

Cautious Lawmakers Get Budget Message

THE President this week served up a fiscal cocktail with potential kick enough to knock the hat off an election-minded Congress.

Chief ingredients were armaments, foreign aid and veterans' services, with a dash of Federal housing thrown in. The name of the mixture: The Federal Budget for 1952-53.

The total budget, as laid down by President Truman, came to a whopping \$85,400,000,000. It is the largest Federal Budget proposed since World War II, and the largest in history, except in time of all-out war.

Tax Hike Requested

Many members of Congress protested it was billions too much.

The President predicted the Government will run some \$14,400,000,000 into the red next year unless Congress votes new taxes. He added that he has never given up hope that the defense buildup can be financed on a pay-as-we-go basis. The President stated he would settle reluctantly for a tax rise of perhaps \$4,500,000,000. That would leave a deficit of nearly \$10,000,000,000.

Congress showed no disposition to vote even a fraction of \$4,500,000,000 in new taxes. With the day of reckoning at the polls coming up, many members of both houses said they doubted if any tax rise would be approved.

Budget Proposals

More than three-fourths of the budget are earmarked for "major national security programs"—the armed forces, foreign aid, atomic energy, promotion of defense production and economic stability, civil defense and Merchant Marine.

The President proposed \$51,200,000,000 for the military services alone.

Some other highlights from the President's budget message were:

A proposal for bigger staffs for the Office of Price Stabilization, the Wage and Salary Stabilization Boards, and extension of rent control to cover tenants in an estimated 10,000,000 rental units.

A recommendation to increase postal rates. The President said he was very concerned over the prospect of the Post Office Department's going nearly \$870,000,000 into the red next year.

A proposal to spend \$678,000,000 on Federal housing and community de-

BUDGET HIGHLIGHTS

\$51,931,000,000
DEPT. OF DEFENSE
(INCLUDING MILITARY AND CIVILIAN FUNCTIONS)

\$10,844,000,000
MUTUAL SECURITY PROGRAM
(FOREIGN AID)

\$1,775,000,000
ATOMIC ENERGY COMMISSION

\$4,197,000,000
VETS SERVICES AND BENEFITS

\$678,000,000
FEDERAL HOUSING

The WORLD This WEEK

Near-East Flares Up

KOREA: Speed-up in Red Plan for Conquest?

IN western Korea, a United Nations raiding party crouched in foxholes at the foot of a Communist-held hill.

At a signal, the raiders leaped from cover and swarmed up the hill in the face of murderous small arms and mortar fire. They backtracked part way down the hill, took cover where they could find it.

In the rear, Allied artillery opened up on the Red positions. When the barrage lifted, the Allied infantrymen tried again. But the dug-in Communists hadn't been hurt.

Bitter Truce Sessions

Actions similar to this one took place all up and down the U.N. line as the deadlocked truce talks were marked by short, bitter meetings between Allied and Red officers. The thorny airfield issue was still the chief obstacle to progress.

The Peiping radio said Allied demands for "restrictions on airfields can have no reason other than holding up and torpedoing the armistice negotiations."

"We have submitted every possible reasonable proposal," the official Chinese Communist radio said. "Further changes are impossible."

The radio added, in comment on the other roadblock on the truce path, that "we will never move from the principle of unconditional release and repatriation of war prisoners."

In the midst of this week's negotiations the Allied Command acknowledged that U.N. planes dropped a bomb on Kaesong, former Korean truce site, and may have strafed a Communist armistice convoy. The bombing of Kaesong was a mistake, the Allies said.

Allies Firm on POW's

At one session this week, the Communists refused to ban airfield reconstruction although the Allies offered to accept Red wording on other terms for supervising the peace in exchange.



ON THE ALERT IN KOREA... a calculated risk of World War III.

The Allies were unbending, however, in their insistence on freedom of choice for all prisoners of war as to whether they wanted to go to the Red or the Allied side.

In Washington, meanwhile, many observers thought they saw signs that the U. S. was getting ready for trouble, not only in Korea, but elsewhere.

They read in the stalled truce talks and the President's budget message to Congress portents of evil.

President Truman's statement that western Europe, with American help, can be ready at the end of the year to "offer strong resistance" to any Communist aggression, helped set off the round of pessimistic speculation.

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POLITICS: Democratic Action

IN the Senate office building in Washington, a tall, dark-haired lawmaker doffed his specs and said some kind words about a colleague.

"We were classmates at Yale Law School," said the senator. "He is a very fine man and a good friend. And he has lots of ability."

The speaker was Tennessee's Estes Kefauver, a cautious aspirant for the Democratic presidential nomination. He was talking about another Democratic senator—Connecticut's Brien McMahon.

