



## Government Tightens Home Buying Credit

### More Cash, Less Time Required

WASHINGTON (AP) — The government today tightened its credit terms on home purchases in a precautionary move to head off any inflationary trend.

The action means bigger down payments and less time in which to repay housing loans.

Both the Federal Housing Administration and the Veterans Administration announced a 2 percent increase in minimum cash payments and a 5-year reduction in the present 30-year maximum repayment period.

#### WARNING SIGNS

The steps were taken in view of what Housing Administrator Albert M. Cole described as "warning signs of inflationary possibilities."

Veterans, who heretofore have been able in many instances to buy a home without a deposit on a VA-backed loan, will now have to put up at least 2 percent of the purchase price in cash.

For FHA-insured loans, minimum down payments will rise 2 percent. This will require 7 percent of the first \$8,000 of value plus 27 percent of the balance.

The changes go into effect immediately.

#### MILD STEP

Cole described the action as "a mild and temporary precautionary measure which seeks to assure that the housing market will not contribute inflationary pressures to the economy."

Further servicemen have been able to buy homes with no money down and with repayments over a 30-year period.

Since April, 1953, the Veterans Administration said it acted after a study of national economic conditions. It said the new requirements are expected to help protect prospective GI loan applicants against increased prices of homes, overextension of credit and financial risks.

The VA added its new requirements are not retroactive nor applicable to the purchase of homes on which it already has issued certificates of reasonable value or has received appraisal requests.

## BULLETIN

WASHINGTON (AP) — The United States today demanded that Bulgaria pay "prompt and adequate" compensation for the loss of an American plane shot down by an Israeli airliner by Bulgarian troops last Wednesday.

#### RACER IN HONOLULU

HONOLULU (AP) — Susan Bryan arrived here at 8:45 p.m. last night in her race around the world via commercial airliner. She expected to reach San Francisco before noon today and complete her circling of the globe under the old record of 75 hours 58 minutes. She flew eastward from San Francisco Tuesday.

## Old Lady Congress Sloppy Housekeeper

By RUSSELL BRINES

WASHINGTON (AP) — The House takes a quick look today at its methods, methods and some members are in for a surprise.

A last-minute bill to raise certain Capitol Hill salaries also is expected.

The man who repairs only typewriters loses his present title of "messenger and clock repairer."

That harber he called harber. That harber he called harber. That harber he called harber.

Learning this and other details in a hurried session yesterday, Rep. Howard W. Smith (D-Va.) re-hashed "none of it could be elected on our housekeeping."

The Rules Committee, of which Smith is chairman, noted the congressional pay boost but the floor for action today.

The measure, which may cost \$100,000 a year more for hauling around a year's worth of salaries, would make certain organizational changes and raise the pay of 300 employees, from laborers to staff assistants.

The top new gross salary would be \$16,125 for two technical counsels; a boost of more than \$1,000.

The rules committee acted after learning.

A congressman, under the measure, can hire an employee for a \$5 monthly basic salary and, with allowances, pay him \$1,004 a year—so it is \$698? Nobody could agree.

Rep. Paul C. Jones (D-Mo.) said some Capitol Hill employees draw as much as \$10,000 for working only during the average seven months' session each year.

Barbers working on opposite sides of a pay partition may get different salaries, depending on how they are hired.

Elevator operators get about \$10,000 a year more for hauling around a year's worth of salaries.

Smith, who has served 24 years in Congress, and other veterans there didn't know about these staff assistants.

There's more, said Rep. Burrell (D-Tex.), and the bill he is sponsoring is just a start.

## Chou Says Few U. S. Civilians Held In China

### Red Premier Sees 'Easy Settlement'

TOKYO (AP) — Red China's Premier Chou En-lai declared tonight the "question" of the small number of American civilians in Communist China "can be easily settled" at the Geneva talks starting Monday.

But Chou made no mention of the 11 armed Red China prisoners on charges of "spying." Chou's lengthy foreign policy speech was broadcast by the Peking radio and monitored here.

(U. S. government officials have said 51 Americans are held by China, including 40 civilians and 11 fliers. Twenty-five civilians are reported in jail; 3 under house arrest and 12 are refused exit visas.)

Chou said "the Chinese people want no war with the United States so the question of a cease-fire between China and the United States does not arise."

He said Red China would "endeavor" to make the Geneva talks between Wang Ping-an of Communist China and U. S. Ambassador A. Alexis Johnson "pay the way for further negotiations" between the two countries.

The broadcast heard in Tokyo said Chou told the National People's Congress:

"... provided both sides are sincerely desirous of negotiation and conciliation, it should be possible at the forthcoming talks at the ambassadorial level to reach first of all a reasonable settlement of the question of the return of civilians to their respective countries."

At the same time Chou demanded the return of "several thousands" of Chinese students he said are still in the United States.

He said since the two countries have no diplomatic ties they should "entrust to a third country" the task of looking after and repatriating each other's civilians.

Chou also said "preparations for negotiations between China and the United States for relaxing and eliminating the tension in the Taiwan (Formosa) area" could come at any time.

The Communist prime minister stuck to his insistence that "liberation" of Formosa is Red China's internal problem "but conditions permitting, the Chinese people are ready to seek the liberation of Taiwan by peaceful means."

