

# Lawrence Keeps Plan For Hike in Sales Tax

HARRISBURG (AP)—Gov. David L. Lawrence tenaciously clung yesterday to a no-compromise stand on his plan to hike the 3 per cent sales tax to 3½ per cent and remove exemptions on beer, liquor and auto trade-ins.

But he accepted in principle a Republican proposal to create a legislative watchdog committee on state spending.

# Vet Bonus May Come From Tax On Cigarettes

HARRISBURG (AP) — A voter-approved plan to pay some \$150 million in a state bonus to Korean War veterans moved a step closer to reality in the Senate Tuesday.

Senate committee approval was stamped on a measure that would add a penny-a-pack to the state tax on cigarettes to finance the bonus payment for an estimated 330,000 Pennsylvania Korean War veterans.

"The cigarette tax bill will pass next week," predicted Sen. James S. Berger, Republican floor leader.

The tax proposal, which would raise the present cigarette levy to six cents a pack, would have to be returned to the House after Senate passage for agreement in minor changes.

Berger said both bills will be brought up for final votes in the Senate next Wednesday. If the House agrees the same day to the Senate changes in the tax measure, the bills could reach Gov. Lawrence's desk by Wednesday.

However, officials of the Military Affairs Department warned those eligible for the bonus against expecting to receive their payments before August at the earliest.

Under the plan, each veteran would be paid \$10 a day for domestic service and \$15 a day for foreign service up to a maximum of \$500.

# Employment Rises 7 Million in March

WASHINGTON (AP)—Employment rose over one million in March while unemployment declined almost 400,000 in a substantial improvement in the nation's job picture.

The changes were about double the normally expected springtime improvements. They reflected a sizable dent in the idle-worker problem that has been the only major bad spot in the nation's recession recovery.

These are the exact new government job figures, announced Tuesday:

Employment—63,828,000, up 1,106,000 from February. This is a 1,517,000 increase over March last year.

Unemployment — 4,362,000, down 387,000 from February. This is 772,000 less than in March 1958.

The figures, also showing a rise in the available work force, followed rosy predictions by President Eisenhower and his Cabinet members that the new data would be gratifying to all Americans.

The March unemployment improvement was the best since 1950, the employment improvement the best since 1951.

Union leaders minimized the

changes, saying they were chiefly seasonal and failed to provide any cause for celebration.

George Meany, AFL-CIO president, said that despite what he termed Eisenhower administration "ballyhoo" the idle total still is the highest for any month of March since World War II, except in last year's recession.

Meany said the AFL-CIO intends to make it clear at a rally here today, of over 5000 union leaders and idle workers, that "unemployment is a problem of people, rather than a mere statistic." The conference is intended to draw attention to the plight of the jobless.

Factory worker earnings rose during March to a record \$88.62 a week, reflecting both more pay and longer hours.

# Hoffa May Be Involved In Payoff

WASHINGTON (AP) — A Senate investigator said yesterday Teamsters Union President James R. Hoffa shared a \$6000 payoff for helping one side in a tug-of-war between rival jukebox operators in Detroit.

This charge was made by counsel Robert F. Kennedy of the Senate Labor-Management Committee at the opening session of hearings on alleged mobster infiltration of the jukebox industry in Detroit, Hoffa's home town.

One witness testified that firms he believed to be backed by the underworld had taken over about one-fourth of Detroit's 4000 jukebox locations — generally the more profitable ones.

There also was testimony by a former jukebox union member that Hoffa once tried without success to have him pay \$5000 to a prosecutor to fix a false extortion charge.

Kennedy said the \$6000 was paid in the late 1940s as salaries to the wives of Hoffa and Bert Brennan, one of Hoffa's top aides in Detroit.

The counsel described this as a payoff from one union, allegedly backed by an association of Detroit jukebox operators, for Hoffa's rejection of applications for a Teamsters charter sought by a rival group of jukebox men.

# Skate Comes Back After Arctic Trip

GROTON, Conn. (AP)—The American nuclear submarine Skate, the first ship ever to surface at the North Pole, returned home yesterday after an historic scientific and sentimental journey.

"We learned," said the proud skipper, Cmdr. James F. Calvert, "that the arctic can be used by the U.S. Navy in winter as well as summer."

The mission of the Skate's second trip to the North Pole, she sailed under it last August, was to compare ice conditions in the arctic in winter with those of summer.

The submarine, which left her home berth here March 4, remained under ice for 12 days last month and logged 3090 miles. She surfaced 10 times, once right at the pole.

# Unbalanced Budget Hit by Economists

WASHINGTON (AP)—An influential business organization declared yesterday a tax increase would be preferable to an unbalanced budget in the government year starting July 1.

Championing the anti-inflation stand taken by President Eisenhower, the Committee for Economic Development said in its annual appraisal of federal budget policy: "Any increase in expenditures above the President's budget should be matched by additional taxes."

