

# Limited Cease-Fire Battle For Controls

## Committee Would Cut State Dept. Funds

WASHINGTON (AP)—The House Appropriations Committee recommended today an 18 per cent cut in this year's funds for the State Department, but aimed none of the reduction directly at Secretary Acheson.

Republicans seeking to force Acheson's ouster withheld their fire until the bill financing his department probably reaches the House floor, probably early next week.

The Justice Department in the committee's proposal to prohibit the use of any department funds to pay Acheson's salary during the fiscal year which started July 1. Such a ban probably will be offered during House debate, and Democrats who have conceded the vote will be close.

**\$2 MILLION CUT**

The committee recommended that the State Department be given \$231,432,600 of the \$238,898,476 President Truman requested. That would be a cut of \$7,465,876.

This was a smaller percentage reduction than the 20 per cent applied to the 1952 budget of the Commerce Department, whose funds along with those of the Justice Department and the judiciary, are carried in the same bill.

The Justice Department was allotted \$181,697,000 of the \$184,356,300 it requested, a cut of 1.3 per cent.

The Commerce Department was given \$612,698,000 of the \$618,703,925 it wanted, a cut of 10 per cent. The Federal judiciary was cut

from \$26,489,740 to \$25,918,115, a 2.2 per cent reduction.

The \$1,010,715,115 total in the four-agency measure was \$206,581,026 less than the \$1,217,296,141 the President requested. That is a reduction of about 18 per cent. The committee's action, of course, is subject to approval by the House and then the Senate.

Nowhere in a lengthy written report accompanying the bill did the committee refer directly to Acheson.

The report, written by Rep. Rooney (D-N.Y.), emphasized the need for "a strong department of state" as "essential not only to the best interests and defense of this nation, but to the maintenance and expansion of freedom throughout the world."

Rooney is chairman of the Appropriations subcommittee which considered the money measure.

To restrict the essential activities of the department "at a time when this nation is being unduly subjected to ever-increasing pressures from the Kremlin," the committee said, "would be a dereliction to ourselves, our allies, and our fellow peoples everywhere."

Even so, the committee made a number of cuts in the various items making up the State Department budget. Unchecked was the \$3,000,000 to fund the authority to enter into contracts with foreign firms.

See COMMITTEE on page 9-A.

## Rollbacks Still Ahead

Wilson, DiSalle Make Appeals

WASHINGTON (AP)—Administration forces in the House laid cautious claim today to probable limited victory in the big battle over economic controls.

Still ahead, however, loomed the crucial struggle over price rollbacks, in which farm state members are united for an all-out drive to wipe out rollbacks—past and future—on every kind of farm product.

With the House locked in bitter controversy, Administration and labor spokesmen kept up a drum of pleas for continued strong controls, mixed with predictions of disaster if they are not heeded.

**WILSON IN PLEA**

1. Mobilization Director Charles E. Wilson called on the nation not to be lulled by the prospect of a Korean truce into easing up on controls or the rearmament effort.

2. Price Stabilizer Michael V. Dineen urged farmers to hold out for a truce in the Korean truce.

3. A large segment of organized labor drafted "warning and appeal" to the American people to get their Congressmen in support of a predicted rise in living costs.

In a preliminary floor speech yesterday in his final test, he said that the House would vote on the bill to authorize Truman to order the Administration to try indirect controls before continuing direct controls.

**ADEQUATE BILL SEEN**

Rep. DiSalle (D-Mich.), an assistant Democratic floor leader, interpreted the vote to mean that President Truman will get a "no compromise" determination to "size control of the billion-dollar company" in the installations. But a Government spokesman said the Premier is giving careful consideration to President Truman's offer yesterday to send his personal representative, W. Averell Harriman, to Iran to help find a settlement.

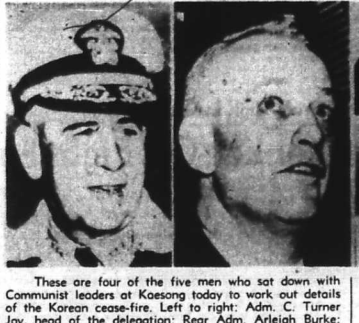
Mossadegh told U. S. Ambassador Henry F. Grady that Truman's latest mediation attempt was "a little late."

