FORMOSA - POLICY

L.T.-DELCO. THURS., JAN. 20, 1955.

There was an important conference at the State Department today. Subject - Formosa. Leaders in Congress, Democratic and Republicans, met with Secretary of State John Foster Dulles and Admiral Arthur Radford, Chairman of the Joint Chiefs of Staff.

We hear - that the Administration may **request** Congress for specific authority to use American ships and planes to defend Formosa, and the neighboring Pescadores Islands. Our government has pledged that the American Seventh Fleet will intervene - to stop any Red invasion of those islands. (We don't consider bits of land near the China coast, like the Tachen group, as vital or important. But Formosa and the Pescadores are another matter. However, the question is - would the Administration have authority to intervene, without the express consent of Congress?)

Today, Senator George of Georgia, who attended the conference at the State Department, said -he, personally, feels the President does not have the authority. Which added all the FORMOSA - 2

more meaning to the report - that the Administration may ask for a Congressional okay, in advance.

We also hear - the Administration may want authority to "cover" a Nationalist evacuation of the Tachen Islands, if that becomes necessary. The intention being - to see that the Nationalists are able to get away, if they have to.

Senator George said - the Secretary of State appeared "optimistic" about the case of the American airmen imprisoned in Red China. Dulles - believing that the U.N. Secretary — cake put t: — General, Dag Hammarskjold, had "laid the groundwork" for the eventual freedom of the flyers.

FORMOSA

This was a big day for the Nationalist air force, based on Formosa. All day long, waves of fighter bombers blasted ships along the Red mainland. Two hundred sorties flown against ports where the Gommunists have been mobilizing vessels for an invasion of islands held by the Nationalists.

Formosa says that more than seventy ships were sunk or damaged, including nine large gunboats. The Communists admit that heavy damage was done, especially - at the port of Swatow, where a British freighter was bombed and sunk. London says the British Government will protest this. The vessel, the Edendale, was in the China trade - plying openly between Hong Kong and the Red coast. Britain - to complain to the Chiang Kai-shek regime on Formosa.

The Nationalists insist that seven hundred **RAXXEDDENSIS** anti-Communist guerrillas are still holding out on Yi-kiang-shan Island - invaded by the Communists on Tuesday. The capture of

the island was announced - but, we are told, a pocket of resistance remains. Though - Yi-kiang-shan is only a mile and a half square.

PRISONER

An American prisoner was handed over by the Russians today - after six years in slave labor camps. William A.Verdime of Starks, Louisiana - liberated in Berlin.

The twenty-eight year old soldier looked like a man who had been through an inferno. Gaunt, haggard, painfully thin although he said the Reds, for six months, tried to fatten him up. Getting him ready - to be released.

COSTA RICA

The Costa Rican Government indicates that the rebels are ready to stand and fight - near the Nicaraguan border. The Organization of American States ordered the creation of a neutral zone along the frontier - to prevent an outbreak of trouble between Costa Rica and Nicaragua. The insurgents, apparently, have backed up toward that zone - and they seem to have some formidable armament for putting up a fight.

Today, government forces were stopped in the vicinity of the town of Santa Rosa - when the rebels opened fire on them with mortars and rockets, bazookas. They were backed up by motorized equipment. A light tank - and half-tracks, armed with machine guns. (Government patrols moving along the Pan-American highway, ran into heavy fire.

The government air force, four planes contributed by the United States, was grounded by weather today.)

Guatemala

Guatemala reports an outburst called Communist. Reds - attacking a military base near Guatemala City, sharp fighting, with a number of casualties. The Red assailants - defeated and driven off.

EISENHOWER

At the White House today, a hush-hush meeting of the National Security Council was on schedule. President Eisenhower attended - walking into the ultra-secret session. So what did he find? He was greeted with a roar - laughs and cheers. A surprise party - to celebrate the beginning of his third year in office. Cabinet members - shouting congratulations. Also - Vice-President Nixon. And - Mrs. Eisenhower. The hush-hush meeting - an elaborate hoax.

A gift was presented - a superb volume of reproductions of masterpieces of painting. Reminding us - that President Eisenhower is also Amateur Artist Eisenhower.

