

### U.S. Sued for Dixon-Yates Repudiation

By KARL R. BAUMAN  
 WASHINGTON—The government was sued Tuesday for \$3,354,734.48 damages for repudiating the controversial Dixon-Yates power contract.

Mississippi Valley Generating Co. brought the suit in the U. S. Court of Claims.

This is the firm with which the Eisenhower administration, at the behest of the President, signed a contract to supply private power to the Tennessee Valley Authority area. The administration defended the contract for months, in the face of Democratic charges that questionable or illegal maneuvers were being "covered up."

Finally the administration repudiated the contract, agreeing in effect with the Democratic charges that New York financier Adolph Wenzel had sat on both sides of the table in talks leading up to the contract. He was a budget bureau adviser and also vice president of the Boston Corp., which became financial agent for the Dixon-Yates interests.

But Dixon-Yates interests took issue with the government contention that Wenzel's role represented a "conflict of interest." Acting through their Mississippi Valley Generating Co., they asked \$3,354,734 for expenses incurred in getting ready to build the 107 million dollar private power plant at West Memphis, Ark.

"We commence this litigation with every confidence in its result," said E. H. Dixon, president of Mississippi Valley.

The Dixon-Yates contract has been a raging controversy since President Eisenhower, in the spring of 1954, personally ordered the Atomic Energy Commission to enter into it.

Middle Southern Utilities, Inc., of which Dixon is president, and the Southern Co., of which E. A. Yates is chairman, set up Mississippi Valley to build the big power plant on the edge of the Tennessee Valley Authority's territory. It was to feed energy into the TVA system to replace power diverted to the Atomic Energy Commission.

The contract was signed Nov. 31, 1954. Eisenhower ordered it cancelled July 11, 1955. This was after Memphis said it would build its own power plant rather than take Dixon-Yates energy. The Atomic Energy Commission announced Nov. 23 its refusal to pay cancellation damages.

The commission attorney said Wenzel, "while having a conflicting private interest, acted as one of the principal advisors to the government in the negotiation of the contract." Eisenhower has been criticized for having defended Wenzel's role in the negotiations. The President told his news conference last July 4 that he considered Wenzel's role a proper one.

### Moscow Radio Reports Soviet Forces Reduced

LONDON—Moscow radio reported Monday that the reduction of Soviet armed forces by 400,000 men—promised in August—has now been completed.

The broadcast confirmed Western speculation that a chief purpose of the troop cut was to aid the Kremlin's big drive to increase Soviet agricultural output. The reduction has been "transferred to agriculture," the radio reported.

The original announcement said these being demobilized would return to their home communities for jobs "at industrial establishments and on state and collective farms."

### CHARGED WITH DANGER

LONDON—Prime Minister Eden said Monday night the Arab-Israeli dispute is charged with "the utmost danger." He said the United States and Britain are agreed on the urgency of working for a settlement.

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### Turncoat

BERLIN—Otto John has returned from Communist East Germany, the government announced in Bonn Tuesday. John, who fled to East Germany 18 months ago, has given himself up to West Germany's security police, the announcement said, adding that he is now being interrogated by the prosecutor of the German supreme court. (AP Wirephoto)

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### Dr. Otto John Back on Side Of West Again

By GEORGE BULLWOOD  
 BONN, Germany (AP)—Dr. Otto John, a triple turncoat, has come back from 18 months in the Communist camp to this West German security police, the announcement said, adding that he is now being interrogated by the prosecutor of the German supreme court. (AP Wirephoto)

The former chief spy catcher of West Germany was brought to a house on a quiet side street in Bonn which is headquarters of the Federal Security Police, after slipping into West Berlin Monday.

There he was grilled by federal attorneys who have been investigating his desertion ever since he furtively drove into Communist East Berlin on July 28, 1954, and announced he was there to stay.

Officially branded a traitor by the Western German government, the tall blonde, 46-year-old former security chief apparently made a carefully organized escape from his Communist captors.

Sources here said he had been planning his flight for some time. He made contact with friends in the western part of the city, left his home in Potsdam and slipped into West Berlin. There the friends rushed him aboard an American plane to Frankfurt.

It was revealed in London that his wife left her home there one or three days ago, presumably to keep a rendezvous with John in West Germany.

This made John a turncoat three times. After the attempts to kill Hitler failed, he deserted the Nazis and escaped to Spain. He made his way to Britain where he worked for British intelligence.

After the war, he returned to West Germany and was appointed chief of the federal counterespionage organization early in 1948. Four years later he went over to the Communists and now he has deserted them.

Adenauer's own smiling announcement to a meeting of parliament of his coalition government was greeted with a roar of laughter.

But John's return is likely to revive the scandal caused by his defection to the east when the Adenauer government was attacked for having named a man of such apparently unsteady character and uncertain loyalty to a top security post.

### Seed Growers Protection Said Needed

CORVALLIS (AP)—Seed growers will need protective measures in the proposed soil bank program, Ray H. Teal, seed and grain marketing specialist at Oregon State College, said Tuesday.

The proposal is to retire marginal land from cultivation and put it into grass or other soil-building plants.

Teal said that if seed were harvested from those lands, seed growers would be affected seriously. He urged a prohibition against harvesting of such seed. He also urged that no payments be made on acreage land until it has been seeded to legumes or grass. This, he said, would assure a good market for seed.

The belief that a mentally deficient girl can be cured by marriage is tragically false, experts say.

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