Weather
Cloudy and somewhat warmer tonight and Tuesday, occasional light rain.
More Weather Data on Page 7-A

THE CHARLOTTE NEWS

★★★★★ Final

Largest Afternoon Newspaper in The Carolines

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TRUMAN ASKS BUDGET OF $42½ BILLION

43,000 Soft Coal Miners Stage Unexplained Strike

Nationalists Shell Flying Arrow

U. S. Ship Damaged By Gunfire

By ASSOCIATED PRESS

The blockade-running American freighter Flying Arrow was heavily shelled and extensively damaged today by a Chinese Nationalist gunboat as she neared the Yangtze River approach to Communist Shanghai.

Associated Press Correspondent Wayne Richardson, who had signed on in Hong Kong as a member of the crew and is the only news man aboard, quoted Capt. David Jones of Chicago as saying the Flying Arrow was hit 30 to 40 times.

Richardson said the attack occurred in international waters. Capt. Jones himself estimated the distance from shore at nin-teen miles—far outside territorial limits.

NO CASUALTIES

Jones said his ship was rendered unseaworthy, although there were no casualties among the 43 crew members and twelve passengers.

Jones said he was asking the U. S. State Department intervene to give him clear passage to the nearest port for repairs, in keeping with international law. The nearest port is Shanghai, destination of his ship and its $19,000,000 cargo when it left British Hong Kong early Jan. 7.

Nationalist warships continued to stand by as the Flying Arrow lay in the water off the mouth of the big river.

In Taipei, Formosa, capital of the refuge Nationalist Government, a naval spokesman said the Flying Arrow was shelled to prevent her running into a Nationalist mine field and being blown to bits. He contended the gunboat Wuling "opened fire to save the Flying Arrow from complete destruction" and that the intention was solely to disable her.

The British sloop Black Swan, on patrol nearby, sent men aboard who helped extinguish fires aboard the Flying Arrow. Some of the cargo had to be jettisoned. Richardson said Capt. Jones estimated 25 per cent of it was saved.

The Black Swan reported it "understood" there were about twenty mines in the estuary.

The Nationalist spokesman in Taipei said the incident should prove that the Nationalists were not bluffing and "trade-crazy" merchants should learn a good lesson." He said the Flying Arrow was being "detained" but there was no report of any boarding by the Chinese Navy.

In Washington it was expected that the United States would make another protest to the Nationalists. The United States has not recognized the blockade of the Communist coast.

Three sister ships of the Flying Arrow, all operated by the Isbrandsen Line of New York, have been shelled, and two of them superficially damaged, in previous blockade-running efforts in and out of Shanghai. The United States has twice protested these shellings on the grounds that they endangered American lives.

However, the State Dept. warned Capt. Jones in advance that capture of the Flying Arrow if she tried through the blockade ran the risk of losing their mariners' licenses.

Hospital Fire Toll Heaviest

64 Dead From Weekend Fires

By ASSOCIATED PRESS

Sixty-three persons died in a series of week-end fires in several states and Canada. More than a dozen other persons were injured and more than a score left homeless. Sixteen of the dead were children.

The most horrible conflagration of all was in the psychiatric building of Mercy Hospital, Davenport, Ia., where 40 women died.

Screaming patients perished behind barred windows as the 81-year-old mental ward building was swept by flames early Saturday.

Officials said 38 patients and one graduate nurse died in the fire. Another patient died later in a hospital. Twenty-four persons were saved. Cause of the fire was not known.

6 CHILDREN DIE

In Maine, the state's worst fire in four years killed six children and resulted in injuries to five adults. The fire destroyed the home of Mrs. Grace Jones, a widow, in Medway. Her five sons, ranging in age from two to fifteen years, and her ten-month-old granddaughter died in the flames. Fire officials blamed on the accidental splashing of gasoline on a stove.

In another Iowa fire at Fort Dodge—four persons perished and three others were injured when a two-story house was destroyed. Those who died were Mrs. James Spitler 39; her two children, Joyce, eleven, and Danny, nine, and a baby sitter, Mrs. Ann Lehman, about 34. Badly injured were James Spitler, 38; James Spitler Jr., six, and Mrs. Lehman's daughter, Caroline, seven. Origin of the blaze was not determined immediately.

A fire in a house at Dolbeau, Quebec, Canada, 75 miles northeast of Ottawa, killed four children. They were the children of Leopold Fortier, ranging in age from nine months to ten years. The father was burned seriously attempting to rescue the children.

Near Fulton, N. Y., two high school girls were burned to death when fire destroyed a home. They were Marion Warren, 15, and Joan Davis, 17. Marion's mother, Mrs. Marion W. Bowen, 42 was burned seriously. Two other persons also were injured.

