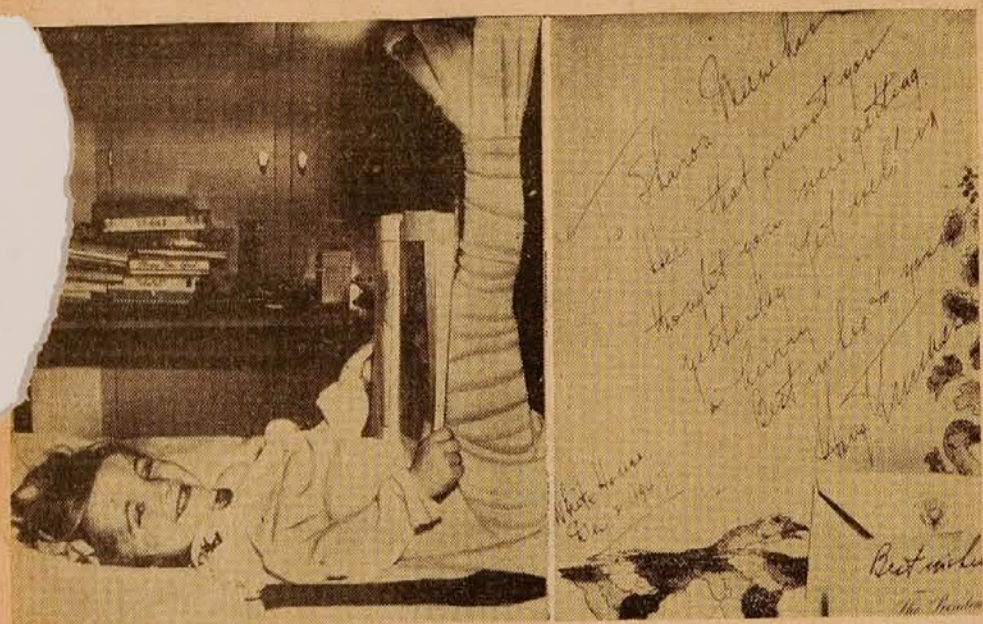




## THE PRESIDENT BRINGS BACK HER SMILES



Sharon Meenehan, 3 years old today, enjoying the Mother Goose book sent her by Mr. Truman at Georgetown University Hospital. The President stopped by Sharon's room on a visit to the hospital Monday, but she was disappointed, thinking it was a "present" coming, not the "President." The Washington girl was struck by an automobile two weeks ago.

## N. A. M. Urges Budget of 31 Billions

Proposes Foreign Aid Under \$4,000,000,000 for 1948-49—Sees Big Tax Cut Possible.

The National Association of Manufacturers proposed today that the 1948-49 Federal budget be no more than \$31,000,000,000. This is \$6,500,000,000 less than President Truman recommended for the current fiscal year, 1947-48, in his budget message last January.

One recommendation of the N. A. M. is that all foreign aid in the year, including any under the Marshall Plan, be kept under \$4,000,000,000; this figure would include an estimated \$1,000,000,000 in occupation costs, which a N. A. M. spokesman said would be considered a form of foreign aid. The N. A. M. figure is slightly more than the President suggested for such purposes nearly a year ago before the Marshall Plan was outlined.

The recommendations were contained in a report of the committee on Government spending, which was placed before the fifty-second annual Congress of American Industry, meeting at the association's call at the Hotel Waldorf-Astoria.

## Cuts and Economy.

Taxes could be reduced by \$7,000,000,000 and \$3,000,000,000 would be left to reduce the national debt, under the N. A. M. budget, the report said; and two principal speakers of the day emphasized the themes of tax reduction and governmental economy.

Don G. Mitchell, president of the Pennsylvania Electric Products Company and a director of the association, called for a lowering of taxes. He said that individual income taxes should be on a rate schedule by which normal tax and surtax combined would start at 12 per cent instead of the present 19, with a top rate of 50 per cent, that \$500 a year deduction should be permitted for life insurance payments and that the 5 per cent limitation on medical payments should be removed.

Tax relief, he said, is necessary to end the shortage of venture capital, the lack of which, he asserted, is more likely to bring the current boom to a bust than any buyers' strike or spark of purchasing power.

Senator John J. Sparkman of Alabama was the speaker who called for Federal economy, saying that the Government's spending policy should be liberal, but not wasteful. Business waste in Federal offices should be reduced to a minimum, and excessive personnel should be removed from the pay rolls.

## To Eliminate Waste.

Of the proposed budget generally, the report says: "It is evident that a program of economy and elimination of waste in Federal operations would make (it) practical . . . and, therefore, it is

CHAMBER DRAFTS  
TAX SLASH PLAN

Philadelphia, Dec. 4 (A. P.).—A \$4,000,000,000 Federal income tax relief program for individuals before any reductions in rate for corporations is favored by the Philadelphia Chamber of Commerce, Clarence Tolson Jr., the president, announced today.

