

\$12.5 Million Deficit Seen For Welfare Department

HARRISBURG (AP) — An anticipated \$12.5 million deficit in the Public Assistance Fund can be traced to bad guesses made about 18 months ago, the Public Welfare Department said yesterday.

BUDGET MAKERS missed the mark by more than 10 per cent in the amount of money that would be needed for the relief program in the fiscal year ending next June 30.

They estimated the need would be \$107 million, while the actual spending will run close to \$120 million, according to the new welfare secretary, Arlin M. Adams.

The shortage is the largest single item in the \$34 million budget deficit projected for this year by Gov. Scranton.

"We were unduly optimistic," said Edwin J. McMahon, a staff aide who had served under the Democratic administration of Mrs. Ruth Grigg Horting, Adams' predecessor.

Budget estimates are made far in advance and are pegged to the vagaries of the over-all economic outlook of the state and nation.

IN THIS CASE, the department underestimated the number of persons who would seek relief by

as much as 25 per cent a month.

This past December is a prime example. The department estimated 336,100 persons would be on the relief rolls, but the actual count was 451,498. Since last July the actual monthly figures were below estimates by between 60,000 and 115,000 persons.

Why? Department planners took the forecasts of expert economists that there would be sharp improvement in the nation's growth. But it failed to match the predicted rate.

WELFARE PLANNERS were not alone in missing the mark. The Scranton administration says tax revenues will fall \$18 million behind estimates for many of the same reasons.

Adams said the public assistance situation was made more difficult because his predecessor failed to provide for about \$6 million worth of bills incurred this year, but which won't come due until after the fiscal period on June 30.

Despite the pinch in the fund, Adams is more concerned with the future; specifically how to reduce what was a hard core of persons who have been on relief for years.

He said industrial automation and mechanization has resulted in a group of unemployables who have not had training.

"And because they remain on relief so long... their inspiration begins to disappear completely," he said.

"So from a total dollar standpoint we are going to have to take a hard look at the entire program."

France Cancels Talks On British ECM Entry

PARIS (AP) — France defied its European partners yesterday and summarily told them that negotiations with Britain on European Common Market membership are broken off.

Reaction was swift. Foreign Minister Paul-Henri Spaak told the Belgian Senate the prosperous trading bloc might be wrecked on the rock of French resistance to Britain's entry.

IN LONDON, British negotiator Edward Heath informed the House of Commons that Britain will press to keep the talks alive with the active support of France's five market partners, Germany, Italy, Belgium, the Netherlands and Luxembourg.

The day of reckoning may be Monday, when the negotiations are scheduled to resume in Brussels, Belgium.

President Charles de Gaulle's spokesman, reporting after a Cabinet meeting, deliberately described the breakdown as an accomplished fact, and said there is no point in resuming the talks with Britain.

The action by the Cabinet disregarded the 5-1 majority at Brussels last week against a motion by French Foreign Minister Maurice Couve de Murville to suspend the negotiations.

THE CABINET confirmed Couve de Murville's position. But it added that France is willing to study a suggestion from West Germany to ask the Common Market Commission to look into the state of the British negotiations.

West German Foreign Minister Gerhard Schroeder is expected to make this suggestion in Brussels on Monday. This might avert a showdown between France and its allies for the moment.

De Gaulle's action, flying in the face of the community's majority opinion, opened the prospect of a grave split within the Common Market.

Spaak made this point clear in his blunt speech.

"If the five other community members must give way to diplomacy based on unreality," he declared, "the economic community will become impossible. If we have to give way, the crisis will be deep."

State License Head Resigns Post

HARRISBURG (AP) — The Scranton administration accepted yesterday the resignation of the administrative officer for the 16 professional licensing boards.

Robert N. Hendershot said he had resigned the \$10,954-a-year job, effective Feb. 4.

The position reportedly will be given to Alan Emlen, Philadelphia real estate man and son-in-law of Jay Cooke, former Republican national committeeman.

Emlen at one time served on the state Real Estate Commission, which is in the Bureau of Professional Licensing. The bureau is an agency under the Department of Public Instruction.

William G. Murphy, secretary to Gov. Scranton, said no appointment has been made to replace Hendershot.

Hendershot, a 31-year-old Philipsburg resident, took over the Bureau of Professional Licensing in August, 1961, following the dismissal of William J. Kilroy, Philadelphia.

Kilroy was dismissed on charges of interfering with the operations of the licensing boards.

Scranton plans to revamp the professional licensing setup by creating a new Commission of Professional Affairs within the Department of State. This commission would take the licensing board out of the DPI's administrative jurisdiction.

PTC, TWU Agree On Strike Contract

PHILADELPHIA (AP) — Labor and management negotiators agreed yesterday to a new contract for settlement of the 10-day strike that has halted buses, trolleys and subway-elevated trains in America's fourth largest city.

Officials of the Transport Workers Union said they would urge their 5,000 members to approve the proposed two-year contract at secret balloting today.

The agreement retains the controversial no-layoff clause which the Philadelphia Transportation Co. sought to drop. It was considered the key issue in the strike, although wages and other benefits also were in dispute.

Michael J. Quill, fiery TWU president, said PTC vehicles should be carrying the city's half million daily riders again by the homeward rush hour today.

Quill told newsmen the agreement provides for a 33-cent-an-hour package increase. Broken down, it adds 20 cents an hour to present wage scales and 10 cents in fringes such as pensions and hospitalization.

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