

Johnson Blasts Ike's Spending

WASHINGTON, May 13 (AP)—Senate Democratic Leader Lyndon B. Johnson of Texas said today the Republican administration has adopted a "revolving door philosophy" about government spending.

He asked President Dwight D. Eisenhower to put a stop to it.

Johnson told the Senate that Eisenhower's scheduled nationwide TV-radio defense of his budget tomorrow night "may well be a night of decision."

Eisenhower is going to have to decide, Johnson said, "whether he wants an economy administration or a spending administration."

The Democratic leader said that from the record of what he called conflicting statements by administration officials, "the confusion has now been compounded."

Johnson said Secretary of the Treasury Humphrey was for cuts in the President's \$71,800,000 spending budget and Vice President Nixon was not.

He quoted the President as saying on Jan. 24 that Congress has "the duty to cut the budget," and on April 3 that no substantial reductions could be made.

Subsequently, Johnson went on, presidential assistant Sherman Adams had said the budget could stand reductions of up to two billion dollars.

Republican Sens. William F. Knowland of California and Styles Bridges of New Hampshire, who have urged cuts of three billion dollars or more, sat silent as Johnson told his colleagues "confusion" had hit a new peak.

Earlier Knowland, the Senate Republican leader, had told reporters he didn't regard Adams' statements as indicating there was any "basic change in White House policy on the budget."

Johnson suggested, however, that perhaps Adams was "forecasting the shape of the President's speech tomorrow night."

"A review of this revolving door philosophy of budget making indicates clearly why the American people have been so completely bewildered by the developments," Johnson told the Senate.

Britain Says Russia Has 'Big Submarine Fleet'

LONDON, May 13 (AP)—The British government warned today that Russia now has "the biggest submarine fleet the world has ever known."

Christopher Soames, parliamentary secretary to the Admiralty, told the House of Commons the Soviet navy has 500 submarines in commission, over half of them built for long-range operation.

Beck Selling Beer To Alaska Market

ST. LOUIS (AP)—The Post-Dispatch reported today Dave Beck, president of the Teamsters Union, received five cents on every case of Budweiser beer sold in Alaska for a period of several years.

The newspaper said government investigators learned the money was paid to Dave Beck Jr. by K & L Beverage Co. of Seattle, a distributor for Anheuser-Busch Inc. and "eventually found its way into the accounts of the elder Beck."

The tracing of the commission is scheduled for an airing by the Senate Rackets Investigating Committee in Washington, probably this week, the Post-Dispatch reported.

U.S. Pushes Russia To Lift Secrecy

WASHINGTON, May 13 (AP)—The United States prodded Russia again today to lift the veil of secrecy which bars 30 per cent of the Soviet Union from travel by foreigners.

The gesture was made in a formal note of protest handed the Soviet Foreign Ministry in Moscow by the U.S. Embassy there.

The note complained that "road blocks and other forms of police action" interfered with travel by Americans in areas officially stamped as open by the Soviet government.

Russian Blocks Up

Since last July 1, the U.S. note said, American officials in Russia have been blocked in open zones on more than 36 occasions.

The note said this was done by declaring open areas temporarily closed, by denying travel facilities or restricting auto travel to a particular route or by other means.

The note contrasted this treatment with what the United States has been doing toward Russians in America.

Closed But Twice

It said that only twice have open areas in the United States been temporarily closed since last July 1. No curbs on travel facilities and no special auto routings have been imposed in the United States, it said.

About 400 Russians live in the United States.

U.S. Rejects Japan's Request

WASHINGTON, May 13 (AP)—The United States today politely but firmly rejected Japan's request that it call off atomic tests scheduled in Nevada this month.

The rejection was made in a formal note handed at the State Department to Takese Shimoda, acting chief of the Japanese Embassy in Washington.

The note, signed by Secretary of State Dulles, expressed sympathy for Japan's fears that continued nuclear tests may harm humanity by raising the world's radiation level.

The Japanese have asked the United States, Britain and Russia to suspend all nuclear tests.

The American note blamed Russia for having "obstructed progress toward control of the nuclear threat and the ending of nuclear weapons tests."

Pilots Fly 6710 Miles Nonstop in Sabre Jets

LOS ANGELES, May 13 (AP)—Three youthful Air Force pilots flew 6710 miles from London to Los Angeles today, the longest single engine jet plane flight ever made.

The pilots flashed past the Los Angeles International Airport tower in their swept-wing F100C Super Sabre Jets at 2:22 p.m. and 14 minutes later landed within seconds of each other to complete the epochal 14-hour, five-minute flight.

Ike Golfs With Foursome

GETTYSBURG, Pa., May 13 (AP)—President Eisenhower set out with a golf foursome today complaining that he hadn't had a good round since he was ill.

Macmillan Accepts Nasser As Head of Suez Canal

LONDON, May 13 (AP)—Prime Minister Harold K. Macmillan today grudgingly acknowledged Egyptian President Abdel Gamel Nasser as boss for the moment of the Suez Canal.

He told British ships to resume sailing through it on Egypt's terms.

Eight Conservative members of Parliament immediately

quit the government party as a protest against what they regarded as a surrender to Nasser. They said appeasement of any kind "leads only to disaster."

Macmillan announced his revised position on Suez in the House of Commons, which was crowded but quiet.

"This is by no means the end of the story," he said. "It is not a settlement, not an agreement. That is why it is unsatisfactory. What we have to face... is the actual situation."

At the same time Macmillan set out to put British relations with Egypt back on a businesslike basis. He announced slight easements of Britain's financial squeeze on Egypt and disclosed the two countries soon will begin discussing a dollars-and-cents accounting.



