

Sales Tax Issue Causes Confusion

HARRISBURG, Jan. 17 (AP)—As one development piled on top of another in both chambers, Sen. Dent, Democratic floor leader, commented:

"It seems to be that what is now needed is a compromise—not between Republicans and Democrats—but between House Republicans and Senate Republicans."

Smith said he felt the confusion could be ended in a moment if Gov. George M. Leader came out flatly in support of a sales tax. He said:

"We ask the governor, before this sales tax reaches a vote, to say outright whether he will sign it or veto it. There's no use in voting for a tax if the governor is going to veto it."

In the House Rep. Readinger, Democratic leader, said his colleagues would supply the necessary votes to help Republicans pass a 3 per cent sales tax.

Preferred to Measure

He referred to the measure introduced last March by Rep. Hewitt (R-Indiana) for a 2 per cent sales tax with food as the only principal exemption.

It was revised by the Ways and Means Committee to 3 per cent and Readinger estimated the yield at about 400 million dollars between next March 1 and the end of the current biennium, May 31, 1957.

Readinger noted that the Senate GOP rejected the governor's offer to approve a sales tax to raise half of the Commonwealth's tax needs if Republicans in turn would accept an administration tax, probably a 2 per cent personal net income levy.

Write Tax Plan

"You Republicans may write any kind of tax plan you like by offering amendments to it. If a sales tax is to be passed, it will be a Republican-sponsored bill."

Smith, who is the organization candidate for the GOP nomination for auditor general, said there would be no Republican votes for a 3 per cent tax.

Rayburn Opposes Hoover Proposal To Create Post

WASHINGTON, Jan. 17 (AP)—House Speaker Samuel Rayburn (D-Tex) said today he thinks former President Herbert Hoover's proposal to create a new post of administrative vice president is unconstitutional.

Hoover suggested Congress authorize the appointment of such an official to take over from the President some of the burden of routine duties.

Hoover advocated the plan before a congressional committee yesterday after Eisenhower's top aide, Sherman T. Adams, had written the committee that he saw no need for creation of such post but that the White House would not object to it.

Hoover called at the White House today and told reporters afterward he had discussed the matter with Eisenhower, but only to the extent that he feels newspaper stories on Adams' letter gave the impression that the burdens of the presidency already have been sufficiently lightened.

That is not so, Hoover said, adding that "relief of the president's burdens has only begun."

Hoover also told reporters "there will be some important announcements" in the next few days dealing with reorganization of the government.

SEC Clears Ford Shares

NEW YORK, Jan. 17 (AP)—The public offering of Ford Motor shares at \$64.50 a piece was cleared by the Securities and Exchange Commission late today and dealings began immediately—at a premium of around \$4 a share.

SEC clearance was the last major step before the shares could be sold. Formal offering will be tomorrow morning, but underwriters said the offering actually became effective with the clearance.

Sale of the 10,200,000 shares, set for tomorrow morning, will net \$657,900,000, making it the biggest common stock sale in history.

Foreign Aid Solution Predicted by Dulles

WASHINGTON, Jan. 17 (AP)—Secretary of State John Foster Dulles said today he is sure Congress will help solve the problem of long-range foreign aid as a counter weapon to Russian promises.

He is confident of that, he told a news conference, once Congress understands what the administration has in mind.

The administration is reported asking for the authority to pledge up to 10 years of economic aid for specified projects, at a possible cost of a billion dollars.

Leaders Opposed

Such congressional leaders as Sen. Walter F. George (D-Ga.) and Sen. William F. Knowland (R-Calif.) have opposed the idea. It would be a departure from the practice of limiting pledges of aid to the amount Congress appropriates each year.

Dulles said he was aware of objections in Congress, since one session cannot bind a future Congress on appropriations. However, he recalled that the government found a way around this obstacle in the Marshall plan of European aid.

The Marshall plan method was adoption of the principle of continuing aid. It was left up to Congress each year to provide the funds.

Hoover Meets Senate

Undersecretary of State Herbert Hoover Jr., met in closed session with the Senate Foreign Relations Committee more than an hour this morning.

