

# Senate Passes Cuts In Lawrence Budget

HARRISBURG (AP)—The Republican-controlled Senate Appropriations Committee, overriding Democratic objections, yesterday approved \$58 million in cuts from Gov. Lawrence's proposed \$1,865,500,000 budget.

## Winnie Warns Against Truce In Cold War

LONDON (AP) — Sir Winston Churchill warned the free world last night that its positions of strength must never be frittered away for the sake of a temporary cold war truce with the Soviet Union.

At the same time, Britain's elder statesman urged Western leaders to continue contacts with Soviet Premier Nikita Khrushchev. Such meetings in themselves, he said, bolster hope and keep back the shadows of war.

Churchill said the West now faces a period of complicated negotiations with the Soviet Union.

"In this period two things are vital," he said. "Firmness of purpose can be accompanied by flexibility of method. But we must avoid all temptation to buy a temporary peace at the price of a surrender of vital interests."

Churchill described Khrushchev's proposal for total disarmament as striking but cautioned: "So far, we know very little about it. We must know more. How is this disarmament to be controlled? It is on this point that so many past discussions have foundered"

## Ike's Budget Hiked By \$597 Million

WASHINGTON (AP) — Budget director Maurice H. Stans told President Eisenhower yesterday the last session of Congress boosted expenditures for the present fiscal year \$597 million over the President's budget recommendations.

This was a net figure, however. In computing it, Stans included not only spending authorized by Congress but also Eisenhower's requests for additional revenue which Congress did not grant.

# Drop in Living Costs May Only Be Temporary

WASHINGTON (AP)—Living costs dropped a trifle in August, but there were signs the dip might be only an interruption in the year's climb to record highs.

A bigger-than-expected seasonal drop in grocery bills sent the Labor Department's consumer index down to 124.8

per cent of the 1947-49 average. This was one-tenth of one per cent below July's record peak.

Food prices declined nine-tenths of one per cent. This more than offset an average gain of two-tenths of one per cent in the cost of all other items that make up the average city family's budget.

Consumers may be less lucky in September, reporters were told yesterday by Hersey E. Riley, price division chief of the Bureau of Labor Statistics.

Food costs seem to be leveling off instead of dropping further, Riley said, and there has been no indication of letup in the long, steady rise of rents, medical care, transportation, utilities, and consumer services generally.

The sharp rise in interest rates boosted home mortgage costs in August and apparently will have heavier impact in September.

On Oct. 1 the price of gasoline will go up a penny a gallon because of the federal gas tax increase.

Soon after, new automobile models will arrive and buyers will lose the benefit of discounts which most dealers have been granting on 1959 cars. Current models sold last month at 5.3 per

# Ike Appeals For End Of Strike

WASHINGTON (AP) — President Eisenhower appealed anew yesterday for stalemated negotiators in the 71-day-old steel strike to "get down to hard intensive bargaining" so 660,000 idled workers can get back on the job.

This fresh White House prod came in the face of another fruitless bargaining session in New York. Further talks between top union and management negotiators were suspended until tomorrow although subcommittee sessions on local issues continued.

"The situation is just about the same as it was when we entered the negotiations on July 16," reported Joseph F. Finnegan, director of the Federal Mediation and Conciliation Service, in New York.

His comment partly backed up an earlier statement by United Steelworkers President David J. McDonald that "absolutely no progress" has been made during almost two weeks of subcommittee bargaining.

Finnegan said, however, that there was "a lot of underbrush cleared away" in the subcommittee. Then he qualified that by adding that the subcommittees probably "agreed on what they disagreed on."

Both sides continued to exchange barbs. McDonald accused industry negotiators of arrogant admanancy. The industry said settlement was being blocked by "the inflationary demands of the union leaders."

## Five Indicted In Attempt To Control Champ

LOS ANGELES (AP) — Federal authorities accuse five men of plotting to take over world welter-weight champion Don Jordan by strongarm tactics.

The five were indicted secretly Tuesday by a federal grand jury probing underworld influence in boxing. They will be tried here. Jordan himself said he knew nothing about the conspiracy.

"If they were trying to get a part of me, I never knew it," he said. "They never approached me."

FBI agents seized the men in Los Angeles, Chicago, Philadelphia and Baltimore.

The indictments charge that threats of violence and personal harm were used to extort money from Jordan's manager, Don Neseth of Covina, Calif., and Jackie Leonard, former Hollywood Legion Stadium boxing promoter.

Those charged are: Paul John Carbo, known as Frankie Carbo, 55, of New York City, the reputed underworld boss of boxing.

Frank (Blinky) Palermo, 54, Philadelphia boxing manager.

Truman Gibson Jr., 47, Chicago attorney, president of National Boxing Enterprises Inc., and former president of the International Boxing Club.

Joseph Sica, 48, a Los Angeles police character with 40 arrests dating back to 1928.

Louis Tom Dragna, 39, West Covina, Calif., manager of a clothing store and described as having been involved in bookmaking.