Macmillan

Macmillan's statement began the long process of unwinding the diplomatic and financial tangle brought about by Egypt's nationalization of the Suez Canal last July, which culminated in the British-French invasion of the Suez area last fall.

The British-Egyptian talks will open in Rome May 23. Macmillan did not define their scope. Other British officials, however, said they will range over the entire field of financial claims and counterclaims arising out of the Suez crisis.

Macmillan's government advised British ships early last month to steer clear of the canal, opened by a UN salvage fleet after more than three months of work. Only two or three ships flying British colors had disregarded the advice.

Phila. Tax Bill Sent to Leader

HARRISBURG, May 13 (AP)—The Senate passed and sent to Gov. George M. Leader tonight a House-approved proposal to exempt non-residents from Philadelphia's 1 1/2 per cent city wage tax.

The measure passed 27-18 after more than 30 minutes of debate. Philadelphia lawmakers argued against the bill. The levy has been in effect 18 years, at 1 1/4 per cent until early this year.

The vote followed strict party lines with five Democratic senators absent.

Similar bills have been introduced in many previous sessions. Such a measure passed both Houses in 1953 and was vetoed by Gov. John Fine.

Texas Town Paralyzed By Floods

LAMPASAS, Tex., May 13 (AP)—Shocked residents counted four dead and \$5 million damage today from a 10-foot wall of water that crashed through a broken levee into this central Texas town last night.

Five persons still were unaccounted for and searchers probed debris fearing there may be more bodies.

The wall of water destroyed the business section of 45 establishments, damaged 150 homes, sweeping some of them away and paralyzed this town of 4689 persons 130 miles southwest of Fort Worth.

730 Homeless

An estimated 750 persons were driven from their homes. More than 30 were hospitalized.

Cars and houses stacked up on obstructions as the flood carried them downstream. A church, two stories tall, hit a bridge and lodged.

Contaminated Water
Rescue parties carrying food, water, cots, blankets, milk, and medicines streamed into Lampasas today. The city water supply was contaminated.

At Red Cross headquarters, cold wet refugees shivered on cots throughout the night. There weren't enough blankets. Adults slept two on a cot. Most children slept five to a cot, huddled together for warmth.

Penna. Sportsmen Urge Flood Control

WASHINGTON, May 13 (AP)—A Pennsylvania sportsmen's representative warned Congress today against "flood hysteria" and urged a new comprehensive flood control study for the upper Allegheny River Valley.

William D. Henning, Pittsburgh attorney speaking as a director of the Allegheny County Sportsmen's League, said the study should be made by all "interested federal government agencies" and not the U.S. Army Corps of Engineers alone.

Henning said sportsmen are united in their opposition to construction of the huge 125 million dollar dam recommended by the Army Engineers for Kinzua, Pa.

House Calls For Cutback In Aid Plan

HARRISBURG, May 13 (AP)—The go-slow signal went up tonight on a sharply revised plan for increasing state aid to schools by \$30.3 million in the next two-year fiscal period starting June 1.

The House Republican caucus put off action on the measure after an hour's discussion behind closed doors. There were reports of specific opposition from Philadelphia, Allegheny and Potter counties to the plan.

Rep. Johnson, House Republican floor leader, passed over the legislation on the floor without comment from either the GOP or Democratic leadership.

Passage Foretold

Rep. Moscrip (R-Potter) freely forecast its passage but declined to pinpoint a specific date.

"Like all new things that make a great change it takes time to explain," he told a newsmen.

"The Republican members want to look at it closely and see how it affects schools in their districts rather than rush into it."

Subsidies Increased

The measure increases maximum subsidies to school districts from \$5100 per teaching unit (22 secondary students or 30 elementary) to \$6000.

But, at the same time it changes the complex school subsidy formula requiring school districts to put up a larger share of the funds.

House Passes 10% Raise In Disabled Vets' Pay

WASHINGTON, May 13 (AP)—The House passed by unanimous voice vote and sent to the Senate today a bill raising by 10 per cent the compensation payments of war veterans suffering service-connected disabilities.

There was no debate. The vote came after a terse explanation of the measure by Chairman Teague (D-Tex.) of the Veterans' Affairs Committee.

The estimated first-year cost of the bill is \$169,707,000, with annual costs thereafter dropping to \$164,586,000 after the fifth year.

Committee Reports U.S. Needs Tax Cut

WASHINGTON, May 13 (AP)—This country needs a tax cut but can't afford it until government spending is brought into line, the committee for Economic Development said today.

In a public statement the committee called for a stern

look at all present and proposed government spending, a drastic overhaul of the federal tax laws, and hesitantly suggested that a national sales tax might be in order.

The committee said responsibility in formulating budget policy rests squarely with President Eisenhower.

Immediate Report Urged

It urged President Dwight D. Eisenhower to tell Congress immediately what government programs are going to cost, not only in the coming year but for four or five years ahead.

The committee said the funds necessary to support "the high and rising level of federal spending are being raised on a basis that is both economically unsound and unfair."

"Such a tax system will jeopardize economic growth," it said. The Committee for Economic Development is a nonpartisan, nongovernmental organization of 150 industrialists and educators

engaged in research on national and international economic problems.

Problem to Get Worse

It said this country's budget problem is going to get worse before it gets better. "The evidence suggests," it said, "that the rising trend of federal expenditures will not be halted in fiscal 1958, and that next year we are likely to be faced with a budget that will exhaust another year's growth of tax receipts."

It asked Congress to thoroughly study the present tax law, with "the advice and assistance of a special advisory tax commission recruited from among representatives of business, labor, agriculture and consumer groups, with ample staff and time to explore all of the major problems."

One of the things that badly needs overhauling, the committee said, is the individual income tax, particularly in the higher brackets.