

Congress Urged To Appropriate \$7.9 Billion

Final
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Grand Jury Indicts Beatys As Passons



Although the only Russian held by UN forces, Kubov...
...plans to return to Korea and marry her. (United Press Telephoto).

Local Men Charged With Tax Evasion

A special U. S. Grand Jury in session here today indicted Keith B. Beaty, M. J. Passon and C. L. Passon, all of Charlotte, for attempting to evade payment of U. S. income taxes.

The Grand Jury, with Harry M. Love of Asheville foreman, handed the indictments to Judge Wilson Warrick about 11:10 P. M. The action came after a three-and-one-half-day session during which numerous law enforcement officers, newspaper editors and private citizens testified.

The grand jury returned two indictments against Keith Beaty, one against him as an individual and one as president of the Beaty Service Co. Inc.

The first indictment contained three separate counts, the second also three counts. Passons was indicted on two counts as an individual and Beaty three counts. Mr. Beaty is Keith Beaty's brother.

Assistant U. S. District Attorney Francis Fairley of Charlotte said that bond for Keith Beaty was set at \$10,000 on each of the indictments. Bond was also set at \$10,000 for E. M. Beaty and \$5,000 for Cliff Passon.

Warrants for the defendants were to be issued early this afternoon. Mr. Fairley said the defendants are to appear in court in the term of U. S. District Court beginning April 7.

His indictment against Beaty says: "On or about March, 1948 in the Western District of North Carolina and without jurisdiction of this court at Charlotte, North Carolina, and knowingly and lawfully attempt to defraud and evade a large part of income tax due and owing to the United States Government for the year ending June 30, 1948 by causing or causing to be maintained false books and records, by concealing assets and covering up sources of income, by preparing a false and fraudulent return of income tax, return and filing or causing to be filed with the collector of internal Revenue for the Internal Revenue Collector's District of North Carolina a false and fraudulent return of income tax wherein he stated his net income was \$49,490.98 with tax of \$24,530.55, whereas his net income for said calendar year was the sum of \$254,700.00 with tax of \$207,765.00."

The second count stated Beaty had listed his 1948 income as \$75,265.42, tax of \$42,526.74. The indictment charges his income was \$174,713.24, tax of \$125,565.03.

The third count stated Beaty listed his 1948 income as \$46,282.05, tax of \$22,937.02. The indictment charges his income was \$86,077.94, tax of \$60,906.06.

The fourth count against Beaty charged that as president of the Beaty Service Co., Keith Beaty had listed his 1948 income as \$29,150.68 with tax of \$13,532.56 and the government says the total amount should have been \$67,838.01 with tax of \$32,223.19; for the fiscal year ending June 30, 1947, his income was \$57,993.10 with tax due of \$20,490.51 and U. S. tax of \$37,502.66.

In another indictment the Grand Jury charged that E. M. Beaty, for the year ending June 30, 1947, his income was \$6,859.79 with tax of \$1,368.05, and says income was \$35,794.71 with tax of \$17,008.85.

In a second count of the same indictment, the Grand Jury charged that E. M. Beaty had listed his 1948 income as \$46,282.05, tax of \$22,937.02, whereas his income was \$86,077.94, tax of \$60,906.06.

In its indictment against Passon the Grand Jury said \$685.97 income tax was paid to the collector on a listed 1948 income of \$6,859.79. The indictment said the income was actually \$9,872.81 with tax due \$1,813.45.

A second count charged Passon with listing 1947 income as \$2,700.00 with tax of \$1,350.00.

See BEATYS on page 2-A

VISUAL APPRECIATION OF TAX PROBLEMS



William H. Moore, in charge of consumer credit dept. for the Chemical Bank & Trust Co. of New York, sits behind stacks of silver dollars which show the tax problem confronting the man with a net income of \$5,000 and three exemptions. The 1949 amount, of course, was paid in 1950, and the 1950 amount in 1951 and the 1951 amount is due this year. It is a worrisome problem. (United Press Telephoto).

Material For Highways Also Involved In Order Controls Eased On Housing And Schools

WASHINGTON (AP)—The government today eased building controls on the construction of highways, schools and other public projects.

The National Production Authority, dropping a earlier ban on the use of steel in the construction of new homes to 1 1/2 bathrooms each, issued the order.

