



—Collegian Photo by Don Coleman
NEW CHEERLEADERS: Six cheerleaders and two alternates were selected at final tryouts Sunday night in Recreation Hall. Standing are, Richard Stover, John Fry (alternate), Nevin Mann and Barry Scott. Kneeling are Carol Fischer (alternate), Susan Norseen, Eileen Segal and Thea Gerber.

Congress Begins Securities Inquiry

WASHINGTON (AP) — The lack of government control over individual securities salesmen and their tactics was pointed up yesterday as the first broad inquiry into the securities business since 1934 got under way.

"We have practically no power over salesmen" of mutual funds, said Allan F. Conwell, director of corporate regulation for the Securities and Exchange Commission.

THE DIRECTOR of the SEC's Division of Trading and Exchanges, Philip A. Loomis, Jr., said the agency is powerless to deal with some brokerage abuses because it can bar only salesmen found violating securities laws.

The SEC investigation ordered by Congress last year, which is expected to run two weeks, focused first on mutual funds al-

though sales tactics of brokerage firms were touched on by Loomis. These will be taken up later.

Conwell said the mutual fund business has mushroomed from \$7.9-billion investment in late 1955 to a \$31.8-billion giant by the end of last year. Most of the investors, he said, operate on a small scale—the average account being \$3,800, with 75 per cent of the investors having incomes of \$10,000 a year or less.

WHERE AN individual salesman makes false claims in selling mutual funds, Conwell said, all the SEC can do is act against his parent firm. But this, he said, is an impractical way of getting at an individual salesman.

Where a salesman deals in regular brokerage business in addition to mutual funds, he is sub-

ject to regulations of separate stock exchanges and the National Association of Securities Dealers. But there is no general test of qualification for mutual fund salesmen, Conwell said.

He added that there is no supervision whatsoever for captive sales organizations that specialize in a particular mutual fund or funds of specialized companies. These firms, Conwell said, make a big point of door-to-door selling drives.

Loomis testified that some supposedly respectable brokerage houses use "boiler room" tactics although he said this high-pressure sales method through long-distance phone calls has generally died out in the past five years. It is still used by small firms on a limited scale, he said.

Feingold Resigns Posts In Student Government

By WINNIE BOYLE
 Allen Feingold, Elections Commission chairman, chairman of the USG Elections Code Committee and co-chairman of the Men's Fall Orientation Program, formally resigned from these three posts last night.

In resigning, Feingold said, "Feeling I could no longer work along side people who are only interested in status, prejudiced in favor of their own close associates and who do not have the interests of the students in mind, I feel I must resign."

"THE SHOCK of current events and the realization that those who have helped me during my three years at Penn State, were playing roles in a petty, dictatorial and superficial world, has been a great determinant in my actions," Feingold added.

Upon hearing Feingold's resignations, USG President Dean Wharton said, "I am disappointed that Feingold resigned because his experience as Elections Commission chairman would have been helpful in formulating the new elections code, but regardless of his reasons, the decision was his to make."

Feingold also said that he would

be resigning from other activities with which he is presently affiliated.

Wharton last night appointed Melvin Shulman, junior in business administration from Haverstraw, N.Y., chairman of next fall's student government encampment and Donald Morabito, sophomore in arts and letters from New Castle, a USG Supreme Court member.

Wharton said he will also appoint an editor of the USG Record in the near future. Kurt Simons, editor, resigned last week because he said he "does not support the new USG executive."

CONCERNING the pending bill which proposes affiliation with the United States National Student Association, Wharton said, "The possibility exists that no decision will be made this week, but instead representatives may be sent to the organization's regional conference this weekend in Pittsburgh to give a report before a vote is taken on the matter."

The bill was presented to Congress last week by Murray Winterman, West, and Ann Tyson, West.

Eugene Zagat, a NSA vice president, is scheduled to speak to the USG Congress Thursday and to answer any questions congress-

men may have about the organization. Wharton said although he has not done so yet, he plans to ask administrators known to be opposed to affiliating with NSA to appear before the Congress along with Zagat.

Rain, Thunderstorms Forecast for Tonight

Increasing and thickening cloudiness is expected today in advance of an intensifying storm that is moving eastward from the mid-west. Rain and thunderstorms are indicated for tonight and tomorrow morning as the storm moves through Pennsylvania.

Today's high should be about 62 degrees, and a low of 48 is indicated for tonight.

Surplus Tax Aid May Net \$412,240

Higher than expected receipts from the state's corporate net income tax have potentially earned the University \$412,240, the Commonwealth's Budget Office reported last week.

Collections of all forms of revenue in the Commonwealth have reached \$5,153,000 more than was anticipated. The University is due to receive eight per cent of this surplus as the result of an act of the General Assembly.

several attempts to raise Governor David L. Lawrence's \$20 million recommendation had failed.

The General Assembly accepted an amendment to a law distributing a possible surplus in collections among the state's public schools so that the University would receive eight per cent of the surplus. The amendment was sponsored by Senator Jo Hays, D-Centre.

THE SURPLUS is not cumulative, however, and an economically poor month, such as February, could wipe out the surplus and the University's eight per cent along with it. In that event, the appropriation, which is \$4 million less than the University requested, would stand as the total state contribution to the University's operating budget.

During the University's appropriation hassle earlier in the year, a compromise was reached after

Budget Office officials who helped to prepare the state's budget originally foresaw a surplus in collections of \$8.7 million. This was figured into the regular budget. The funds the University may share are over that surplus.

Representatives to Meet Thursday To Discuss Spring Week Board

Representatives from the student governing bodies will meet on Thursday night to discuss the possibility of forming an advisory board for the management of Spring Week events, Emil Sos, president of the Interfraternity Council, said last night at the meeting of the council.

THE BOARD would be composed of members in proportion to the number of groups participating in Spring Week from IFC, Panhellenic Council, Town Independent Men, Association of Women Students and Men's Residence Council, Sos said.

Sos said that the recommendation that he will present to the meeting on Thursday night will be that the board advise what event or events be included in Spring Week. However, Spring Week would still be under the sponsorship of the Undergraduate Student Government, he said.

Whether the annual IFC-Panhellenic music festival will be included as part of the Spring Week activities will be decided later, Sos said.

"When I talked to the individual fraternity presidents, a majority of them said that they had wanted a float parade as part of Spring Week," Sos said after the meeting. "What we want is an equal say in deciding the events to be included in Spring Week."

Lion's Paw Tapping
 Lion's Paw, senior men's honor society, recently tapped Morris Baker, Alan Bober, Randolph Carter, Michael Dzyonik, Robert Fisher, Joseph Galardi, Michael Greenwald, Edwin Grinberg, George Henning, Arthur Pergam, Edgar Snyder, Emil Sos, Fred Waelchil, Joseph Wells and Dean Wharton.



PROF SNARF BALLOTING: Students voted for their favorite professors yesterday as the World University Service's Prof Snarf contest got underway. Ballots are cast in the form of donations and the professor who draws the

most money will become Prof Snarf. The proceeds will support the WUS project of helping students in underdeveloped countries. Balloting will continue until Friday.