In Cleveland, two women were killed in an explosion and fire caused when another tenant of the rooming house where they lived lighted a match to check on a leak in his gas heater. Those killed were Mrs. Margaret Cotton, 60, owner of the house, and Mrs. Maxine England, 21.

Two men were burned to death when a flash fire swept an apartment in Mount Clemens, Mich. Those killed were Henry Heiser, 80, and James Koflas, 72.

Two children were burned to death in a fire in a home in Yorktown, Va. They were Brenda Forbes, 3, and Willie Forbes 4. Another child, Gloria Forbes, 5, was burned seriously.

In South Bend, Ind., John I. Wilks, 32, died when fire destroyed two apartments over a restaurant.

Wabash River Threatens Indiana Area With Flood

The Wabash River, straining at its man-made bulwarks, threatened today to flood thousands of acres of Indiana land, adding to the devastation of one major levee break-through.

The Niblack levee, seven miles north of Vincennes, Ind., collapsed Sunday night, flooding 16,000 acres of lowlands and forcing evacuation of all persons in the area. But this run-off of water is expected to have little effect on the pressure of river water inching near the top of Vincennes' sea wall. Meanwhile, 30 miles upstream—at the Graysville levee—residents fled to safety fearing a momentary levee washout. If the levee crumbles, some 43,000 acres of rich farmland would be flooded.

Soldiers, volunteers and State Troopers were on hand at Vincennes to prepare for the rampaging Wabash. They prepared sandbags Sunday night to reinforce the sea wall.

Meanwhile, on the West Coast, fruit and vegetable growers of Southern California breathed easier with a damaging five-day cold snap at an end.

Slushy snow still had mountain traffic moving slowly but lowland farmers had temperatures sufficiently high to cease smudging citrus orchards against frost damage.

Most of the area had rain yesterday. The heaviest downpour occurred at Los Angeles where 1.12 inches were recorded.

In the eastern half of the nation, the cold weather was centered in New England but it was being absorbed by a mass of warm air from the south which already had thawed out ice-glazed Memphis, Tenn., and other points that had been crippled by freezing rain.

Memphis still had 4,000 telephones out of commission and several sections of the city without power service but only a few patches of ice remained.

The mercury dropped to zero or slightly above at some New England points again last night but it was expected to say well above these levels after today. Old Town, Me., was the coldest New England spot with 3 below zero. Albany, N. Y., had a minus 1.

Temperatures were below normal as far southward as South Carolina, where Columbia had a low of 27 degrees.

Except for another pocket of cold air in Minnesota and North Dakota, the rest of the nation had temperatures around normal. Jamestown, N. D., had 11 below, Bismarck 5 below, and Duluth, Minn., 15 above.

Far Eastern Policy Talked

WASHINGTON—(AP)—Sen. Ferguson (R-Mich) met with President Truman and Secretary of State Acheson today on the Far Eastern situation.

Ferguson told a reporter in advance that he would "seek some first hand information about affairs in the Far East." He added: "I am also going to give some information" to Mr. Truman and Acheson. The Senator declined to elaborate.

The White House meeting was held as demands came from other Senators for a clear cut statement from Acheson on policy in the Far East.

Ferguson visited the Far East last Fall during a round-the-world trip as a member of the Senate Appropriations Committee.

On his return to Washington he advocated that the United Nations set up a trusteeship over the island of Formosa until its status could be definitely clarified. He said Mr. Truman's decision last week to keep "hands off" Formosa had "kicked bipartisan foreign policy out of the window."

Ferguson also is strongly opposed to U. S. recognition of the Chinese Communist Government.

In a scathing of bitter criticism of the Administration's handling of the China and Formosa problems, Acheson goes before the Senate Foreign Relations Committee tomorrow for a report on worldwide international affairs.

Even before the Cabinet member's appearance, Senator Smith (R-NJ) said he will demand in the Senate that Acheson carry with him to Capitol Hill "a clear articulation of policy for Southeastern Asia."

Smith added that he wants the whole Senate — and not just Foreign Relations Committee members — to have as detailed a report as possible on Acheson's views.

SWEDISH KING ILL

STOCKHOLM, Sweden—(AP)—King Gustav V was reported suffering from a sore throat together with a raised temperature last night. A palace communique said he was in comparatively good general condition despite an attack of bronchitis. The monarch is 91.

Once Over Lightly

BY WALTER SECONTHALER

That old-timer with the dignified look would swap it for most any other kind . . . Some companies will spend thousands of dollars putting up a big clock and it's wrong most of the time.

