



Johnson Defends Acceptance Of Hi-Fi From Baker, Says Families Had Exchanged Gifts Previously

U.S. OFFERS FULL TALKS TO PANAMA

Johnson Disclaims Any 'Preconditions' To 'Frank Review'

By WILLIAM KNIGHTON, JR. [Washington Bureau of The Sun] Washington, Jan. 23—President Johnson declared today the United States is prepared to engage "without limitation or delay in a full and frank review and reconsideration of all issues" between this country and Panama. Further, the President said there are no "preconditions" to the resumption of peaceful discussions. He noted that the United States during the last half century has taken action to remove inequities and irritations that occur because the treaty gives this country the right to operate the Panama Canal in perpetuity, and he added the United States recognizes that there are "other things to be done" and it is ready to discuss how they should be done.

Mr. Johnson's statement followed by several hours his conference with the Inter-American Peace Commission appointed by the Organization of American States.

Both the President and Enrique Tejera-Paris, chairman of the peace commission, expressed optimism that the problems that caused more than a score of deaths during several days of shootings and rioting in the Canal Zone can be solved.

Almost immediately following this morning's White House conference, the State Department announced the United States has offered to resume aid to Panama if the isthmus country will insure the safety and travel rights of United States aid personnel.

Another move that appeared to come out of the conference between the President and the commission was the joint meeting, for the first time since the diplomatic break, of United States and Panamanian representatives with the commission.

This meeting was held at the Pan-American Union. Representing this country was its Ambassador to the OAS, Ellsworth Bunker, and for Panama, its Ambassador to the OAS, Miguel J. Moreno.

It appeared that the White House spent several hours unable to decide whether Mr. Johnson would make a statement today or not. It finally was delivered after 5 P.M.

"Excesses And Errors" The President said that while he wished to "restate" the United States position on Panama and the Canal Zone, he did not think it would be of any value to rehash other recent or ancient events.

It appeared, from a study of the complete text, that the President today went a little further than previous statements toward saying that this country would be willing to discuss, at least, some possible revision of the 60-year-old treaty. Panama has demanded this be done.

The President also admitted that there have been "excesses and errors" by both signatories of the treaty, and added:

"Earlier this month actions of imprudent students from both countries played into the hands of agitators seeking to divide us. What followed was a needless and tragic loss of life."

Aggression Disclaimed The President then continued: "Our own forces were confronted with sniper fire and mob attack."

"Their role was one of resisting aggression and not committing it," he emphasized. Panama has charged the United States with aggression, and Communist states, in their anti-American propaganda, have taken up that cry.

"At all times they remained inside the Canal Zone," he explained, "and they took only those defensive actions required to maintain law and order and to"

BULLETIN

Vandenberg Air Force Base, Cal., Jan. 23 (P)—Technical difficulties in the television camera system have caused a 24-hour delay in the launching of the Echo 2 communications satellite.

The launching had been planned for early tomorrow morning.

The United States Space Agency announced the postponement late last night.

The television camera mounted on the second stage Thor-Agena booster rocket is designed to photograph inflation in space of the 135-foot-diameter balloon.

The United States and Russia have agreed to exchange radio messages by bouncing them off Echo 2's reflective aluminum skin.

U.S. SCORED AT MEETING

Cubans Use Trade Parley To Win Friends For Castro

U.S. expects pro-Chinese move by Castro. Page 2

By NATHAN MILLER [Rio de Janeiro Bureau of The Sun] Rio de Janeiro, Jan. 23—While the United States and other developed countries were being criticized at a meeting of Latin American trade experts, the Cuban delegation was using it to win friends for the Castro regime.

Numerous delegates to the week-long conference being held in Brasilia to establish a Latin American bloc at the United Nations Conference on Trade and Development set for March in Geneva have commented on the reasonableness of the Cubans.

"Preferential Treatment" The conservative newspaper O Estado de Sao Paulo said the Cubans, headed by Ambassador Bernardo Figueria, had adopted a "moderate, prudent and almost conciliatory approach to the problems of the conference."

Meanwhile, Celso Furtado, the Brazilian economist presiding at the meeting attended by some 130 delegates, said Latin America will request "preferential treatment" in world trade.

"It seems certain that some Latin American nations will adopt a united and advanced position at the Geneva conference," he told newsmen.

Customs Barriers Hit The countries will adopt the position that the underdeveloped nations should have preferential treatment in international trade without being obligated to grant reciprocal treatment to the developed countries, Furtado added.

