

President Asks Tourists To Be Thrifty Abroad

WASHINGTON (AP) — President Kennedy told Congress yesterday that to help solve the gold problem American tourists should be discouraged from buying numerous and costly souvenirs abroad.

He asked Congress to place a \$100 limit on the amount of foreign goods which returning travelers may bring into the country without paying customs duties. The present

maximum is \$500.

Kennedy also proposed, in a 4,500-word special message, that American banks be permitted to pay foreign governments a higher rate of interest than Americans receive on savings accounts. He said this might encourage these governments to deposit their dollars here rather than use them to buy gold.

For the most part, other items in the President's program to deal with the worrisome gold drain represented an expansion of measures initiated by former President Dwight D. Eisenhower.

Like Eisenhower, Kennedy also promised to promote exports, encourage visits by foreign tourists, restricted military and foreign spending abroad, and maintain the price of gold at \$35 an ounce.

He also said Secretary of the Treasury Douglas Dillon will report to him by April 1 on whether the tax laws should be changed to discourage certain kinds of private investment in Western Europe.

He added that he will submit legislation to block Americans from avoiding federal taxes through the use of foreign "tax havens." Officials said he referred to special tax breaks now available in such countries as Panama and Switzerland.

Kennedy asserted that the gold drain justified concern but not panic or alarm. He said the United States has time in which to attack the problem calmly and deliberately.

Because of the wide range of subjects covered, the Senate took the unusual step of referring Kennedy's message to three different committees: Foreign Relations, Finance and Banking.

The President's proposals generally found favor with Republicans as well as Democrats in Congress. Some members in both parties said they thought even further steps will be needed.

During the last six months, foreigners have bought a record \$2 billion of U.S. gold, reducing the American supply to a 22-year low of \$17.4 billion. They were able to do this because the U.S. balance of payments deficit gave them a supply of extra dollars.

Socialist Victory Troubles Frondizi

BUENOS AIRES, Argentina (AP)—The victory of a Communist-backed Socialist in Sunday's senatorial election in Buenos Aires may force President Arturo Frondizi to relax his stern austerity program.

That was the privately expressed view of government officials yesterday as returns built up the margin of Socialist Alfredo Palacio. Frondizi had hoped for a public vote of confidence.

The figures showed that since last year's congressional elections, the Argentine Socialists had picked up about 160,000 votes in this capital. Among the new-found supporters were Communists and young admirers of Cuba's Prime Minister Fidel Castro. Both groups demonstrated happily when Palacio took an early lead.

Palacio, now 80, who repeatedly denounced "Yankee imperialism," will be the only opposition voice in the 46-member Senate, dominated by Frondizi's intransigent Radical Union party.

Frondizi's candidate, incumbent Sen. Armando Turano, ran a poor third behind Nicolas Romano of the People's Radical party, a liberal center group.

Nearly complete returns from the Interior Ministry gave these results: Palacio 308,301, Romano 301,047 and Turano 240,427. Palacio polled 160,000 more votes than he did when he ran for the House last year.

Pa. Employment Suffers Losses

HARRISBURG (AP) — Unemployment in Pennsylvania rose 52,000 to a total of 433,000 workers between mid-November and mid-December, the Bureau of Employment Security reported yesterday.

Total employment dropped 16,500 to an estimated 4,205,900 in the period, a time when seasonal improvements normally result in an increase of 25,000 jobs, the bureau added.

"An appreciable part of the job loss was due to the effects of crippling snowstorms which swept across the state and drastically curtailed construction activity," the bureau said.

Some employment upturns were noted in non-manufacturing industries and among the self-employed and domestic workers.

Cyclist to Wear Helmets

PARIS (AP) — The new safety measure effective July 1 requires riders of motorcycles and motorized bicycle in France to wear crash helmets.

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Local Ad Staff MEETING

This is the initial meeting of the new semester. New accounts will be distributed. Bring schedules in order to make up office hours. Short! Check the TIME. (6:30)

TONIGHT (Tues.)
6:30 p.m.
9 Carnegie

Committee OK's Abolishment Of Death Penalty

HARRISBURG (AP) — A proposal to abolish the death penalty in Pennsylvania received committee approval in the house last night.