Official circles indicated the 33 House members who voted against the President's offer to send Harriman to avoid offending American public opinion—even though he may not back down on his nationalistic aims.

DiSalle said he believed that Soviet Russia, in coming out for a truce in Korea, has altered its long term plans, he said.

See BRITISH on page 9-A.

## UN NEGOTIATORS AT KOREAN PEACE TALKS



These are four of the five men who sat down with Communist leaders at Kaesong today to work out details of the Korean cease-fire. Left to right: Adm. C. Turner Joy, head of the delegation; Rear Adm. Arleigh Burke;

## Progress Reported In First Talks Limited To Military Issues

By NATE POLOWETZKY  
SEOUL (AP)—Communist cease-fire representatives today "made progress toward an agenda to discuss an armistice," United Nations representatives said tonight.

Discussions will be resumed at 4 P. M. Wednesday (7 P. M. Tuesday EST) in Communist-occupied Kaesong.

A communique issued by U. N. Gen. Gen. Frank Acheson, chief of U. N. Ridgway's headquarters said the two opening sessions on Tuesday were held in "an open and formal atmosphere."

**TALKS LIMITED**

The first of the talks Vice Adm. C. Turner Joy, head of the five man U. N. delegation, announced discussions would be restricted to military matters in Korea. He said the Allies would not talk about anything else — no politics, no economics, no military or civil issues elsewhere.

Allied war correspondents were not permitted in Kaesong. They will not be allowed to go Wednesday, either, as planned earlier.

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## British Switch Military Buildup Tactics In Iran

By ROBERT B. HEWETT  
TEHRAN, Iran (AP)—A sharp switch in British tactics in the Iranian oil dispute became increasingly clear today. There's a surprising move to soft-pedal pressure threats to withdraw all British technicians from Iran and "let the Persians stew in their own oil."

A new policy of trying to hang on as long as possible in the face of nationalization of holdings of the British-owned Anglo-Iranian Oil Co. — is replacing the tough "go-it-alone" attitude.

Surrounding South Iranian oil fields would be shut down.

One Iranian official, commenting on the new development, declared: "We've always said the British were bluffing when they threatened to pull out. It looks as though Premier (Mohammed) Mossadegh's 'no compromise' stand is working."

**CONSIDERS OFFER**

There was no indication that Mossadegh would change that "no compromise" determination to "size control of the billion-dollar company" in the installations. But a Government spokesman said the Premier is giving careful consideration to President Truman's offer yesterday to send his personal representative, W. Averell Harriman, to Iran to help find a settlement.

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## Reds Infiltrate Triangle Area

U. S. EIGHTH ARMY HEADQUARTERS, Korea (AP)—Small groups of Reds today infiltrated the old Chorwon-Kumhwa-Pyongyang iron triangle on the west-central front.

Intelligence officers said the Reds want control of this area. They probably are sending down enough men to ambush any of our units.

The heart of the triangle is only 40 air miles northeast of Kaesong, where Red and Allied negotiators have been meeting.

Sharp but relatively minor skirmishes dotted the entire battlefield.

An Eighth Army briefing officer said there was no report of military activity of any kind today in the vicinity of Kaesong.

Rain and poor visibility over the Korea limited Fifth Air Force planes to only 22 effective sorties. Eighteen sorties were reconnaissance flights. Four B-36 light bombers made radar-controlled bomb drops in support of ground troops.

B-29 Superforts flew through thick rain clouds and dropped 70 tons of bombs on important Red supply centers at Sijung and Kowon on the east coast of North Korea. The big planes flew from Okinawa. They used radar to find targets.

**REDS BOAST**

The Communist radio at Pyongyang claimed big victories in both ground and air action.

The nightly North Korean communique, monitored in Tokyo, said Red planes shot down six Allied fighters.

No details were given, following agreement by the French German representation in the force in units as large as infantry divisions.