He explained that developed countries like the United States should not set customs barriers against the products of underdeveloped countries.

There were reports from within (Continued, Page 2, Column 2)

REDS ASSAIL U.S. PLAN FOR ATOM FLEET

Term It Incompatible With Halting Weapons Spread

By HENRY L. TREWHITT [Sun Staff Correspondent]

Geneva, Jan. 23—Communist delegates briskly attacked the American plan for a Western nuclear fleet today, terming it incompatible with any East-West agreement against the spread of nuclear weapons.

The concerted assault from the Soviet Union, Czechoslovakia and Poland dominated the third day of the reopened United Nations disarmament conference. But the West refused to regard any Communist position as final at this stage.

An American spokesman said agreement could be reached apart from the so-called multilateral nuclear force. In the United States, the fleet would not give nuclear capability to have-not nations since Washington would retain final control over use of its weapons.

Attack Program

Deputy foreign ministers of Poland and Czechoslovakia attacked the American program as the seventeenth-nation conference continued through a round of opening statements. Semyon K. Tsarapkin, the chief Soviet delegate, bolstered their position freely in hallway talks with anyone who would listen.

Probably of equal importance for the immediate future of the conference were Czechoslovakia's "reservations" about breaking up its members into working groups to consider steps to reduce international tension. Western delegates see this as the best way to work out details without dropping agenda.

Gen. E. L. M. Burns, the Canadian delegate, reaffirmed the Western view today. He said the conference had produced "too many set speeches" and ought to develop separate study of general disarmament and so-called "collateral measures."

Part Of Policy

American sources said they will take no official notice of the Communist attack on the multilateral force at this point. It remains an established part of American policy, they emphasized.

A formal agreement to withhold nuclear arms from have-not countries is regarded generally as one of the most promising areas for negotiations. Both William C. Foster, the chief American delegate, and Tsarapkin have included it in their latest proposals, but with vastly different concepts.

Marian Naszkowski, the Polish delegate, declared today the West "is not cooperating up to now" on the proposal.

He called the multilateral force an attempt to create an accomplished fact of sharing nuclear

(Continued, Page 4, Column 8)

Senate Group Urges 11.5 Billion Tax Cut

Bill Would Give Individuals 9.2 Billion In Benefits, Firms 2.3 Billion Of Relief

By RODNEY CROWTHER [Washington Bureau of The Sun]

Washington, Jan. 23—President Johnson's pleas for speedy action on the tax reduction bill bore fruit late today when the Senate Finance Committee ordered an \$11,500,000,000 measure formally reported to the Senate for action.

It is expected that debate on the measure can be started the week of February 3, and with reasonable luck passed by the Senate before the Lincoln Birthday recess starting at noon February 11.

Largest Reduction

The mammoth measure, the largest tax reduction in the history of the income tax, would give individuals approximately \$9,200,000,000 of benefits when fully effective in 1965 and \$2,300,000,000 of tax relief for corporations.

Two thirds of the rate reductions would be effective for incomes earned in the current calendar year, and the remainder for 1965.

The committee vote in approval of the measure was 12 to 5, with Senators Byrd (D., Va.), committee chairman; Gore (D., Tenn.); Williams (R., Del.); Bennett (R., Utah) and Curtis (R., Neb.) voting against the measure.

Two other members, Douglas (D., Ill.) and Dirksen (R., Ill.), the Senate minority leader, voted to report the bill, with reservations that they could oppose it on the Senate floor.

Before completing their long work on the reduction and reform measure, the senators early in the day in a surprise move voted to repeal \$45,000,000 of Federal excises on luggage, jewelry, cosmetics, furs, and musical instruments.

Even More Surprising

Then in an even more surprising move, they reversed themselves in an afternoon session—after receiving a blast of opposition from the Treasury and the White House—and by a 9 to 6 vote deleted their actions of the morning, as well as an earlier vote to repeal the admissions tax at the legitimate theater.

The reversal followed an outcry from the White House, in which President Johnson, according to reports, took to the telephone to express his indignation at the committee actions.

Not only would the excise tax (Continued, Page 5, Column 5)

HOUSE RIGHTS BILL DEBATE DUE IN WEEK

Vote On Measure Is Now Planned By February 11

By GERALD GRIFIN [Washington Bureau of The Sun]

Washington, Jan. 23—House Democratic leaders, with the consent of Representative Smith (D., Va.), chairman of the Rules Committee, announced today that the civil rights bill will be brought up for debate January 31, a week from tomorrow.