A new one-package housing order increased by 600 pounds the steel which a residential builder may use without application to NPA.

A second order combining all other construction controls into a single document increases the amount of steel automatically allowed for commercial, school, and other public buildings.

As originally proposed, the order increased the amount of steel for residential buildings to 10,000 pounds. But they were revised frequently during two months of discussion with the construction industry. Meanwhile, shortages of steel and aluminum eased noticeably.

NPA's announcement today controls liberalized.

The second count stated the construction regulations liberalize controls rather than tighten any of them or impose any further restrictions.

Reds Would Inspect Secret Equipment

By ROBERT E. TUCKMAN
MUNSAN, Korea (AP)—The deadlocked Korean truce talks bogged down even further today as Communist negotiators insisted that neutral teams including Russians be permitted to inspect secret equipment during an armistice.

Staff officers working on truce supervision wrangled fruitlessly for more than an hour, but the prisoner exchange subcommittee called it a day after only 12 minutes. Negotiators agreed there was no point in rehashing old arguments.

The deadlock has become so serious observers here say they believe only action at the top level could end the stalemate.

U.N. negotiators declined to speculate on how the deadlock might be broken. Some sources said the situation presumably being studied carefully in Washington, and possibly in Moscow and Peking.

Vice-Adm. C. Turner Joy, chief U.N. negotiator, was in Tokyo Wednesday, apparently in conference with Gen. Matthew B. Ridgway.

There was no hint that a shift in the Allied position was in the offing.

Col. Don O. Darrow told news men that the Communist demand for inspection of secret equipment might be "just another, needless device." But he added:

"If they do get Russian teams down to look at our equipment that would be highly desirable from their point of view."

The Allied proposal provided that neutral teams should make inspections to "properly insure" that neither side is introducing new equipment during a truce. However, the proposal specified that the teams would not be allowed to check "secret designs or characteristics of any combat aircraft, armored vehicles, weapons or ammunition."

The Reds said the U.N. was merely trying to block a thorough inspection.

There has been no hint of compromise on the biggest stumbling blocks—Red insistence (1) Russia be a neutral supervisor and (2) they be allowed to repair North Korean aircraft during a truce.

Boys Will Be Boys, Even In Tropics

GUAM (AP)—Police Commissioner John Nobile today ordered boys to stop using the sheet metal roof of the Guam Daily News building as a target for their BB guns.

Nobile issued the order after Editor Jack E. Nevin Jr., former San Francisco newspaperman, complained that someone tried to shoot him Wednesday night.

The commissioner said an investigation uncovered no evidence of an attempt on Nevin's life. But it did disclose that boys enjoy hearing the ping of a BB shot on a metal roof.

Tree Surgeon Will Return Eye At Death

HAYWARD, Calif. (AP)—Omar Aaron, 49-year-old tree surgeon, today put new meaning into the adage "an eye for an eye."

He received one last week—via a cornea transplant—and he'll give one when he dies.

"That's the least I can do," he said. "The other man did it for me."

OUR WEATHER

Mostly fair with little change in temperature today and tonight. Friday, partly cloudy, becoming slightly warmer in the afternoon. Expected high today 73 degrees. Low tonight 54 degrees.

Highest yesterday 53 degrees. Lowest this morning 52 degrees.

Sunrise, 6:46 A. M.; sunset, 6:23 P. M.

More Weather on page 16-B

Sabre Jets Down One MIG

SEOUL, Korea (AP)—American Sabre jets destroyed a Communist MIG and damaged another today in a 10-minute battle. The dogfight ranged as far south as the North Korean capital, Pyongyang, just 15 miles north of Parallel 38.

Six Sabres mitted with 22 MIGs. The ground, head-on run allowed the Sabres to destroy one MIG and damaged another today in a 10-minute battle. The dogfight ranged as far south as the North Korean capital, Pyongyang, just 15 miles north of Parallel 38.

In Shipping Case Hearing Mundt Blasts 'Blood-Soaked Profits'

By G. MILTON KELLY
WASHINGTON (AP)—Testimony of a New York shipper today blasted charges that Communist China reaped a fortune from the start of the Korean War brought from Sen. Mundt (R-N.Y.) today a sharp denunciation of such "blood soaked profits."