Tolson said a combined individual and corporate tax relief plan has been worked out by the Chamber and will be presented to the House Ways and Means Committee in January.

"It is believed," he said, "that such dual relief is practical and most desirable for the economic welfare of the nation."

The initial step in the chamber's tax relief program, which Tolson said was based on a six-month study, would be to increase the current \$500 personal exemption to \$600, thus saving lower income taxpayers more than \$1,000,000,000 annually.

In addition, Tolson said, Congress will be asked to allow income to be split between husband and wife, thus giving married couples the benefit of the community property law which was recently invalidated by the Pennsylvania Supreme Court.

Run Over by Train,  
Man Escapes Unhurt

Two cars of an IRT subway train passed over John Anderson, 50 years old, of 451 East 137th street, the Bronx, as he lay flat in the trough of the tracks early today at the Broadway-West 157th street station, the police reported. Anderson suffered no injuries and was sent home after an examination by an ambulance attendant.

Motorman John Eden saw Anderson fall to the tracks as he brought his train into the station, the police said, but the first two cars passed over the recumbent figure though the brakes were applied.

Police Inspectors Warned.  
Philadelphia, Dec. 4 (A. P.).—Philadelphia's police inspectors were ordered yesterday to stamp out vice and crime in their divisions or face possible suspension and trial before the Civil Service Commission. Specifically the inspectors were ordered to break up the numbers racket.

## Felon Seized Trying to Steal Second Plane

Undaunted by Air Experiences After He Crash-lands Craft He 'Couldn't' Fly.

Jackson, Tenn., Dec. 4 (A. P.).—Undaunted by a crash-landing in a stolen plane, a potentially dangerous Federal convict was captured last night as he prepared to take off in a second plane, Sheriff Tom Lewis said today.

Lewis identified the man as 24-year-old Charles Lee McIntosh, who escaped on Monday night with four companions from the United States Medical Center at Springfield, Mo., while serving a six-year term for violation of the Dyer act. None of the others has been captured.

Lewis said the slight, dark-haired McIntosh unfolded a fantastic saga of untutored flying, a casual landing for fuel, and of diving at boats on the Mississippi and Tennessee rivers.

McIntosh was arrested as a suspicious character after his presence at a Jackson landing field was reported, the sheriff said.

Followed Wrong River.  
McIntosh told the officers that he became separated from his companions and spent his first night of freedom in a corn shock. The next morning, he said, he

GRAIN GAMBLING  
LINKED TO TAX  
DODGING MOVES

Anderson Says Wealthy Refugees Are Among 646 Offenders.

## URGES CONGRESS TO ACT

Also Asks Revenue Bureau to Help End Shady Transactions—Law to Fix Margin Sought.

Washington, Dec. 4 (A. P.).—The Department of Agriculture appealed to Congress and the Internal Revenue Bureau today to help stamp out shady transactions on the commodity exchanges by Americans and wealthy refugees seeking to dodge income taxes.

Secretary of Agriculture Anderson charged that an examination of accounts on August 30 showed 646 traders with holdings of \$150,000,000 involved in deals indicating a purpose in most cases to affect tax liability.

President Truman has asked Congress for legislation to help curb speculative trading in grain and cotton on the ground that it is a factor in the high cost of living.

Anderson's blast came while congressional committees were hearing administration and opposition arguments on such controls. Officials of the grain exchanges have entered a vigorous denial that speculation has caused commodities to soar, blaming instead Government purchases for shipment abroad.

## Would Fix Margins.

Legislation sought by the administration would permit the Agriculture Department's Commodity Exchange Administration to fix margins on speculative transactions. The margin is the amount of money a trader must deposit with his broker to hold commodity future contracts. In the case of grain, the margin requirement is one-third of the price of the grain. The markets themselves now set the margin.

In a formal statement issued last night, Anderson said a CEA investigation of commodity futures accounts disclosed the trading practices which could be used for the purpose of postponing, reducing, or even completely avoiding payment of income taxes. In an accompanying report, the CEA said there is evidence that these practices are being used for such purpose.

The CEA added: "These transactions have no connection with the hedging or marketing of any actual commodity. Many of them are executed in such a manner as to make it appear that a market position is being taken when in effect no change in the actual market position of the trader is involved."

Many Traders Aliens.  
"As would be expected, most of these individuals are rather active traders. Many are citizens of foreign countries."

