

# Khrushchev Hits Soviet Economy

MOSCOW, May 7 (AP)—Nikita M. Khrushchev lashed out at Soviet bureaucracy today in asking the Supreme Soviet to approve his plan to "transfer the center of gravity" of the Soviet economy.

"There are entirely too many supervisors employed by every factory," the Communist party chief declared.

# Ike to Gather Public Support For Legislation

WASHINGTON (AP)—President Dwight D. Eisenhower plans to go directly to the people in an effort to rally support for his bogged-down legislative program. But the White House said today there has been no decision yet on the manner and timing of the appeal.

Press secretary James C. Hagerly told a news conference a decision probably will be deferred until after the President confers Thursday with congressional leaders on the administration's foreign aid program.

In response to questions, Hagerly said the White House so far has made no request to television and radio networks for time for a nationwide presidential address.

He added that he does not look for Eisenhower to make any such address this week.

The press secretary repeated that he wanted to stress there has been "no final decision on the format or form" that any appeal by Eisenhower may take.

# P.O. to Increase First Class Rates

WASHINGTON, May 7 (AP)—The House Post Office Committee voted today in favor of increasing first-class and domestic air mail rates by about \$366 million a year.

The extra money would be obtained by raising the first-class or letter mail rate from three cents an ounce to four cents; adding a penny to the present six cents an ounce rate for air mail letters; boosting the price of stamped postcards to three cents and charging five cents for air mail cards instead of the present four cents.

# Senate Rejects Tax Exemption

HARRISBURG, May 7 (AP)—The Senate tonight turned down a plan to exempt non-residents from local wage taxes.

The vote was 15-29 and ran across party lines after Republicans and Democrats joined in a boiling political debate on wage taxes in general.

Sen. John H. Dent, Democratic floor leader, sought the broadened wage tax exemption on a House-passed measure which would exempt non-residents from Philadelphia's 1½ per cent wage tax.

"Why should Philadelphia be unique in this—all of us should get the same consideration," Dent told the Senate.

Dent maintained the amendments would "rid this state" of something he said Pennsylvania never should have had in the first place.

Republicans opposed the move. Heavily Republican counties adjacent to Philadelphia are seeking to exempt non-residents from the Quaker City's wage tax. Philadelphia is controlled by Democrats.

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# Nicaragua Accused Of Border War

TEGUCIGALPA, Honduras, May 7 (AP)—Honduras charged Nicaraguan soldiers struck across the border today with machine guns and hand grenades but were thrown back.

A statement from the military junta governing Honduras said Nicaraguan national guardsmen in undisclosed strength attacked a Honduran garrison on a hill north of Cifuentes at 5 a.m.

No Casualties  
"Our troops drove them back without a single casualty on our side," the communique said.

Report of the new attack came as Latin-American diplomats tried to bring peace to the troubled border strip along the Mosquito Coast.

Chairman Ricardo Arias Espinoza of the Organization of American States peace mission said a military advisory committee is investigating the alleged invasion.

No Confirmation Given  
Confirmation was lacking in Nicaragua. President Luis Somoza denied in a telephone interview with the National Broadcasting Co., in New York, that his troops had crossed the border.

He said only five Nicaraguan policemen were in the area. Presumably he referred to police posted at the Nicaraguan town of Totecacinte.

Nicaraguan territory angles up like a belt buckle on the frontier at Cifuentes, 75 miles east of Tegucigalpa and about 150 miles west of the Indian village of Mocoron, where the initial outburst centered.

The Honduran report jolted efforts of a 3-day committee from the Organization of American States to bring peace to the riverlands and mountains that make up the disputed frontier.

# Economic Reports Say Russia Can Ruin Egypt

CAIRO, May 7 (AP)—Economic informants say Russia could ruin Egypt overnight by refusing to take her cotton or by withholding deliveries of wheat or petroleum products.