In a stinging language, Mundt told New York attorney Houston H. Wasson that "you violated no law" when he questioned the "fairly loaded" charges underlying the shipping firm's profits.

Wasson, law partner of government under contract in New York, said Mundt was back for the second day before the Senate investigation subcommittee described as "profitable deals in war surplus U. S. ships."

Mundt testified yesterday that he and Morris were lawyers, but chief counsel for "China Trade" and "International Development Corp."

He identified this as a Chinese "China Trade" firm, but said it derived all of its funds almost up to the start of the Korean fighting, and other goods until the war was in progress.

Also involved in the story were a former corporation. One of the clients cranked up on a takeoff from Hanks airport today but only one was returned.

Fleets of propeller blades broke off and hit them when the propellers on the runway. Their inquiries were described as slight. The plane never got off the ground. The landing gear collapsed as the C-54 was racing down the runway for its takeoff for Midway Island.

Major John D. Davis, the pilot who crashed the plane to the right and reversed propeller, and that kept it from crashing over a sea wall into Tokyo Bay, the Air Force said.

Passengers included 17 litter patients and 31 ambulatory.

Only 75 seconds after the big plane stopped, crash rescue crews were directing a team into the plane to prevent further injury.

Within three minutes, the patients were being removed and supervision of three flight nurses who were members of the crew.

Less than three hours later, all but two of the patients had been transferred to another C-54 with three nurses. They took off midway.

Reds Use U. S. General's Diary For Propaganda

WASHINGTON (AP)—Parts of a book recently published in Communist-controlled East Germany. It said the book is "aimed at convincing the Communists, a U. S. Army spokesman disclosed today.

Major Gen. Frank Dorn, deputy chief of information, said Iron Curtain sources have been circulating extracts from the diary as part of their propaganda drive against the U. S.

"The Army is investigating to find out how the Reds got their hands on the diary," Gen. Dorn was assigned to duty in Washington in January when the Washington Post had photographs of the diary.

Dorn said:

"A copyrighted story today, the Washington Post had photographs of the diary contained secrets vital to U. S. security."

Hospital Plane Carrying 58 Crashes; Only 2 Hurt

TOKYO (AP)—A giant Stratocruiser hospital plane carrying 58 patients cranked up on a takeoff from Hanks airport today but only one was returned.

Fleets of propeller blades broke off and hit them when the propellers on the runway. Their inquiries were described as slight. The plane never got off the ground. The landing gear collapsed as the C-54 was racing down the runway for its takeoff for Midway Island.

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Evening Prayer

Everal God we have called Thee for salvation. Deliver us from our sins into the freedom of new life in Christ. Save us from all evil, seeking from false price of cash or race and let all our dependence be Thine through Jesus Christ our Lord.

President Combats Demands For Cuts

By JOHN M. HIGHTOWER
WASHINGTON (AP)—President Truman asked a critical Congress today to vote every penny of the \$7,900,000,000 new global foreign aid program to meet a Soviet thrust against the "survival of civilization."

Tonight the President, fully aware of mounting congressional opposition to foreign aid spending, will go on every major radio and television network to carry his plea to the public.

Talk of withdrawing to the Western Hemisphere "has monetary ineffectiveness," the President said, "because it would seem to relieve us of the contributions we are now making to collective defense."

But he said the adoption of such a policy would be a "mandate for the failure of the United States."

He said the money he is asking for could be used to send more to America's Allies in Europe, to build up Allied nations in the Middle East and help European countries manufacture their own arms, and to raise the living standards of East European nations in Africa and Asia.

Mr. Truman asked for the \$7,900,000,000 in his budget message to Congress. The \$7.9 billion budget request added up to \$90,000,000,000 for the fiscal year.

"Not a single dollar should be cut out of the proposed program, he said. "Let this nation be guilty of a 'false economy' of 'too little and too late.'"

OTHER REASON
The \$7.9-billion program, Mr. Truman anticipated the attacks of critics and economy advocates, he said in those words.

"First, the plan fails in that we cannot achieve lasting security for our people in association with other nations."

"Second, the funds provided by the United States to the United States Security Program are not sufficient to meet the needs of the program."

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