The action cleared the measure for a possible full airing by the legislature, but probably not before next week.

Chairman Louis J. Leonard, (D-Allegheny), of the House Judiciary-special Committee, said the proposal was cleared unanimously by his 15-member group.

Rep. Francis Worley, (R.Adams), a longtime advocate of abolition, said he could not predict at this stage what the measure's chances are of passage.

Worley said he would prefer to see the issue put to a public hearing rather than see it go down to defeat in the House.

Rep. Albert W. Johnson, McKean, former Republican floor leader, said he is opposed to elimination of the death penalty "in this era when there is so much international lawlessness as well as domestic crimes of a violent nature that call for capital punishment."



John F. Kennedy

Polaris Test Ends In Flaming Death

CAPE CANAVERAL, Fla. (AP) — The second stage of a Polaris missile sailed like a flaming pinwheel over the cape yesterday, then crashed to the ground in a spectacular failure. There were no injuries or serious damage.

When the countdown on the 31-foot missile reached zero, the upper stage suddenly spurted several hundred feet into the air, leaving the first stage on the pad, shooting fire from both ends.

The upper section cartwheeled over and over, showering flaming fragments back onto the cape. It was feared at first that the errant rocket might have landed near heavy traffic.

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7 Executives Jailed In Antitrust Case

PHILADELPHIA (AP) — Seven executives of giant electric companies—described as "organization" men by the judge—were sentenced to 30-day jail terms yesterday for federal antitrust violations.

The jail terms—a rarity in antitrust cases—were imposed

along with fines totaling \$827,500 against 21 companies and \$109,000 against 36 individuals. A defense lawyer said individuals would pay their own fines.

Nineteen defendants were given 30-day suspended sentences and placed on five years' probation; Most held less important executive positions than those who were sent to jail.

In all, 32 corporations which make up virtually every large manufacturer of electrical equipment in the country and 48 of their executives were to appear before Judge J. Cullen Ganey in U.S. District Court. So many were involved that sentencing may not be completed before tomorrow. Companies include General Electric and Westinghouse, the nation's largest electrical firms.

Ganey, in a presentencing statement, called the indictments — for price fixing and bid rigging — "a shocking indictment of a vast segment of our economy."

As for individual defendants, Ganey said he was "convinced that in the great number of these defendant cases, they were torn between conscience and an approved corporate policy, with the rewarding objectives of promotion, comfortable security and large salaries — in short, the organization or the company man, the conformist who goes along with his superiors and finds balm for his conscience in additional comforts and the security of his place in the corporate set up."

There were 72 pleas of guilty and 89 of no defense to 20 indictments for fixing prices and rigging bids at secret meetings.

German to Meet with Rusk

BONN, Germany (AP) — West German Foreign Minister Heinrich von Brentano is expected to meet Secretary of State Dean Rusk during a trip to the U.S.A.

'Innocent' Men Are Put on Trial

ROME (AP) — Three men, protesting innocence, went on trial yesterday for murder in what police called a perfect crime — almost — including alibis too good to be true.

Police said only painstaking sleuthing kept Giovanni Fenaroli, 52, Carlo Inzolia, 29, and Raoul Ghiani, 30, from getting away with murder.

The victim was Fenaroli's wife, Maria, 48, who was strangled in the Fenaroli Rome apartment the night of Sept. 10, 1958.

All that night Fenaroli was in Milan on a business trip, and he could prove it.

Police charge that in a phone call Fenaroli told his wife a friend would be calling at the apartment to deliver a package. They said that friend was Ghiani employed in a Milan factory. They also said Mrs. Fenaroli let Ghiani in, and he strangled her and took some jewelry.

But Ghiani had an alibi almost as good as Fenaroli's. He could prove he worked all day Sept. 10 at the factory in Milan where he was employed.

Police say he bought plane tickets that would have gotten him here that night after he finished work.

Witnesses were found who claim they saw Ghiani on the stairs in the Fenaroli apartment house the night of the killing.

Soviets Silent on Sputnik

MOSCOW (AP) — The Soviet press and radio continued silent yesterday on news about the seven-ton Sputnik sent up Saturday.

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