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# CONGRESS IS HERE

## House In Unprecedented New Year Day Session

**Truman May Get New Tax Bill Tonight**  
 New 82nd Congress Meets Wednesday

By WILLIAM F. ARBOGAST WASHINGTON—(AP)—The House of Representatives scrawled history into the record of the expiring 81st Congress today by holding a New Year's Day session.

Records in the House clerk's file fall to disclose any previous year in which either branch of Congress met on New Year's Day.

And the House must meet again tomorrow to clean up odds and ends of business before final adjournment to make way for the 82nd Congress convening on Wednesday, the day which had no session scheduled for today.

For 71 House members today and tomorrow's votes will be their last in which either branch of them are retiring voluntarily. Most of them were unseated in the November elections, but some of the Democratic majorities, but left the party in normal course of the new Congress.

**TAX BILL**  
 Topping today's House business is an excess profits tax bill representing a compromise of differing versions passed separately by the Senate and the House.

The compromise raises a tax on business profits estimated at 77 per cent on income for 1950, and 65 per cent of the normal earnings in the 1946-1949 period. Earnings below that figure would be taxed at a maximum of 47 per cent under normal and surtax income.

The new measure puts a ceiling of 62 per cent on the total tax bill and provides for a 10 per cent increase in 1951. It is estimated to raise \$3,300,000,000 the first year of its operation and \$4,000,000,000 the second.

**DEFENSE MEASURE**  
 Next on the House docket is an emergency defense appropriation bill for 1951. It is estimated to cost approximately \$20,000,000,000, mostly for military purposes. This is in addition to the \$20,000,000,000 provided for defense during the fiscal year ending next June 30.

The bill also provides for a final House test today, since a Senate-House committee has not completed ironing out differences between bills passed by the two branches.

Two pending are a civil defense bill, a railway labor bill, and a war powers measure.

**Europe Tries Drowning War Fears In Merriment**

LONDON—(AP)—Europe forgot its anxieties for a time as a flood of merriment and traditional rituals ushering in a new year of uncertainty and peril—began a New Year.

Champagne corks popped steadily in Paris. West Berlin unshakably held its breath on New Year's Eve, but preparing also for an exchange of gifts customary in most other countries at Christmas.

Soviet citizens had additional cause for gratification—the completion of Russia's five-year plan.

**Prospects For 1951—And Half Century**

**Same Cares & Worries Awaiting Nation**

### RED PRISONERS ROUNDED UP BY MARINES



Communist Chinese prisoners are herded together by U. S. Marines in the mountains of North Korea. Over a million Reds are now in contact with UN forces all across the Korea peninsula. (Acme Telephoto).

## In Economists' Report Experts Urge Production Goal

WASHINGTON—(AP)—President Truman's economic advisers urged the Government to give the people a defense production target, and the people to bow their heads for a pay-a-year-up raise.

The President's Council of Economic Advisors also declared in its annual report made public Saturday, that broadening mandatory wage and price controls are inevitable. It mentioned the feasibility of rationing.

The council, peering into the future from the old year's plateau, saw ahead many years of very high spending for defense.

These recommendations and predictions very likely foreshadow the main lines to be developed in Mr. Truman's state of the union, budget and economic messages to be delivered soon after the new Congress convenes this week.

The findings of the three-man council, headed by Leon Keyserling, form the basis for the President's annual economic message to Congress, and figure heavily in his other messages. The President's message, in turn, set the pace and pattern for the Congress's legislative program.

**PRODUCTION GOAL**  
 The council's report to the President declared that dramatic defense goals for 1950 to about \$200,000,000. But he said higher prices accounted for part of the increased dollar value of production and declared it is clear that further measures are required to bolster production and throttle inflation.

The Economic Council told the President the national economy is by no means stretched to its limits. It said the nation is putting only seven per cent of its production into the defense effort.

"The concentration of our productive efforts upon defense objectives," the council added, "could rise far above this point, and we could still maintain a vigorous national economy."

But, the advisers warned, "it is essential to effective mobilization that the military program be defined as quickly and clearly as possible. In all other policies we do not await this, but no other policies can proceed very far until this goal has been fairly defined."

**BUSHMAN DEAD**  
 CHICAGO—(AP)—Bushman, world famous gorilla was found dead in his cage at Lincoln Park Zoo at 8:30 A. M. (CST) today. Zoo veterinarians said the great ape, who had entertained thousands during his 22 years, died of a heart attack.

Year' were damped by the international crisis.

"Other millions disabated elsewhere, and stayed quietly at home or knelt in churches in prayer."

In many churches throughout the country, yesterday was a special "Day of Prayer" for divine aid in the search for permanent peace.

The worshippers did not hear the bells ring at midnight, for they prayed through the night until dawn this morning.

"Thousands of parents and relatives prayed for the peace and safety of loved ones presently fighting on the distant Korean battlefield."

Their shouts of "Happy New Year!"

## Reds Reply To Proposed Peace Talks

No Intimation As To Russian Stand

LONDON—(AP)—Russia has answered the Western powers' counter proposal for peace talks ranging over all the world's touchy troubles, the British Foreign Office said today.

A Foreign Office spokesman declined to say whether the Russians have accepted the West's counter offer.

Russia proposed the Big Four talks last Nov. 3. They would have concerned only the future of Germany.

**OPPOSE GERMAN ARMS**  
 The proposal came after a meeting in Prague of "Iron Curtain" foreign ministers who drew up a declaration asserting the Communists' right to "tolerate" western rearmament of Germany.