Moreover, the schedule calls for a vote on the bill by the entire House on or before February 11.

The way was cleared for House action on the bill, one of the leading measures on the Johnson Administration's program, as the Senate Finance Committee was completing its work on another major item, the Administration's bill to cut taxes.

Leisurely Hearings

Thus the two bills, started during the Kennedy Administration and fully endorsed by President Johnson, moved forward almost simultaneously. Congress will have other legislation to consider, but these two bills are considered the most important of the present session.

The House Rules Committee, under Chairman Smith, still is engaged in its own leisurely hearings, which it is holding to decide whether it will allow the civil rights bill—already approved by the Judiciary Committee—to come before the House for a vote.

But the pressure for speedier action has been building up this week, and today Smith acknowledged, in effect, that he was outnumbered in his own committee.

Public Announcement

Speaker McCormack (D., Mass.) and Representative Albert (D., Okla.), the Democratic floor leader, announced publicly at noon that House debate on the civil rights bill would start January 31.

A couple of hours later Smith confirmed this. He said an agreement was reached to continue the Rules Committee hearings until next Thursday and to vote that day to approve the bill for House debate.

Before he made this announcement, Smith summed up the situation this way:

"I have been here long enough to realize the facts of life, and one of the facts of life is that this bill is going to go to the House floor, and it's going there pretty soon."

Smith is strongly opposed to the bill, as also is the ranking Democratic member of the Rules Committee, Representative Colmer (Miss.).

Representative Bolling (Mo.), an Administration Democrat, led the move within the Rules Committee to bring the hearings to an end next week. He had the support of Rules Committee member of Baker's party. Also in (Continued, Page 6, Column 8)

EX-SENATE AIDE ASKED FOR NOTHING, EXPECTED NOTHING, HE ASSERTS

Chief Executive Comments On Insurance Policy Purchased In 1957, Made Payable To Texas Broadcasting Company

By GERALD GRIFIN [Washington Bureau of The Sun]

Washington, Jan. 23—President Johnson said today that his family had exchanged gifts with the Robert G. Baker family before the \$584 stereo phonograph set was presented to him.

"He was an employee of the public," the President said, referring to Baker, "and had no business pending before me and was asking for nothing and, so far as I knew, expected nothing in return, any more than I did when I had presented him with gifts."

Mr. Johnson made this statement during a brief meeting with reporters late this afternoon at the White House. The stereo set figured in testimony made public Tuesday by the Senate subcommittee which is investigating the financial dealings of Baker, who was secretary to the Democratic majority in the Senate at the time that Mr. Johnson was the majority leader.

Had Exchanged Gifts

The President noted, in commenting upon the progress of Administration measures at the Capitol, that reporters have been writing articles about a \$200,000 insurance policy carried for his family by the Austin (Texas) Broadcasting Company of which Mrs. Johnson and his two daughters are part owners.

The President went on to say that a question also has been raised "about a gift of a stereo set that an employee of mine made to me and Mrs. Johnson."

"That happened some two years later (after the insurance was taken out), some five years ago," he continued. "The Baker family gave us a stereo set. We used it for a period and we had exchanged gifts before."

Company Concerned

In his discussion of the insurance policy on his life, the President said the policy was written some seven years ago. He had suffered a heart attack in July, 1955. He remarked today, with a grin, that "I am still here."

"The company in which Mrs. Johnson and my daughters have a majority interest, along with some other stockholders, was somewhat concerned when I had a heart attack in 1955," he said, "and in 1957 they purchased insurance on my life made payable to the company."

"And the insurance premiums were never included as a business expense, but they thought that was good business practice in case something happened to me so Mrs. Johnson and the children wouldn't have to sell their stock on the open market and lose control of the company."

"\$11,800 Due Next Month"

"That insurance was purchased in Washington and on a portion of the premiums paid, Mr. Don Reynolds got a small commission."

"Mr. George Sampson, the general agent for the Manhattan Insurance Company, handled it and we have paid some \$78,000 in premiums up to date, and there is another \$11,800 due next month which the company will probably (Continued, Page 6, Column 5)

UGANDA MUTINY APPEARS ENDED

Britain Flies In Troops After Army Flare-Up

Three Belgian priests slain at Congo mission. Page 2

Kampala, Uganda, Jan. 23 (P)—A mutinous flare-up in the Uganda rifle regiment appeared to have fizzled out tonight after Britain flew troops into this newly independent Commonwealth nation.

