers.

Nixon said Wednesday he would not deny reports that from this and other top echelon conferences emerged the decision that no delegation of powers was required. At the same time he declined to go into just what had taken place at these sessions.

Seven Guilty in Air Raid Test Case

NEW YORK (AP)—Seven persons pleaded guilty Wednesday in a case testing a government's right to rule citizens off the streets during a practice air raid. An eighth defendant was freed.

They are among 28 persons arrested last June 15 for refusing to take shelter during a mock hydrogen bomb attack on New York.

The remaining defendants have announced they will take their cases to the U. S. Supreme Court if need be. They contend their civil liberties cannot be restricted in a make believe air raid but they concede their right to free assembly would vanish in a real emergency.

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