Steel Firms' 'Captive' Pits Idled

Big Pittsburgh Concern Also Hit

PITTSBURGH — (AP) — About 43,000 of the nation's 400,000 soft coal miners struck today, singling out steel companies and one giant mining company as targets for the second work stoppage in two weeks by United Mine Worker members.

Without explanation from either UMW officials or rank and file, miners refused to enter many pits in Pennsylvania, West Virginia, Ohio, Kentucky, Alabama, and Virginia.

Soft coal (bituminous) diggers in Western Pennsylvania led the parade. More than 20,000 are idle there in 36 mines which have a total capacity of 111,000 tons a day.

A half dozen steel companies and the big Pittsburgh Consolidation Coal Co. reported their mines were forced to close.

Practically all the 12,000 UMW miners in Eastern Ohio were staying away from work. In Kentucky, about 1,200 idle miners were counted. Only one Pitt-Consol operation was turning out coal. Mines operated by U. S. Steel and Republic Steel Corp. were closed.

IDLE IN ALABAMA

Five thousand miners idled their tools in Alabama's Birmingham area.

In Ohio, UMW officials declined comment. But, in Pittsburgh, a union chieftain said the walkout was news to him.

President John F. Busarello of the United Mine Workers' District 5 said:

"You're telling me something I hadn't heard about. No strike has been ordered. If one had been, I certainly would know about it."

Miners gave no reason for not working but a sign posted at a Reversing, W. Va., mine of Pitt Consol said:

"No contract, no work."

UMW President John L. Lewis has instructed his men to work three days a week even though the contract expired last June 30.

From Washington, Lewis issued a statement saying demands for Government action in the coal dispute would "oppress the mine workers and cripple their union."

He denounced Senator Taft (R-Ohio) for urging Presidential action. Taft wants Mr. Truman to ask the courts to compel the miners to work five days a week instead of three. Lewis also criticized General Counsel Robert Denham of the National Labor Relations Board as a "hatchet man for the hi-profit tong."

Lewis' statement did not touch on the new miners' walkouts.

PRICE MINES CLOSED

U. S. Steel Corp. said all 13,000 miners employed in Pennsylvania, West Virginia, and Kentucky by its coal mining subsidiary were idle. The pits are operated by the H. C. Frick Coke Co.

Pitt Consol, often called the world's largest commercial coal producer, said none of its mines in Pennsylvania were working. In most cases, the miners simply did not show up for work or

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Red Forces Doomed, Visitor Says

Mme. Chiang: China To Fight

NEW YORK—(AP)—Mme. Chiang Kai-Shek — headed for Formosa to rejoin her husband — pledges that the Chinese Nationalists will fight on with their bullets and last propaganda blast against the Communists.

Mme. Chiang said guerrilla warfare and propaganda against the Reds, and eventually an uprising of the people on the mainland, the Nationalist leader's wife said yesterday in a radio speech.

Mme. Chiang will leave the United States this week for the island of Formosa, one of the last remaining Nationalist positions.

Speaking over the National Broadcasting Company network, she said "for shame" to Britain and called its recognition of the Chinese Communist regime the act of a "moral weakling."

She said "British has bartered the soul of a nation for a few pieces of silver" —(the price paid to Judas who betrayed Christ.)

"One day," Mme. Chiang predicted, "these pieces of silver will bear interest in British blood, sweat and tears on the battleground of freedom."

CHINA TO BE FREE?

She declared "Russia will never know one day of peace in China. Russia will never own China. China will remain free."

Mme. Chiang said the Nationalists are "abandoned and alone." But she had some kind words for the United States, which is not responding to Nationalist appeals for aid in holding Formosa but is not recognizing the Chinese Red regime.

"Yours has been a contribution of affection," she told Americans. Your name among us will always be cherished for its friendship and kindness."

Mme. Chiang, who has failed almost completely in the all-out seeking mission that brought her to this country thirteen months ago, said "I can ask the American people for nothing more. At such a time no pleading can be with dignity.""

"It is either in your hearts to love us, or your hearts have been turned from us," she said. "It is either in your mind and your will to aid China in her struggle for liberty, or you have abandoned liberty."

She said Nationalist guerillas "will keep the torch of liberty" everywhere on the Chinese mainland — now mostly in the hands of the Reds — while her husband

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MADAME CHIANG

MISS AMERICA AND HER MISTER

Clad in Western clothes, Jacque Mercer, Miss America of 1949, and her husband, Don Cook, rest on a pioneer wagon at Tucson, Ariz., during their honeymoon trip. While in Tucson, the couple attended the Governor's Birthday Anniversary dance honoring Gov. Don E. Garvey. (Acme Telephoto.)