The picture of Egypt being at the mercy of Russia economically was drawn by men who pointed to Egypt's need of wheat to feed her undernourished millions and oil to keep her machines moving.

one funeral director offered them. "We must have an investigation of the entire stamp field aimed at recommendation of legislation to correct some abuses," Donolow told the Senate.

Donolow attacked the merchandise stamps as imposing what he termed "unfair competition" on small business.

The Senate State Government Committee approved a plan designed by Republicans to curtail spending by the Leader administration.

It would require approval by the Joint State Government Commission, the Legislature's research arm, before a department could allocate funds for functions other than those specifically cited by the Legislature.

Removed was a provision that would have imposed a \$10,000 fine and a five-year jail term for violating the requirement.

Other legislative developments: Merchandise Stamps—The Senate was asked to look into the distribution of merchandise trade stamps—a practice Rep. Benjamin R. Donolow (D-Phila) contended was so widespread that

# Pinilla's Extended Term Incurs Student Rioting

BOGOTA, Colombia, May 7 (AP)—New violence erupted today over a move by Gen. Gustavo Rojas Pinilla's hand-picked Constituent Assembly to give him four more years as president.

Police broke up demonstrations by protesting students, spraying them with dyed red and blue water from high-pressure fire hoses.

Hundreds of students were reported arrested.

The Assembly itself was split wide open by a walkout of followers of Lucio Pabon Nunez, conservative former interior minister, who resigned last week as Assembly president—and as Rojas' right hand man.

Pabon Walks Out  
Pabon appeared for a few minutes at an Assembly session and when he left 20 supporters trooped out behind him. No reason for the walkout was given.

Presumably Pabon was protesting the Assembly decision, which would derail plans for presidential elections next year.

Conservatives Are Divided  
Rojas' Conservatives are badly divided. Some are siding with the opposition Liberals in demanding elections and return to constitutional rule. Gen. Rojas seized power in the name of the armed forces in 1953.

Discontent over the Assembly action spread, industrial and business activity was disrupted by partial strikes. Only government-operated banks were open.

Work Interrupted  
Work was interrupted in some factories and on some building projects.

Vehicles equipped with loudspeakers circulated through the business district telling shopkeepers they would be protected if they reopened. No more than one-third of Bogota's shops responded. Army and police units patrolled the capital.

# Fireworks Plant Hit by Explosion

DAYTON, Ohio (AP)—An explosion and fire that caused an estimated \$35,000 to \$40,000 in damages at the United Fireworks Co., just west of here last night, was "deliberately caused by dynamite," the president of the company said today.

Walter Bleacher said an inspection showed eight to ten sticks of dynamite had been placed on the outside of a building that exploded.

The two explosions sent a wild brilliant display of fireworks soaring 500 feet into the sky and leveled two storage sheds.

Bleacher said his investigation showed a hole three feet deep in the ground outside one building.

# Italy Seeks To Replace Government

ROME (AP)—President Giovanni Gronchi today began the search for a politician to patch together a new government from Italy's moderate center front.

The center coalition's collapse forced Premier Antonio Segni to resign last night after 22 months in office.

A Possibility  
Seen as strong possibilities were two prominent lawyers, both members of Segni's Christian Democratic party. They are Adone Zoli, finance minister in the old government, and Guido Gonella, minister without portfolio under Segni.

Another Christian Democrat premier appeared certain. Although short of a majority in the 590-member Chamber of Deputies, the party's 262 seats are 119 more than the second-place Communists.

Saratog Resigns  
Segni's teetering 4-year coalition of Christian Democrats, Social Democrats, anti-Communist Socialists, Republicans and Liberals fell apart last night when Vice Premier Giuseppe Saratog and the three other Socialist ministers pulled out of the Cabinet.

Italy's Western-aligned foreign policy was not an issue. The four parties had been bickering for months over domestic issues. The Republicans quit the Cabinet two months ago—saying they wanted a freer hand—but continued to vote with the government on major issues in Parliament.

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