The mutiny occurred at Jinja, in eastern Uganda. Reports reaching the capital said two rebellious companies locked up their internal affairs minister, Felix Onama, beat newsmen and then marched on the town.

But late tonight officers were reported to have regained control. Police had established roadblocks over the Owen Falls Dam, the only route across the Nile River for anyone coming from Jinja to Kampala.

"All Soldiers are Loyal"

"The whole army is now in barracks and all soldiers are loyal to the Government," said Milton Obote, 38-year-old Prime Minister. He had asked Britain to send in troops.

"They flew in from Kenya where Britain had been strengthening its forces since a similar army mutiny early this week in Tanganyika and an African nationalist revolution eleven days ago in Zanzibar."

Onama was reported visiting the regiment when the mutiny erupted. No shooting was reported.

"Given Immediately"

In London, Duncan Sandys, Commonwealth Relations Secretary said that at Obote's request 450 soldiers were being airlifted from Kenya to Entebbe, near Kampala.

"The agreement of the British Government was given immediately," Sandys said, "and within three-quarters of an hour aircraft carrying troops from Nairobi to Entebbe, near Kampala."

The Uganda flare-up was discussed by the British Cabinet's Defense and Overseas Policy Committee with Prime Minister Sir Alex Douglas-Home presiding. A Government spokesman said most of the British diplomatic personnel were working in their offices at Kampala at the time of the mutiny.

"All is completely quiet in Kampala and we anticipate no trouble to them or other British residents for the time being," he said.

Jinja is considered the No. 2 city in Uganda, which was granted independence from Britain on October 9, 1962. Last October it chose to become a republic in the Commonwealth. Uganda has 7,000,000 population.

BAN ON POLL TAX GOES INTO EFFECT

Action Completed As S.D. Ratifies 24th Amendment

Washington, Jan. 23 (P)—An amendment was written into the Constitution today banning the poll tax as a condition for voting in elections for Federal office.

The South Dakota Senate ratified the Twenty-fourth Amendment by a vote of 34 to 0. The House had approved it last week.

South Dakota thus became the thirty-eighth State to approve the amendment. Ratification by three-fourths of the 50 states was required.

Long Fight Won

This represented the culmination of a long fight spearheaded by a Southern senator, Spessard L. Holland, a Florida Democrat.

Republicans in the South Dakota Senate complained that undue pressure was applied from Washington to speed up action. President Johnson had telephoned the State Democratic chairman, John Engel, on behalf of the amendment.

The measure had been at the bottom of the Senate calendar, but minority Democrats succeeded in having it pushed up to the top.

Ceremonies Likely

While formal certification ceremonies probably will be held here later, they are only a formality arranged by the General Services Administration. No further legal action was necessary to make the amendment effective after South Dakota completed its ratification.

Neither the President nor Congress were required to take any further action in the ratification process.

The amendment provides that the right to vote in any primary or general election for President or Vice President, or for Senator or Representative in Congress, shall not be denied because of the failure to pay a poll tax or any other tax.

Only five states—Alabama, Arkansas, Mississippi, Texas and Virginia—now make poll-tax payments a requirement for voting.

Adoption of the amendment will not bar these states from continuing to require voters in State elections to pay a poll tax, since it applies only to Federal elections. But whether this will be administratively feasible remains to be seen.

The Virginia Legislature, anticipating ratification of the anti-poll tax amendment, already has taken action designed to offset its effect in part at least.

The new Virginia law, in addition to retaining the State's \$1.50 poll tax for State elections, provides that anyone wishing to vote only in Federal elections must (Continued, Page 5, Column 2)

Would Serve If Opportunity Should Come, Nixon Says

New York, Jan. 23 (P)—Richard M. Nixon, often mentioned as a possible candidate for the Republican Presidential nomination, said tonight, "If the opportunity (for public service) should come again, I would accept."

The former Vice President continued:

"And I think I will know in the event that I feel that the people of this country, particularly my own party, need me at that particular time."

"I'm Not In The Arena" "I don't anticipate that that will happen now. I particularly don't anticipate it because I'm not in the arena."

Nixon made the statement in a Columbia Broadcasting System television interview.

Public opinion polls show increasing support for Nixon among both Republican county leaders and the rank-and-file. "I don't intend to go out and stimulate a draft . . ." Nixon said, "so that when we get to San Francisco (for the GOP convention) as a result of my own initiative I respond to my own voice."

On Other Pages

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