President Opposes New Vet Benefits

By VERN HAUGLAND

WASHINGTON —(AP)— President Truman asked $6,100,000,000 today for veterans in the new fiscal year and expressed concern about the possibility of additional "special benefits."

In doing so, in his annual budget message, Mr. Truman apparently had in mind various bonus and other proposals on Capitol Hill.

He offered this yardstick: "We should provide through the veteran's programs only for the special and unique needs of veterans arising directly from military service."

He urged that Congress consider any new veterans programs in the light of Social Security benefits that will be available to the general public.

The $6,100,000,000 represents one-seventh of the total budget the President asked for running the Government in the fiscal year beginning July 1.

ABOVE ESTIMATES

Also, Mr. Truman said that expenses of the veterans program in this fiscal year ending with June have ranged about $1,400,000,000 higher than was estimated a year ago. This fiscal year's total is now placed at $6,965,000,000.

He proposed a thorough investigation of the increasingly-expensive education and training program in schools below the college level.

Elimination a year ago of 24 proposed new veterans hospitals and the reduction in capacity of fourteen, at a saving of $279,000,000, remains in effect. Despite requests from many parts of the country during 1949 over cancellation of the projects, the President made no move to restore them.

Mr. Truman pointed out that expenditures for veterans benefits "depend largely on how many of our 19,000,000 living veterans, and how many dependents of deceased veterans, apply and qualify for aid under some 300 laws."

Mr. Truman set forth that the country's primary obligation is to honor its veterans with service-incurred disabilities, and to 300,000 families of veterans who died from such disabilities.

Of the 17,000,000 veterans without service disabilities he said:

"The Social Security proposals pending in the Congress apply to all the people, including veterans.

"In the pending bill to improve

See VET on page 7-A

Crime News Gag Ruling Upheld

WASHINGTON — (AP) — The Supreme Court today refused to review a decision which struck down Baltimore's unique gag rule on crime news.

The court's refusal was announced in an unusual opinion by Justice Frankfurter. It said the tribunal's action "simply means that fewer than four members of the court deemed it desirable to review a decision of the Maryland court as a matter of 'sound judicial discretion'."

In addition to nullifying the gag rule on crime news the lower court decision — given by the Maryland Court of Appeals — also upset contempt convictions of three Baltimore radio stations and a radio newscaster.

Frankfurter said "a variety of considerations" figured in the tribunal's refusal to review the state court's findings.

Then he went on to say that one thing that can be said with certainty about the refusal to review, "is that it does not remotely imply approval or disapproval of what was said by the Court of Appeals of Maryland."

Domestic Spending Boost Is Proposed

BUDGET AT A GLANCE

For Years Ending June 30	1950	1951
OUTLAY	$ 43,597,000,000	$ 42,439,000,000
INCOME (under present tax laws)	37,762,000,000	37,306,000,000
DEFICIT	5,835,000,000	5,133,000,000
YEAR-END DEBT	258,400,000,000	263,500,000,000

By CHARLES MOLONY

WASHINGTON —(AP)— President Truman today recommended a $42,439,000,000 spending budget to Congress. He said it will plunge the Government $5,133,000,000 deeper into the red unless taxes are raised.

But even with "moderate" tax increase he wants, the President set no date for a balanced budget.

The cold war with Communist Russia takes the biggest spending bite—$18,256,000,000.

That figure for the 1951 fiscal year beginning July 1 includes $13,500,000,000 for defense—up $400,000,000 from this year—and $4,700,000,000 for foreign aid. The combined total is $856,000,000 lower than current outlays.

DOMESTIC PROGRAM

Next in size comes cash for domestic programs, including Mr. Truman's "Fair Deal." This figure jumps $823,000,000 to $12,478,000,000.

The $42,439,000,000 spending total is equivalent to $282.17 for each man, woman and child in today's population. It is larger than last January's record peacetime budget estimate, but $858,000,000 less than the $43,297,000,000 now expected to be spent by June 30.

The budget message read by Bensie and House clerks was the longest on record — 27,000 words.

To legislators clamoring for less spending rather than more taxes, Mr. Truman stressed the importance of Federal dollars to an expanding domestic economy. He said his program, embracing a "moderate" tax increase, is "prudent" and "not too much to ask" toward budgetary balance.

He noted that "we have made no move toward balance."

SETS NO TARGET

The President set no target for balancing the Government's income and spending. The White House said the Administration tax bill is still under draft and will be ready for Congress in a few days.