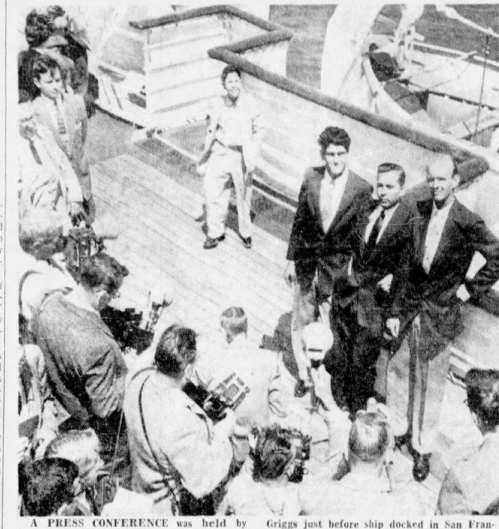
The Chinese people want no war with the United States.

Chou said Communist China is willing to "enter into negotiations with the responsible local authorities of Taiwan to map out concrete steps for Taiwan's peaceful liberation."

RULING OUT NATIONALISTS

Ruling out any consideration of Nationalist China's wishes, he added, "it would be made clear that these would be negotiations between the central government and local authorities. The Chinese people want no war with the United States."

See CHOU on page 5-A



A PRESS CONFERENCE was held by the turncoats, Cpl. William Cowart (left), Cpl. Otto Bell (center) and Cpl. Lewis Griggs just before ship docked in San Francisco. (AP)

## Turncoats Return

### Three Home To Face Charges

By G. K. HODENFIELD

SAN FRANCISCO (AP) — In the early, bitter days of the Korean War, three American teenagers were captured by the Communists in North Korea. Less than three years later they renounced their homeland, turned their backs on their loved ones and elected to "fight for peace" in Communist China.

Today these three Americans—teen-agers, no longer—are home again, facing charges that could mean the death penalty.

They are accused of betraying their country and their countrymen, and of aiding the enemy in exchange for favored treatment.

It may be many weeks—even months—before Otto G. Bell, Hillsboro, Miss.; William A. Cowart, Duluth, Ga.; and Lewis W. Griggs, Jacksonville, Tex., know their fate.

Upon their return aboard the liner President Cleveland yesterday they were arrested and confined at Ft. Baker on the north shore of San Francisco Bay.

If the Army decides, after an investigation, that the charges that court-martial is in order, the trials will be held here. If testimony gathered from hundreds of the former comrades fails to stand up, the men will be given their freedom.

GLAD TO BE HOME

On arrival, the trio told reporters they were glad to be home. They knew they were going to be arrested, it didn't worry them. They laid faith in American justice. They repeated what they had said in Hong Kong when they left the Reds, in Japan and in Honolulu. They had made no mistakes, communism and Communists are no good.

Relatives of all three came aboard at the dock, and met the men on the sun deck. Cowart, a well-known spokesman of the trio, broke into bitter tears when he held his mother Mrs. Chester Green, Monticello, Ark.

Bell retained his composure until he was in the arms of his father, who came here from Mississippi. "It's okay, Daddy," he said in a whisper. Then he sobbed aloud. He broke into a wide grin, then cried again when he embraced his wife Jewell and his 4-year-old daughter. His three brothers and a sister.

See 3 TURNCOATS on page 5-A

1. A housing bill extending minimum government programs vital to the nation's home-builders and the construction industry. Passed by the House yesterday, it goes to conference today.

2. A bill hiking the minimum wage from 75 cents to \$1. The Senate last night, the House is expected to send it to the President today.

Five major pieces of legislation remained on the session's main list, along with a raft of minor bills.

The Senate sat until 11:50 last night, struggling with a crowded calendar of relatively minor bills. It had a lot of business left when it quit.

Senate leaders insisted they still were aiming for adjournment tonight.

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See CONGRESS on page 5-A

## Minimum Pay Bill Passed

WASHINGTON (AP) — The House passed a bill today to raise the minimum wage to a dollar from 75 cents an hour, effective next March 1.

The increase is 10 cents more than President Eisenhower had proposed, but Secretary of Labor Mitchell has said he would recommend that the President approve the \$1 figure.

As estimated 2,100,000 workers, mostly in the South, will receive pay raises under the measure.

What's Inside

Books 7B  
Classified 1.90  
Classified 3B  
Editorials 4A  
Features 2B  
Features 2B  
Radio-TV 5A  
Sports 46B  
Theaters 810A  
Women 23A

## Satellites Expected By '58

By ELTON C. FAY

WASHINGTON (AP) — American scientists are confident they can send up a man-made moon into the fringe of space by 1958.

President Eisenhower yesterday endorsed a plan to devise and launch a satellite that would check conditions beyond the earth's atmosphere.

About the size of a basketball, the satellite would sail for day or weeks 200 to 300 miles above the earth. Traveling 15,000 miles an hour it would circle the globe every 90 minutes.

NOT NEW IDEA

The United States is known to have been exploring the possibilities of satellites at least since 1947. And Moore radio said last April that Russia planned a satellite for research purposes.

White House Press Secretary James C. Hagerty said the U. S. satellite would be for "entirely scientific purposes" and information gained from it would be available to all nations, including Russia.

Officials of the National Academy of Sciences and the National Science Foundation, to whom the task was assigned, expressed confidence it can be done, although they had today only a pile of mathematical formulas, blueprints and experience gained by the Defense Department in a decade of rocket and guided missile development.

Eisenhower's approval of the epoch-making proposal was announced.

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