Another gift, equally welcome - from the White House physician, General Howard Snyder. Who reported - that the President, completing his first two years in the White House, is in "good shape." For a man of sixty-four, in the "world's toughest job", the President is - "doing very well." He's not overweight, a normal hundred-and-seventy-six. His blood pressure - normal.

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But he does need more exercise, says the doctor. He prescribes - more golf. The sort of medicine - the President likes.

PRISON

At the Massachusetts State Prison, the convict mutineers are still standing siege. Today, they rejected an appeal made by a doctor and a priest. Dr. Samuel Merlin, the prison physician, and the Reverend Edward Hartigan urged them to give up. But the four mutineers, holding eleven hostages, rejected all argument.

ITALY

News from Italy tells of a criminal charge - strange and sinister. With - a political slant. At a hospital in the classic city of Florence, a male nurse is accused of three murders. The chief surgeon says - he shut off the oxygen during three operations. Thereby - causing the death of thorees the patients.

According to the story told by the Doctor, the male nurse was standing by the oxygen cylinder, while the Doctor was operating on a business man. At a critical moment, the Doctor found the oxygen shut off - and the patient never regained consciousness. He says that twice previously, when patients failed to survive, the nurse was near the oxygen.

The political angle is this:- the man, thus accused, is a Communist leader, head of a local Communist cell in Florence. The head surgeon - a strong anti-Communist. He had recently demoted the male nurse - which adds the possibility of

a personal grudge.

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APPEAL - 2

Today the decision was made. Green - telling the Court he'll take the "desperate chance." So the Court ordered a new trial - the gamble.

EISENHOWER - ECONOMIC

President Eisenhower sent his annual economic message to Congress today - and it presents a rosy picture. The **President** President says - this country has pulled out from a "mild and brief" slump in business last year. And things look exceedingly good - for a continued economic upswing. Increased production - increased employment.

President Eisenhower took notice of the booming Stock Market, and warned that the government will keep a "close watch" on it. He said: "Continued economic recovery must not be jeopardized by over-emphasis on speculative activity." This economic report contained a number of recommendations for legislation in Congress - most of which had been outlined in previous messages. For example, the President asked for a tightening of the Sherman Anti-Trust Act,

and for a liberalization of Unemployment Compensation payments,

GENERAL MOTORS

The biggest industrial stock offering in American financial history, was presented for registration - with the today. Securities and Exchange Commission, A General Motors - proposing to sell four million, three hundred and eighty-five thousand shares of common stock. To raise - three hundred and twenty-five million for an expansion program.

The largest previous industrial offering was one hundred and fifty-eight million - made by Gulf Oil in Nineteen Forty-Eight. The top record of all was in the field, not of industrial, but of utility stocks. American Tel and Tell issuing four hundred and twenty million in Nineteen Forty-Seven. Four hundred and fifty million - in Nineteen Fifty-Type

General Motors intends to raise funds for an expansion program of one billion, five hundred million. The new stock issue - to provide part of that.

MOTORAMA She refust seen what is called Todays have "the greatest automobile show Aal." on earth. The Motorama, in New York which opened today, in N.Y.

General Motors - putting on a display of motax cars - and other GM products. A display fantasy of the motor age - with equally dazzling trimmings, and A A specially composed ballet - the star, a famous

ballerina from Paris.

Well, she may be the queen, but the automobile is the King. His throne is a flying turn table, which swings the motor cars out, thirteen feet above the floor. Like magic - in displaying the seven GM Dream

all of which more man, it an brought back vivid memories to me.

In one of the moorded reports I sent back from Arabia, the other day for this program last week - I told of automobiles in

MOTORAMA - 2

the desert kingdom of the fabulous wealth of oil. Cadillacs - at the court of King Saud. That's the royal car. - and there are fleets of Cadillacs in the royal city of Riyadh, deep in the Arabian desert. auffiere's another incident, which will illustrate. Recently King Saud made a trip from Riyadh, visiting Dharan, the metropolis of oil on the Persian Gulf. The King arrived, with his entourage, and a string of eighty Cadillacs. Indeed a royal procession. From caravans of camels to long caravans of Cadillacs - in one generation. That's a contrast which gives the traveler a jolt. Hugh- / in Cimerica weithere the span of time is longer. Instead of one generation - well, maybe, two or three, From the covered wagon of the old west, - to the Motorama

Hotorame, which General Motors is now staging.