## IE Prof Attends Seminar

Clarence A. Ellsworth, assistant professor of industrial engineering, attended a seminar on the use of Welding in Machine Design last week at the Lincoln Electric Co. plant in Cleveland, Ohio.

# Housing Bill Passed; Ceiling Rate Boosted

WASHINGTON (AP)—President Eisenhower signed the twice-vetoed housing bill yesterday and the FHA boosted the interest rate ceiling on its home-insured mortgages to 5 3/4 per cent.

Both actions, designed to keep the housing industry booming, had been expected. The billion-dollar housing measure authorizes many government-backed housing programs which are out of funds.

The FHA interest rate ceiling has been 5 1/4 per cent. At that level, housing credit has become scarcer because other interest rates have risen sharply and investors could find outlets for their funds which bring a more attractive yield.

For home buyers, the change will mean an actual rate of 6 1/4 per cent, because FHA adds one-half of 1 per cent to the interest charge to cover the mortgage insurance premium and administrative costs.

Home purchasers, therefore, should be able to get mortgage loans more readily, but will have to pay more on their monthly installments.

Eisenhower had vetoed two earlier housing measures as inflationary and too costly. He signed the third one without comment.

Thus, the President culminated perhaps the biggest running battle he had with the Democratic-controlled Congress in the last session.

In the end, Eisenhower succeeded in forcing modifications of the two earlier bills. However, he had to take some things he didn't want such as additional low-rent public housing starts.

The Democrats, who tried unsuccessfully in the Senate to override both vetoes, had to settle for only one-third of the money they originally wanted made available for housing.

## Lawrence Signs Obscenity Law

HARRISBURG (AP) — A new obscenity law was signed by Gov. David L. Lawrence yesterday.

In signing the measure, Lawrence expressed the hope "that it will satisfy judicial requirements and will re-enforce efforts of police officers and district attorneys to uphold the high standard of morality upon which this nation predicated its basic philosophy."

The new act defines obscene exhibitions as those whose "dominant theme, taken as a whole, appeals to prurient lewd interests" to the "average person applying contemporary community standards."

# AF Chosen To Conquer Outer Space

WASHINGTON (AP) — The Defense Department gave the Air Force virtually exclusive rights yesterday to U.S. military efforts toward conquest of space.

The policy announced by the Pentagon assigned the Army and Navy supporting roles.

It also removed from the military space business the Defense Department's Advanced Research Projects Agency which was set up after the Soviet Union launched its first Sputnik.

The department said the transfer of space programs from ARPA to the military services would be carried out gradually.

Under procedures followed since ARPA was established in February 1958, the Army, Navy and Air Force have carried on space work, including satellite launchings, as agents for ARPA.

For some months the Air Force has been anticipating Wednesday's decision.

The Defense Department said its policy provided for eventual assignment to the Air Force of responsibility for the development, production and launching of military space boosters.

By boosters, the Pentagon means the big rocket engines or clusters of engines needed to blast big missiles, space satellites and vehicles into the beyond.

No specific date was set for return of military space projects to military control, but the Pentagon indicated the transfer would not be long in coming.

## North Korea Aids South

MOSCOW (AP) — Communist North Korea's government is sending help to typhoon victims of South Korea, a dispatch from Pyongyang by Tass, the Soviet news agency, said yesterday. Combined with this was a North Korean offer to shelter any who wish to quit President Syngman Rhee's republic.

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saw its spending requests chopped by \$23,800,000, the public welfare department by \$12,800,000 and the commerce department by \$9 million.

"This has been done without curtailment of any necessary or essential services to the people by various departments of government," said Sen. James S. Berger, Republican floor leader.

But Chairman J. Dean Polen (D-Washington) of the House Appropriations Committee commented that the slashes were too drastic.

Indications were that the budget issue would wind up in a House-Senate conference committee to thrash out a compromise since the Democratic-controlled House pared the budget by \$19 million and added 13 millions in nonbudgeted items.

The Senate appropriations unit sent to the floor the big general appropriations bill, the vehicle used to allocate funds for most state operations.

The new figure is \$1,477,889,000 compared to the \$1,514,470,000 as passed by the House, representing a cut of about \$36.5 million. Nearly \$22 million in other reductions are included in separate measures.

One of the separate bills dealing with industrial development cut the House-passed figure of \$10 million to \$8.5 millions. GOP senators said the commerce department actually would have 10 millions to spend for industrial development in the next two years because of 1.5 millions it will have on hand from interest and loan repayments.

A \$10-million-appropriation for urban redevelopment, including slum clearance, was slashed to \$3 million.

The 14 state teachers colleges would each receive an increase of 10 per cent over what they received two years ago at a cost of \$542,000.

The Senate adjourned until next Monday. The House did the same Tuesday night.

cent below the price at which they were introduced last November.

Riley did not forecast a higher cost of living in September. But when reporters suggested these foreseeable increases imply a rising index, he acknowledged: "Your guess is as good as mine."

A fractional decline last month interrupted a four-month rise which clipped almost one cent from the buying power of the consumer's dollar. The rise had been preceded by nine months of virtual price stability.

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