Sen. Hennings (D-Mo) said the President's proposal ought to give the Germans a psychological lift because it represents progress toward total self-government.

Sen. Taft (R-Ohio) approved the President's proposal, although he said the Administration should contend in the past that the war couldn't be officially ended without a separate peace treaty with status covering war powers.

## Unions Seek President's Influence In Deportations

By CARTER L. DAVIDSON  
MILAN, Italy (AP)—The three big American trade union organizations asked President Truman by cable today to "take immediate action" to force the Hungarian government to halt mass deportations of citizens.

The telegram, sent by the three delegations attending the World Congress of the International Confederation of Free Trade Unions, was headed by International and David Dubinsky for the AFL, and William L. Mitch for the United Mine Workers.

The joint American delegation plans to leave for the Communist camp to make a similar protest tomorrow.

The U. S. labor leaders called President Truman's attention to "mass deportations by the government of tens of thousands of innocent citizens," and said:

"These victims of Communist inhumanity come from all sections of the American population — mechanics, workers, priests and intellectuals. An especially high percentage of them are among those now being deported, including many who barely escaped death as a result of similar deportations by the Nazis."

"We of American labor unflinchingly condemn these deportations as a violation of the fundamental freedoms and sense of

decency of mankind. This inhuman action by the Hungarian government nullifies the human rights provisions of the treaty of peace concluded with Hungary."

"We therefore urge immediate action under this treaty in order to bring about an end to these deportations."

The American delegations circulated the memorandum on Hungarian deportations, prepared by the Jewish Labor Committee in New York, and the American Union of Laborers, which has evidence of the deportations was compiled both from press reports and from letters sent from inside Hungary.

"The first mass displacement," said the memorandum, "began in the middle of 1950. The victims were people who had been sentenced to prison terms exceeding 10 years. Various letters of information estimate the number of these deportees at 47,000 to 50,000."

"The fact of these deportees can be traced only to transit camps in the Carpatho-Ukraine. Their final destination is the Soviet Union itself in this vast unknown."

"Another mass deportation," the memorandum said, "is the deportation of the Jews of Budapest in Budapest, with the remaining 'socially hostile' to the Communist regime."

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## Continuation Urged

WASHINGTON (AP)—Sen. Connally (D-Tex.) said today any successful cease-fire efforts in Korea must not retard the military buildup at home and in Western Europe.

Connally, who heads the Senate Foreign Relations Committee, endorsed President Truman's proposal yesterday that Congress end the state of war with Western Germany with the free world. Rep. Mansfield (D-Mont) called Mr. Truman's proposal "a step in the right direction."

"I am in favor of continuing to build up our defenses regardless of what happens in Korea," Connally told reporters today.

He said, however, he would not be surprised if a Korean cease-fire should develop—followed by demands in Congress for substantial cuts in the proposed \$5.1 billion foreign aid program. The program would authorize a \$8.3 billion military outlay, mostly for Western Europe.

There already have been proposals from both Democrats and Republicans for slashes of \$2 billion or more in the overall bill.

Connally indicated he will oppose a separate Republican suggestion that the House should pass a new resolution every two years renewal of the one proposed by the Administration.

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## Korean GI Bill Being Drafted

WASHINGTON (AP)—The Administration was reported today to be drawing up a bill to provide a school allowance for Korean war veterans.

Whether it might contain other benefits similar to those granted World War II veterans in the GI Bill of Rights could not be learned.

A Budget Bureau official told a reporter that July 18 has been set as a target date for submitting the bill to Congress.

This official, who asked not to be named, said the proposed bill is being circulated among Government agencies for study but none of its provisions have been agreed upon.

It was learned elsewhere, however, that one draft of the bill would provide education benefits only to those whose training had been interrupted by service. Those finishing service under a GI Bill would be presumed to have had their education interrupted.

Rep. Olin Teague (D-Tex.), chairman of the House committee investigating the GI education program, said any new GI Bill would be more complex than the one for World War II veterans and in fact for education interrupted.