Kefauver's comments came in the wake of an announcement by Sen. McMahon that he will enter his name in the Illinois Democratic Presidential Primary. McMahon's disclosure touched off speculation that President Truman may have asked him to get into the April 8 contest.

"Favorite Son" The McMahon development came shortly after Sen. Humphrey (D-Minn.) had agreed to run as a "favorite son" candidate in the March 18 Minnesota Presidential Primary. Humphrey said he was filing in that race at the President's request. Both he and McMahon are strong Administration supporters.

The report was promptly circulated that Truman supporters were moving in on Illinois and Minnesota to counter Kefauver. Meanwhile, President Truman's reported remark that he has "never quit a fight" was seen by New Mexico's Democratic Sen. Anderson as a new indication the chief executive will seek another term.

If the President doesn't bid, Sen. Kefauver would make a "very wonderful" presidential nominee for the

Britain

Red China Question

Britain may withdraw her recognition of Red China if the Korean War resumes on a major scale.

The British recognized the Chinese Communists more than two years ago, on Jan. 6, 1950. Since then British attempts to set up normal diplomatic relations have made no headway.

Western diplomats in London believe Conservative government leaders were not happy with the way the former Labor government granted recognition to the Chinese Reds. The Conservatives felt it should have been done—if at all—only after agreement was reached among Britain, its Commonwealth nations the United States and other western allies.

China Means Trade British policy in the Far East was moved a notch closer to that of the United States through the recent Truman-Churchill conferences. London sources feel Britain gained American understanding of the British position on recognition of the Peiping regime.

In their Washington talks, Churchill and British Foreign Secretary Anthony Eden explained Britain's point of view. China represents a big trading area to Britain. Some British interests still are operating on the Chinese mainland. The British crown colony of Hong Kong carries on trade with the Red mainland.

The British are anxious to safeguard the whole of Southeast Asia—Indonesia, Burma, Thailand, Burma and India—from Red encroachment.

With the whole Southeast Asia area sitting on China's front door, Britain probably finds having a representative in Peiping of some value.

Democrats, Sen. Humphrey stated.

On the Republican side, the name of Gen. Dwight D. Eisenhower is down for New Hampshire's preference primary as a Republican candidate for President.

The name of Gen. Douglas MacArthur was tossed into the Illinois presidential preference primary but the general quickly made it known he would have his name withdrawn.

A spokesman for MacArthur's Illinois supporters said "we are aware that Gen. MacArthur is not a candidate but we believe he'd accept a draft."

Quotes

Charles E. Wilson, U. S. Defense Mobilizer: "American industry should begin planning now the weapons of 1960 and 1970. We are preparing for a Buck Rogers era, the atomic-fission, supersonic, electronic age, when yesterday's brilliant ideas are already on the way to the scrapheap."

Gen. Dwight D. Eisenhower: "The answer to the Soviet threat is for the West to establish systems of collective strength that will bring about equilibrium with the Communist world as cheaply, effectively and economically as possible."

Mrs. Andre St. Phalle, prominent New Yorker: "Lipstick and other cosmetics are symbols of feminine deceit and despair. Women should be more honest with themselves and the world."

GERMANY: Draft Army Planned

WEST GERMANY'S chief defense planner, Theodore Blank, is a tight-lipped man who fought against the Allies from start to finish of World War II.

This week Blank tossed aside his customary secrecy and revealed that West Germany will draft 300,000 to 400,000 men.

The head of West Germany's shadow "defense ministry," known officially as "The Service Office of the Federal Chancellor," said his country hoped to provide 12 divisions and a tactical air force for the proposed European army to be set up by France, Italy, Belgium, Holland, Luxembourg and West Germany.

Resume Negotiations The foreign ministers of these nations met this week in Paris and resumed negotiations on the European army plan.

Blank stated that West Germany is still divided on whether joining the western nations is the right course. In his opinion, said the 45-year-old Blank, Germany has no choice.

Instrument of Peace "It is no fun for any of us—having to set up an army again—but there is no other choice if we are to have peace in Europe," Blank said. "The defense community is not an instrument of war but an instrument of peace."

His announcement, he said, was not to be taken as the signal for German

"I SHALL consume as much of Ismailia as I want. Then if I want I will take more of the town."

With these blunt words, Gen. Sir George Erskine, British commander in the Suez Canal Zone sent British troops scouring through the Arab quarter of that blood-stained town.

Erskine's action came in the wake of the slaying of a New York-born man, first American casualty in the Suez fighting. She was 53-year-old Roman Catholic Sister Anthony, daughter of Samuel Timbers of Peckskill, N. Y. A bullet struck her in the heart as she stepped from her convent door.