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Prince Philip to Get  
Naval Desk Job

London, Dec. 4 (A. P.).—Prince Philip will pursue his naval career in a desk job close to home, the Admiralty announced today. The former Lieut. Philip Mountbatten will return to duty December 15 as an officer in the Admiralty's operations division in Whitehall. He and Princess Elizabeth now are on their honeymoon in Scotland.

PALESTINE TORN  
BY NEW BATTLES

## Schuman Plans Sabotage Showdown

OPPOSITION FEARS  
AID WILL RE-ARM  
FOES AGAINST U. S.

Representative Allen Warns House That Europe May Be Hostile.

Washington, Dec. 4 (A. P.).—Emergency help for Europe and China began its journey through the House today with an opposition cry that "all we give in the way of aid may eventually be used against us in one way or another."

Representative Allen (R.-Ill.) called upon his colleagues to defeat the \$590,000,000 measure immediately at issue and give searching scrutiny to future foreign spending proposals, lest "the industrial plants built with our own money be used to manufacture the implements of war for Russia to use against us." Allen, chairman of the Rules Committee, and scheduled as the first speaker at the opening of House debate, made public the text of his address as the session began.

At least two days' heated debate face the bill before it collides head-on with a roadblock of amendments designed to reduce its financial authorization, and to restrict its application. The present plans call for a final vote next Tuesday or Wednesday.

## Adoption is Forecast.

Speaker Martin (R.-Mass.) has expressed the hope that it can reach President Truman by the end of next week, but between the time the bill passes the House and the time it goes to Mr. Truman, it must hurdle a Senate-House conference committee, for the House is considering a different bill than the one which the Senate passed last Monday. The major differences are in the amounts of interim aid proposed—\$59,000,000 by the House Foreign Affairs Committee and \$597,000,000 by the Senate.

Continued on Page 2.

UNESCO Approves  
\$7,682,637 Budget

Mexico City, Dec. 4 (A. P.).—The second general conference of the United Nations Educational, Scientific and Cultural Organization drew to close today after formal approval of a budget of \$7,682,637 for the coming year.

The only discordant note at the final plenary session was sounded by Poland, which refused to vote on or discuss the budget on the ground that the United States had tried to dictate the 1948 program "in accordance with its own political objectives."

Suspects Held  
In Korean Slaying

Seoul, Dec. 4 (A. P.).—United States Army Intelligence said today that the Korean police have arrested Police Sgt. Pak Kwan Ok and six Korean civilians in connection with the slaying yesterday of Chang Duk Soo, conservative political leader.

Korean police said that they were conducting ballistic tests on Pak's carbine. Intelligence of fliers said it was understood that Pak was affiliated with a Rightist youth organization.

## Joan Crawford Plans Adoption.

Hollywood, Dec. 4 (A. P.).—Joan Crawford said today that she is enlarging a wing of her house to accommodate two more children she plans to adopt.

\$25 PEACE BONDS  
URGED BY VERTERAN

Portland, Ore., Dec. 4 (A. P.).—John Hakanson, an ex-G. I. in college, proposed today that the International Bank sell \$25 Peace Bonds to give the public a personal stake in world affairs.

The International Bank, set up at Bretton Woods and Savannah monetary conferences, is to provide loans for reconstruction and development, is now selling only large denomination bonds.

The proposal, backed by the American Veterans Committee, was submitted to the International Bank.

French Premier to Use Anti-strike Law  
Passed by Assembly—Violence Increasing.

Paris, Dec. 4 (A. P.).—Armed with a drastic new anti-strike law, Premier Robert Schuman today began a fight to the finish against a swelling wave of sabotage and violence punctuating Communist-propagated work stoppages which have virtually strangled the economy of France.

The National Assembly, after five days and nights of tumultuous debate, finally beat down Communist opposition early today and approved Schuman's anti-sabotage and strike control legislation by a vote of 403 to 183. Only Communist deputies voted against the law.

A little earlier, the Armed Forces Ministry announced that it had chosen battle-hardened 24-year-olds—half of the class of 1943—to fill the quota of 80,000 men called up to bolster police ranks in fighting industrial strife. The reservists were ordered to begin reporting Saturday. All of them will be under the orders of the Interior Ministry, which controls the police.

## Penalties Increased.

The new law redefines the offense of sabotage and boosts maximum penalties to ten years imprisonment and fines of 1,000,000 francs (\$3,000). It also makes punishable the use of fraud, threats or violence to start strikes, keep them going or spread them.

Today, with almost 2,000,000 workers still on strike and key industries and services limping or paralyzed despite strong back-to-work trends in some fields, Schuman's Government faces its toughest test.

At Marseilles, strikers and the police were alternating in building and destroying road blocks on the highway from Aix, over which most of the food for France's second city passes. In the Valenciennes mining region

Continued on Page 6.