Teague added that he believes every man who goes into service should have some sort of a readjustment program and he was "loving with the idea" of something in the form of a bond, which would be simpler than the one used as the veteran wished. If used for education, Teague said it could be worth more than his face value.

Spokesmen for both the Veterans committee and the House Veterans Affairs Committee said they will not start writing a new GI Bill before the Teague committee finishes its investigation of the Veterans Administration training program, probably in six weeks to two months.

Under the original GI Bill enacted in 1944 and later amended, the veterans were entitled to two years' schooling plus equal time they spent on active duty.

## Russians May Retaliate For Jap-German Moves

MOSCOW (AP)—Diplomatic observers here predicted today that the Japanese and German moves toward a separate peace treaty with the West would be met by a plan to demilitarize Japan.

Japan and Germany are the two sorest spots in international relations so far as Moscow is concerned.

Some observers here said that if the Western powers follow up the action ending their state of war with Germany by moving toward a separate peace treaty, they may make their position in Berlin most difficult, if not untenable. (The observers are a group identified in this dispatch, which was subject to the usual Russian censorship.)

They said there is almost sure to be some way in which the Soviets could retaliate for actions they are certain to denounce as violations of international understanding.

As for the Western plans for a peace treaty with Japan, Moscow newspapers are saying that the Chinese people are "meaning it" to the Chinese Communist Government will "never permit the resurrec-

## OUR WEATHER

Partly cloudy and warm through tomorrow. Possible showers.

High tomorrow 85 degrees.

Low this morning 62.

Forecast 7:16 A. M.; sunset 7:48 P. M.

More Weather Data on Page 9-A

**HOW HOT?**

How hot can it get? Just 38 years ago today the mercury bubbled to 104 degrees.

It was a record for the United States, and the highest ever recorded in California's history.

That's what you can expect in the Greenland Range in California's Death Valley. (The only higher temperature officially recorded in the world is 136 degrees in Aziza, Libya.)

The Weather Bureau cooperative observers who record the Death Valley sizzler managed to get through those July nights by spring water on the floor and by lying on a wet blanket in front of a water-driven fan.

## U.S. Would Revoke Reds' Bail

NEW YORK (AP)—The Government today sought to revoke the bail of 17 Communist leaders charged with conspiracy here and in liberty, but the petition to revoke the bail, furnished by the Civil Rights Commission bail fund, the Federal Bureau of Investigation and the Justice Department, was "wholly irresponsible." Three of the trustees have been sentenced to terms in prison for criminal contempt for failure to answer questions and produce the names of other trustees.

In a simultaneous move, the Government also obtained from Federal Judge Alexander Holtzoff two writs affecting the bail of the seventeen indicted lesser Communist leaders to appear tomorrow before the federal grand jury. Leibell to show cause why his bail should not be increased.

Twenty-one of the lower echelon Communist leadership are under indictment on charges of conspiracy to advocate the overthrow of the Government by violence. Seventeen of them are under arrest, and four are fugitives.

The move to revoke the bail was applied only to fifteen. It did not include James H. Hester, whose \$50,000 bail was posted personally by Frederick Vanderbilt Field, or

## Senate Committee Summons Field

WASHINGTON (AP)—Chairman McCarran (D-Nev.) today called the Senate Internal Security Committee to summon Frederick Vanderbilt Field to come before it and bring along his bank account.

McCarran said Field will be questioned, among other things, about the bail raised by the Civil Rights Commission for the four missing Communist leaders convicted in New York of conspiracy to advocate the violent overthrow of the Government.

McCarran said Field has been subpoenaed to testify at a closed-door hearing on Thursday. Field is a co-trustee of the Civil Rights Committee.

## Thin Man' Creator Jailed

NEW YORK (AP)—The creator of the "Thin Man" series of books, Fredric Dannet, was jailed today for contempt of court after failing to appear in court to answer questions.

Dannet, 62, was arrested after being summoned to court by Judge Alexander Holtzoff. He was held in the same cell as the other defendants in the case.

Dannet's lawyer, Robert M. Weisberg, said his client had been summoned to court to answer questions about the "Thin Man" series of books, which are based on the life of the author's father, a well-known writer and humorist.

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