"It is an honest budget, which meets the realities which face us," Mr. Truman said. "We have made and shall make more progress toward a less threatening world. Our strength is not being impaired by our present great responsibilities and the temporary deficits required to meet them.

"Irresponsible and short-sighted budgetary action could contribute to a worsening of the world situation and to a decline in production and employment in the United States," he continued.

Even before he spoke, Chairman Cannon (D-Mo) of the House Appropriations Committee offered a budget balancing idea: cut spending by $2,500,000,000 and raise taxes the same amount.

Also planning organization of businessmen, the Committee for Economic Development, expect for a billion dollar cut in excise taxes and another cut of equal size in the double tax in corporation earnings. It further proposed savings in expenditures on veterans, defense, foreign program and housing.

Mr. Truman sketched the makeup of 1951 spending in broad strokes.

He charged off nearly $30,000,000,000 or the 71 per cent his budget allotted to national defense, foreign aid, veterans programs and interest costs of the Federal debt with these words:

"Financial requirements to pay the costs of past wars and to achieve a peaceful world."

These four "cold war and aftermath-of-war" items, all told, would cost $1,781,000,000 less in the next fiscal year than in this one.

WELFARE GOALS

Then he discussed the nearly $12,500,000,000 in domestic programs that constitute the other 29 per cent of his budget and contain at their core his welfare goals.

He said the money assigned these programs "reflects—and has been generally recognized by Congress to reflect—the necessary contributions o fthe Federal Government in our modern economy." He added:

"The major question in my mind is not whether we are doing too much, but whether this budget meets requirements of the major national security and war-connected problems, and concentrated us to undertake too little toward supporting and stimulating the realization of our country's great potential development."

The military defense program alone was budgeted for $13,245,000,000 spending in fiscal 1951, an increase of $397,000,000 over this year. Foreign aid registered the biggest decline from this year—down $1,253,000,000 to a 1951 total of $4,711,000,000.

The "aftermath of war" costs also declined. Veterans, at $6,600,000,000, would get $625,000,000 less than this year. The annual interest charge on the debt, offsetting, would cost $5,625,000,000.

But the increased cost of the domestic programs Mr. Truman wants to enlarge would cancel out most of the spending decreases in the other fields.

The Chief Executive's forecast of a $5,133,000,000 budget deficit for fiscal 1951 was based on estimates that the Government would spend $42,439,000,000 in this 12-months starting July 1, and take in only $37,306,000,000.

The budget would be piled atop the one he foresees for the current fiscal year ending June 30, amounting to $5,834,000,000 since revenues of $37,762,000,000 are expected to fall that far short of the spending total of $43,297,000,000.

DEBT MOUNTING

And the Federal debt, which accumulates with deficits, would amount to $263,500,000,000 by June 30, 1951—over $1,754 for each person in the country.

While the President saved details of his general tax boost plans for a separate message later, he urged today several acts by Congress that would bring a bigger bite into the nation's pocketbooks.

One would raise the social insurance (old age and survivors) tax on workers and employers to 2 per cent each on Jan. 1, 1951—a year ahead of schedule—and another to be phased in over a period of years to reach 6 per cent.

Another Truman proposal would shift both employers and their bosses with a starting tax of 25 cents on each $100 of pay, beginning Jan. 1, 1951, to "delayed initial payment" of his national health insurance program. The President did not specify but presumably the tax would apply only to that part of payrolls now subject to Social Security taxes—the first $3,600 under present law.

A third revenue-raising request called for a $205,000,000 hike in mail rates to help cut a $535,000,000 deficit in post office operations. The brunt of the rate rise would fall on magazine, mailed advertising, and parcel post.

See CONGRESS on page 7-A

How The Budget Dollar Is Spent

WASHINGTON — (AP) — Here's how President Truman plans to spend the Government's 42,439,000,000 budget he proposes for the twelve months beginning next July 1:

	cents
Defense	31
National defense	23
International affairs (Marshall Plan, etc.)	11
Interest on Federal debt	13
Veterans benefits, pensions, etc.	15
Social welfare-health-security	22
All other	7
Total	$1.00

$282.17 Per Person

What Budget Costs You

WASHINGTON — (AP — Your share in the cost of Government, as proposed by President Truman, averages out to $282.17 for the twelve months starting next July 1. This compares with $247.17 for the preceding twelve months.

Based on an estimated current population of 150,600,000, that is the cost for every living American—man, woman and child—of the Government's operations at home and abroad, as reflected in the President's budget message today.

The comparative cost in the year ended June 30, 1941, the last full fiscal year before Pearl Harbor, was $101.14. The population then was only 133,920,000.