## U. S. Office in Baghdad Fired

Mob Smashes Furniture and Applies Torch to Information Service Headquarters.

Baghdad, Dec. 4 (A. P.).—Demonstrators set fire to the office of the United States Information Service here today, wrecked furniture and smashed the windows in spite of efforts of the police to stop them. No one was injured, however.

Earlier in the day other demonstrators, protesting against the recent decision to divide Palestine into two separate states—one Arab and one Jewish—marched in a mile-long parade.

Students ignored for the second day orders from the Ministry of Education to get back to their studies. Emir Abdul Ilah, the Regent of Iraq, again urged them to go back to school and other citizens to go back to work.

All of Baghdad's Jews were being registered in a house-to-house check today. The purpose was not announced, but it was believed that if the situation becomes worse the Jewish community will be moved into one wholly Jewish area for reasons of security.

The Government issued a communique appealing to the people to cease all demonstrations and strikes and aid in the preservation of order. The Government thanks the people for the feelings expressed toward Palestine," it said in part. "The Government will implement all resolutions that the Arab League may adopt to save Palestine and will call you when the hour comes to

Continued on Page 6.

## Thor Thors Off for London.

Thor Thors, Icelandic Minister to the United States, left LaGuardia Airport last night for London to engage in negotiations for supplying food from Iceland to the British and American zones in Germany. He said that his country could supply 80,000 tons of fish immediately.

## Killed in Four-story Fall.

Daniel Lynch, 46 years old, was killed last night when he fell or jumped to a rear courtyard from his fourth-floor furnished room at 144 West 74th street, the police reported. No notes were found.

## F. Dewey Gaining.

Chester, Pa., Dec. 4 (A. P.).—James P. Dewey, Federal labor conciliator, is slowly improving the Chester Hospital said today, adding, however, that his condition remains serious.

Arab Slain and Several Men  
on Both Sides Wounded  
on Tel Aviv Border.

## DRIVEN BACK IN JERUSALEM

Moslems Lunge Against British Cordon in Effort to Break Into Jewish Section.

Jerusalem, Dec. 4 (A. P.).—One Arab was killed and several Jews and Arabs were wounded today in renewed fighting along the border line dividing the all-Jewish city of Tel Aviv and the Arab city of Jaffa as a seventy-two-hour general strike called by the Arabs in protesting against the imminent partition of Palestine, entered its third day.

A Jewish worker in a Tel Aviv factory was reported killed by shots from the guns of policemen patrolling the Jaffa curfew area.

In Jerusalem, a Jew was wounded by gunfire in the new-founded section of the old city and a British soldier was injured by an Arab mob attempting break through a military cordon at the Jaffa gate.

A Jewish truck driver, knifed near the Jaffa gate yesterday died of his wounds today, and the police found the body of a Jew in the riot-blackened commercial center of Jerusalem. The section, now under a twenty-four hour curfew, forms a no-man's-land between Jewish and Arab quarters.

## Jewish Fighters S.

Four Jews were arrested in Jerusalem when they were out of the Old City, described them as "hopping mad." The police had tear gas equipment ready to use, and the troops armed with rifles and gun carriers, were in steel helmets.

Fighters of Hagana, the Jewish organized defense force, assembled again in Zion Square ready for trouble. The Hagana leaders appealed to "dissident groups" to dismantle their organizations and come into the service of Hagana.

Irgun Zvai Leumi, the Jewish underground organization, which has stayed out of the current fight, warned the "stampeded" fighters against we should against you. We the murderers in the

## Arab Rage Flamed

Arab rage flamed hot from Aleppo to A. In Palestine, outside Haifa today as a result set during the night, Jewish lumberyard, garage.

Continued on Page 10.

U. S. Helps Defeat  
Soviet at Conference

Baguio, P. I., Dec. 4 (A. P.).—The American delegation to the United Nations Economic Conference for Asia and the Far East today helped defeat what it termed an uncalculated Russian proposal to create a regional committee on food and agricultural production.

The Russians sought to have the conference declare that "the abolition of the one-crop economy imposed from without is of paramount importance in restoring Asiatic countries." Monnet B. Davis, chief American delegate, said that only countries directly affected had a right to initiate such a declaration.

## Dave Boone Says:

Molotov has now decided he can spare the time from other engagements for a lunch with Secretary Marshall in London. figure he has found a little spot with revolving floors and comfortable chairs.

## President Truman is off to Florida for a few days. H

confirm the report that the Gulf Stream can't do anything about it, either.

## Joe Louis, heavyweight champion of the world, m

Walcott tomorrow night for the title. This engagement. Louis the world's outstanding exponent of peace.

There is so much scrapping going on all over the globe today that a fight is no longer a novelty, anyhow. It's amity that is rare treat and the promoters are smart enough to know it.

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