Tunisian Tension

In another Middle East hot spot, the strife-torn protectorate of Tunisia mobile guard reinforcements from neighboring Algeria bolstered French efforts to quell bloody nationalist rioting for home rule.

In Paris, Premier Edgar Faure got a vote of solid backing from the National Assembly for his determination to hold Tunisia but to resume talks on self government there.

In Iran, meanwhile, Britain closed the doors of her nine consulates and vice-consulates in that country thus complying with demands by Premier Mohammed Mossadegh's government.

Iran based the "losing order" on repeated charges that British diplomatic and consular officials had been interfering with Iranian internal affairs.

Mossadegh announced Iran's acceptance of a \$24,000,000 American aid project under President Truman's Point Four Program for Technical Assistance to Underdeveloped Countries.

Iran refused to accept the British government's nomination of Robert Hankey as ambassador to Iran to replace Sir Francis Shepherd. This action was part of Iran's policy to prohibit those who have served in Britain's diplomatic service in Iran before from heading the British mission in Iran now as ambassador or minister.

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Dates

Monday, January 28

Twenty-eighth anniversary of the beginning of the Teapot Dome oil lease inquiry.

Tuesday, January 29

Steel Industry Price Advisory Committee meets with Government officials in Washington to discuss price adjustment order.

Wednesday, January 30

Birthdays of Franklin D. Roosevelt (1882-1945).

Fourth anniversary of the assassination of Mohandas Gandhi.

Friday, February 1

Execution of Oscar Collazo scheduled for attempt to assassinate President Truman in November, 1950.

In Short

Nominated: by President Truman, Henry S. Villard, chief of the State Department's Division of African Affairs, as the first U. S. minister to Libya; Eugene M. Zuckert, to be a member of the Atomic Energy Commission for a four-year term to succeed Sumner T. Pike, who resigned recently.

Resigned: Stanton Griffis as U. S. Ambassador to Spain.

Completed: a globe girdling, good will flight in a tiny single-engine plane by Congressman Peter F. Mack, Jr., Illinois Democrat.

Convicted: Dennis Delaney, ousted Massachusetts Collector of Internal Revenue, on six counts of accepting bribes and false certification of tax payments.

Formed: a new French cabinet made up of moderates and right-wing ministers by Premier Edgar Faure. The new cabinet was almost the exact image of that of ex-Premier Rene Pleven, who was defeated on a recent vote of confidence.

Science

New Treatment for TB

A new drug—aldinamide—for the treatment of tuberculosis has been developed.

Dr. J. H. Williams, director of research at Lederle Laboratories, says the drug has been used effectively not only against the usual strains which cause tuberculosis, but also against tubercule bacillus strains which have become resistant to streptomycin.

Aldinamide was tested on 43 patients at a New York sanitarium with reported favorable results. A spokesman for the hospital said that in almost all of the patients treated who had more than one degree of fever, there was a rapid reduction of temperature and diminished coughing.

It was noted, however, that disease organisms also build a resistance to the new drug after about two months. The job for researchers now is to overcome that flaw.

Sidelights

● Thieves who broke into a bar near Mason, Mich., planned for a big night—and the morning after. They took 24 cases of beer and 12 boxes of aspirin.

● A little old lady in Ingham County, Mich., complained to sheriff's officers when she heard short wave radio programs on her hearing aid.

● In Washington, Michael V. DiSalle, national price administrator, presented an award to Milton A. Smith, who coined a word to designate the complex government language used in official notices and letters. The word: "Bafflegab."

● The director of the New York City Zoo told a budget hearing it would take \$636,523 in the next year to keep the zoo's 2,500 animals in hay, fish and horsemeat.

Foreign Affair

Frozen Steel Mill

In various warehouses in Philadelphia, Pa., Troy, N. Y., New Castle, Pa., and Youngstown, Ohio, there are bulky, seemingly unrelated pieces of complicated machinery. If you could put them all together, you would have one complete steel mill.

The steel mill machinery was ordered by Czechoslovakia soon after World War II fighting stopped in Europe. Before the mill could be delivered, the Czech government succumbed to the Communist coup of 1948. The U. S. refused to permit export of the steel machinery.

The U. S. has acted again to freeze the status of the mill. The American action this time set off rumors that the State Department was considering a deal with the Czechs under which export of the steel mill would be permitted in exchange for the release of William N. Oatis, American newspaperman held by the Czechs.