The West sent its reply only after lengthy consideration. The reply was drafted by the four countries' western foreign ministers—Dean Acheson of the United States, Ernest Bevin of Britain, and Robert Schuman of France—conferred last month in Brussels.

A proposal of a meeting of a list of the four countries was whether they could agree on a subject for discussion covering troubled areas much wider than Germany alone.

Foreign office sources said the Russian reply to the British note—identical to notes sent by the United States and France—was handed to the British embassy in Moscow last night.

There was no word here whether the reply was accepted by the American and French embassies. It was regarded as likely, however.

A preliminary translation of the note has been sent by the British embassy to the Foreign office. A spokesman said this was "under consideration."

Foreign office officials said the reply was lengthy, and ran to ten long paragraphs.

They declined all comment for the time being.

## Our Weather

Partly cloudy and warmer today, tonight, and Tuesday. Sunrises 7:12. Moon sets 1:17 P. M.

More Weather Data on Page 7-A

**UNRELIABLE FORECASTS**  
 On this New Year's Day many calendars are hung up, bearing weather predictions for all of 1951.

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## Communists Within 20 Miles Of Seoul; Losses Disregarded

TOKYO—(AP)—Two hundred thousand Chinese and Korean Reds smashed into South Korea today in a general offensive aimed to push United Nations forces off the peninsula.

A U. S. Eighth Army spokesman said U. N. troops made limited withdrawals in some areas along a 20-mile sector.

The spokesman said the enemy attacked all along the 150-mile front stretching along Parallel 38.

The heaviest fighting raged southeast of Yoncheon and east of Kaesong, the spokesman said.

Censorship prevented pinpointing of Chinese gains. MacBeth reported that the Communists had driven over all the 20-mile sector of Seoul—in at least two points.

MacBeth said the fiery Chinese attacks routed one U. N. unit and forced another to withdraw.

General MacArthur's Monday afternoon communique said only the Red forces were seen. But a field officer said after the fact: "This is it."

MacBeth said the enemy had driven wedges several miles deep in Allied lines.



Red forces in Korea have brought artillery into attack positions in Kaesong area (1) where their troops are deployed along the Imjin River 27 miles from Seoul. The river was crossed yesterday. Other Red artillery were reported Saturday near Yoncheon (2), the miles north of 38th Parallel. On the eastern flank, two Red forces (3) deepened their dent below the Parallel with one drive 13 miles south of it and another 10 miles below it.

He said the Chinese found a hole and drove through with such force that they encircled several U. N. positions. The Communists were only 20 miles from Seoul, MacBeth reported.

He said stronger attacks were expected momentarily.

A. P. Correspondent Jack Randolph said the new Chinese assault began shortly before dawn while "darkness still crippled the United Nations' air power."

MacBeth said the main attack route was a U. N. minefield directly north of Chosong.

"Reds won't lose," he said, "and they were sure to win until their dead bodies marked a pathway through the exploded minefield."

An estimated 30,000 Reds struck in the first stage.

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**ARMY ON PAGE 7-A**

## Russia Not Risking New Armor In Korea

By ELTON C. FAY Associated Press Military Reporter WASHINGTON—(AP)—In more than six months of bloody fighting against the Communists, the United States has learned almost nothing of the modern battle weapons Russia would throw into a war of her own.

The explanation is that with few exceptions—such as one model of jet fighter—Russia has armed her Korean and North Korean satellite forces with equipment either designed or manufactured some years ago. She has been careful not to jeopardize the safety of her new armaments by risking their capture in action.

An Army Ordnance official has advised a Congressional committee that the Soviet Union's new armor is being used by the enemy in Korea in ten years or more old so far as design is concerned.

This obviously includes such items as the T-34 medium tanks, artillery machine guns and small arms used by the Korean and Chinese Communists. However, some of the enemy's Russian-made communications equipment may be of more recent design. Captured material included radio sets similar to that used by American forces.

However, a notable exception to the apparent reluctance of the Russians to commit newly-developed equipment to the Korean "proving grounds" is the modern MiG-15 jet fighter. American fliers now have numerous opportunities to observe the MiG-15 in action and get at least some idea of what it can do in combat. The plane is an amazingly accurate copy of the latest USAF operational jet fighter, the F-86. Almiran says that in certain positions it is almost impossible to distinguish between the swept-wing MiG-15 and the MiG-17. But even though the Red Air Force has put the MiG-15 into the air against USAF planes, and had several times shot down the Red Communists have been extremely careful that no plane go down in their territory. All jet air accidents...

**MacArthur Tells Japs They May Have To Rearm**

By the Associated Press Dawn of 1951 found United Nations troops fighting Communist aggression in Korea, Indo-China and Malaya. The Red threat threatened to sweep over other countries of the Far East.

General MacArthur, commander of the first U. N. Army ever assembled, announced that it soon may have to rear arm in self-defense.

"In the past," he said, "the Communists have been equipped with the best of the Japanese people. It will become your duty within the principles of the United Nations, to rearm; with others who cherish freedom; to mount force to repel them."

MacArthur's statement came as the U. S. Army in nearby Korea refused to throw back Chinese Reds who captured their long-expected offensive on Seoul on New Year's Eve.

In Korea the resurgent forces of Communist aggression had driven back to the Parallel 38 artificial barrier, and in New Year's eve they plunged the peninsula into their invasions of the Republic of Korea.

Only now the Chinese Reds—some 1,000,000 of them under the guise of what the People's Republic of China called "volunteers"—were mounting the offensive punch with equipment supplied by Soviet Russia.

The Korean Reds, their Russian-equipped armies shattered during the bitter fighting of the Summer and autumn, were playing only a minor role as 1951 opened.

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