In view of the opposition from George and others, Dulles was asked at his news conference whether the administration intends to drop the idea of long-term commitments.

He said in reply it was vitally important to make the world understand that the United States will continue some foreign aid over a long period, rather than engage in singleshot operations.

'Citizens for Ike'

Reactivate for Campaign

NEW YORK, Jan. 17 (AP)—A group close to President Eisenhower reactivated the "Citizens for Eisenhower" today with a statement they are convinced he will seek a second term if ill health allows.

Retired Gen. Lucius D. Clay, an intimate of Eisenhower, joined the other organizers in declaring in a letter to 50,000 former "Citizens" workers convinced that under present world conditions the President will consider it his duty to serve a second term, provided he finds that his health will permit him to carry the load.

Overdue Airliner Lands by Compass Without Mishap

NEW YORK, Jan. 17 (AP)—A Northeast Airlines plane with 22 persons aboard landed safely at LaGuardia Field after it was lost and overdue two hours and 14 minutes. It had gasoline enough left for only about 21 minutes.

The two-engined plane made it here from Boston without lights, radio or electrical navigational equipment. Part of its flight was through blinding snow.

The airliner's electrical equipment failed shortly after it left Boston at 4:56 p.m. There was no way for ground stations to contact it. Nor could it get its usual guidance from the ground.

All the pilot had to navigate by was his compass.

When the plane failed to arrive at LaGuardia Field at its scheduled time of 5:50 p.m., a radar search was launched for it along the coast.

The plane had enough fuel to keep it aloft until 8:26 p.m.

Various reports of the airliner were received from New England points. The Coast Guard sent out a rescue plane from New York to search for the missing airliner.

However, at 8:12 p.m. the plane, Northeast's Flight 109, landed safely.

VA, FHA Plan Loan Extension

WASHINGTON, Jan. 17 (AP)—From now on home buyers who obtain loans guaranteed by the Veterans Administration or the Federal Housing Administration may have 30 years to pay off the loans.

This was announced today by the VA and FHA, which last July 30 had cut the maximum permissible maturity on VA-guaranteed and FHA-insured loans from 30 to 25 years. Stretching a loan over five more years means smaller monthly payments.

The joint FHA-VA announcement continued:

"Although 30 years is now the maximum maturity of government-backed home loans, the final decision as to the terms of the loans is subject to agreement between the borrowers and the private lenders making the loans."

Fulbright Gas Bill Backed by Bridges

WASHINGTON, Jan. 17 (AP)—Sen. Styles Bridges (R-N.H.) threw his support today to the controversial Fulbright natural gas bill. He said he was acting as an individual and not as chairman of the Senate Republican Policy Committee.

Bridges led off in a Senate speech for Republican backers of the measure in this second day of debate, which some senators expect may drag on for weeks.

Dispute over the measure, similar in most respects to one the House passed last year, has been marked by vigorous disagreements on whether it would end federal regulation of the production of natural gas for interstate transmission and what effect it might have on consumers' gas bills.

Stock Market Improves

NEW YORK, Jan. 17 (AP)—The stock market made a modest comeback today after its sharp fall of yesterday.

The recovery was moderate and was based chiefly on strength of steels and motors, the two divisions that yesterday weakened and pulled the entire market lower.

Slain U.S. Missionaries Attempted Self-Defense

PANAMA, Panama, Jan. 17 (AP)—A bullet hole in the windshield of their plane indicated the five U.S. missionaries who died at the hands of savage Aucas Indians in an Ecuadorean jungle last week attempted to defend themselves.

Capt. Robert B. McGhee, Waco, Tex., and Lt. James E. Claunch, Tacoma, Wash., U.S. Army helicopter pilots stationed in the Canal Zone who participated in the search for the missionaries reported the bullet hole today. They said the evangelists were armed with pistols. Indians of the area are armed only with spears.

Postal Service Inquiry

WASHINGTON, Jan. 17 (AP)—Rep. Frank M. Karsten (D-Mo) has demanded an investigation of why it takes the postal service six days to deliver a letter a distance of 20 blocks in Washington.

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