

RESTRICTED

REPORT

CD NO.

25X1

25X1

DATE OF INFORMATION

DATE DIST. 17 January 50

NO. OF PAGES 2

**SUPPLEMENT TO
REPORT NO.**

LANGUAGE

THIS IS UNEVALUATED INFORMATION

25X1

The implication of this statement is made explicit in his later charge that the foreign policy of the Truman administration is one of "open preparation for a new war and the

RESTRICTED

[illegible]

RESTRICTED**RESTRICTED**

formation of aggressive blocs." Of some interest is that whereas the first Soviet commentary mentioned that "expenditures connected with eliminating the consequences of past wars" made up part of the budget's "71 percent" allocated to "war needs," the second commentary omitted this item altogether and stated baldly that "close to three-quarters will go... to militarist purposes, for armaments, for expenditures connected in one way or another with the policy of instigating a new war." Both of the commentaries, however, examine the "hidden" military expenditures and in almost identical words find that "under the heading of 'developing natural resources' there is an item of 870 million dollars for developing atomic energy"--which, as everyone knows, bears an exclusive military nature in the United States."**

Satellite comment has been received from the Soviet-controlled Berlin radio and from the Polish and Czechoslovak News Services. The only apparent deviations from Radio Moscow's pattern are two: (1) Warsaw claims that Truman announced a 20 percent reduction of foreign aid funds because he realized the "bankruptcy of the Marshall Plan," and that he will divert the saving of one billion dollars to armament of the American "satellites"; and (2) according to Berlin, "Truman's announcement that U.S. expenditures for military and warlike preparations is to be doubled caused a great sensation."

"MISERABLE" ALLOCATIONS FOR SOCIAL NEEDS: Both Moscow and the Satellite radios commiserate with the American working people, for whose welfare such a "negligible share" of the budget was allotted. "The children of working people will still be deprived of an opportunity to study.... Tens of millions will still be deprived of medical service. ... Millions of American families will go on living in slums; millions of homeless and starving people are doomed to a miserable existence."

WORKERS TO BE BURDENED WITH NEW TAXES: Attributing the budget deficit to "the drop in production and trade" as well as to the "huge sums for military expenditures," both Moscow and the Satellite radios also predict that "the main burden of the new taxes will fall on the shoulders of the working people; this can be seen from the fact that the draft budget calls for a \$617 million reduction in corporation taxes, (while) on the other hand it calls for an increase of \$275 million in the taxes paid by the population."

* A Prague commentary declares, without qualification, that this money is to be used for the production of "atomic bombs."

** A 9 January Soviet commentary, ostensibly devoted to the State of the Union message, also talks about 70-odd percent of the budget going for war needs; it charges that "plans for fiendish atom bombing" are one phase of the U.S. policy aimed at "winning world supremacy for the U.S. monopolies."

RESTRICTED**RESTRICTED**