Actually a tax increase should not be necessary, said the CED, a privately supported research organization of corporation heads and educators. It held that farm, housing, veterans and some other outlays could and should be cut while foreign economic aid is enlarged.

But if the net outcome of congressional actions this session creates a prospective deficit for fiscal 1950, "taxes should be raised before Congress adjourns," CED said.

The committee said that if more federal revenue is needed in the next few years, it probably will have to come mostly from higher taxes on low and middle income consumers or from a general sales tax.

A long and vigorous dissent to the "General Trend" of the report was filed by former Sen. William Benton (D.Conn.), chairman of Encyclopedia Britannica, Inc., who was a founding vice chairman of CED.

The presumption that full employment will be approached this year and that the budget will be balanced "seems to me wholly unrealistic and unwarranted," Benson wrote. He held that a balance should be deferred until idleness of plants and manpower are reduced to "acceptable" levels.

# Legislature to Probe Pittston Mine Disaster

HARRISBURG (AP)—Gov. David L. Lawrence Tuesday signed into law rush legislation appropriating \$50,000 for a legislative probe of a Luzerne County coal mine disaster near Pittston last Jan. 22.

The governor put his signature on the bill less than an hour after the Senate unanimously passed the House-approved legislation.

# Parliament Cuts British Income Tax

LONDON (AP)—The Macmillan government slashed almost a tenth off income taxes yesterday, bringing the rate to the lowest since prewar days.

The move, together with cuts in the taxes on beer and consumer goods, is likely to increase the Conservative party's chances of winning the next election, probably in October.

Derick Heathcoat Amory, Macmillan's chancellor of exchequer, presented to Parliament an annual budget calculated to distribute about \$1,120,000 worth of relief to the most heavily taxed citizens of the non-Communist world. He said the government is out of the woods, financially speaking, but that the nation must make its industries more competitive in world markets.

"This is the springtime of opportunity, not a harvest of the prosperity," he observed.

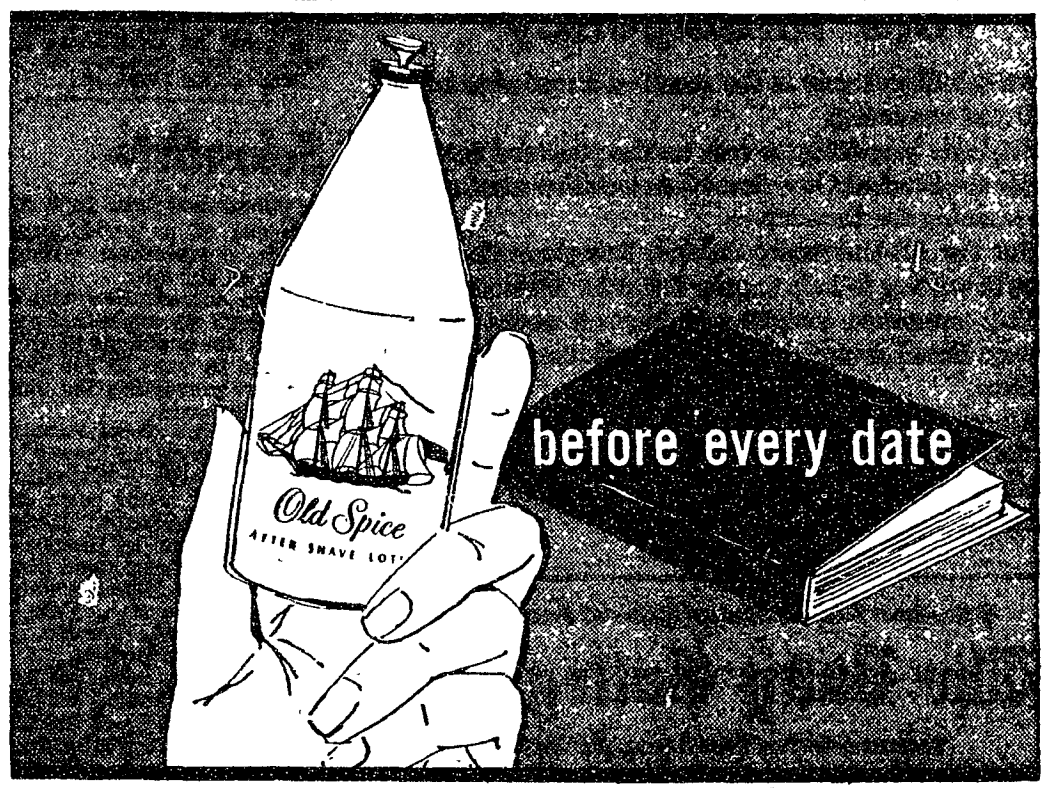
The standard rate of tax becomes \$1.09 on each \$2.80 of taxable income.

The basic reduction amounts to 8.82 per cent. Expressed another way, Britons now will have their incomes taxed 38¾ per cent instead of 42½ per cent. During World War II the rate got as high as 50 per cent.

The new schedule starts June 7.

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