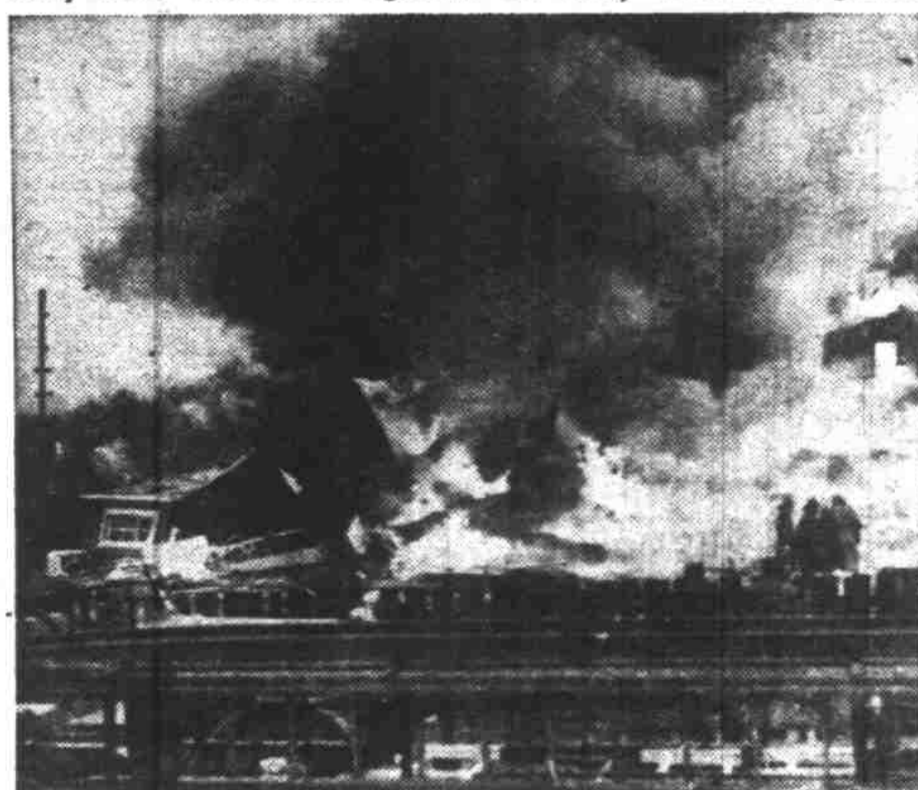
Michael McDermott, a spokesman for the State Department, denied the action had anything to do with the Oatis case.

Secretary of the Treasury Snyder signed the order which forbids any disposition of the steel mill without Government approval.

NEWSWORTHY



ABANDON SHIP—Greek crewman is hoisted ashore in breeches buoy after vessel ran aground on rocky coast of England.



ELIZABETH DEATH SCENE—For the second time in five weeks a plane crash at Elizabeth, N. J. has brought death and destruction. A Buffalo to Newark American Airlines Convair crashed through three homes there this week killing at least 28. Among the victims was former Sec. of War Robert Patterson.



NAVAL SNOW BRIGADE—Crewmen of U.S. Essex clear flight deck and planes after snowstorm struck in heavy Korean seas.

Probes

Temptations

Predicting a full-scale investigation of some multi-billion dollar activities in the Department of Agriculture, Vermont's Sen. George D. Aiken declared this week:

"We should be able to make sin a little less tempting to people when they deal with the Government."

Chairman Ellender (D-La.) of the Senate Agriculture Committee, said he was confident the Senate would approve the investigation and provide \$50,000 to finance it.

The Agriculture Department activities under question concern grain storage, complaints that Department employees in St. Louis, Mo., formed a pool to speculate in oil and gas leases on land formerly owned or controlled by the Government, and reports of irregularities in connection with the "processing of government commodities."

Intelligence Inquiry

House members were told, meanwhile, that a sweeping inquiry is under way to determine whether vital secrets have been leaking out of the nation's nerve-center for intelligence reports from all over the globe.

It was revealed that at least eight investigating bodies are looking into complaints dealing with the Army Signal Corps Intelligence Agency which receives reports from agents around the world.

Meanwhile, Attorney General J. Howard McGrath began organizing his projected cleanup program aimed at clearing the Federal machinery of corruption.

United Nations

Arab Gestures

At a downtown Paris hotel a gay party was in progress. The caviar and vodka were abundant.

The host, according to sources at the Palais de Chaillot United Nations headquarters, was Abdol Rahman Azam Pasha, secretary general of the Arab League. The guest of honor: Andrei Vishinsky.

The dinner party set off speculation that the Arab bloc in the United Nations was about to launch a concerted friendship drive toward the Soviet Union.

Egyptian spokesmen at the U.N. declared they have no objection to the Soviet government as long as it keeps Communism at home.

The new independent kingdom of Libya's application for United Nations membership hit a snag when Russia served formal notice she will veto it unless the West agrees to simultaneous admission of five Soviet satellites.

Later in the week Vishinsky left Paris for Moscow with a furious charge that all the decisions of the current United Nations General Assembly had been made for the preparation of a new war.

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