

Aid Formula May Settle School Issues

N.Y. Teacher Strike Called Off Thursday

NEW YORK (AP)—The state's Republican governor and the city Democratic mayor huddled for 3½ hours here Thursday night and came up with a formula that will give city schools an additional \$13 million and possibly permit final settlement of the dispute that led to a one-day teachers' strike.

The strike by the United Federation of Teachers (AFL-CIO) was called off Thursday following a court order.

Charles Cogen, president of the union, said Thursday night that with the additional funds "we think we can go back and negotiate."

The formula by which the state gives aid to city schools has been a bone of contention between Gov. Nelson A. Rockefeller and Mayor Robert F. Wagner, with Wagner charging that the state had shortchanged the city and Rockefeller calling Wagner a buck-passer.

Caught in the middle, the Board of Education said it could not possibly offer the city's teachers more than a total of \$28 million in raises for the next fiscal year. The UFT, demanding \$53 million—but in no case less than \$33.8 million—called the strike.

The agreement by Rockefeller and Wagner enables the city to borrow the \$48.6 million it needs for current school operations from the \$82 million it is to receive next September.

After the city repays the \$48.6 in September, it will have \$13.4 million—less interest charges. It will then keep borrowing from year to year, under a plan of deferred payment.



(AP Wirephoto)

Chairman Roger M. Blough of the U.S. Steel Corp. points a finger, talks and adjusts his glasses during a press conference in New York Thursday afternoon at which he refused to back down on the \$6-a-ton rise in the price of steel. His refusal was firm even in the face of President Kennedy's denunciation of the raise and in the face of a pending federal grand jury investigation of the increase.

Defends Boost

Justice Dept. Files Suit Against CBS

NEW YORK (AP)—The Justice Department in an antitrust suit Friday charged the Columbia Broadcasting System with forcing affiliated television stations to take nearly all their afternoon and evening programs from the CBS network.

The civil action, in U. S. District Court in Manhattan, was announced by Atty. Gen. Robert F. Kennedy.

Kennedy said the suit accused CBS of using a new compensation plan to force its programs on affiliated stations.

The suit asked that the plan be declared a violation of the Sherman Antitrust Act and that CBS be ordered to abandon it.

The government complaint said CBS affiliates, under the plan, are required to take more programs from CBS in order to receive the same amount of revenue.

As a result, the government said, independent program suppliers and non-network advertisers are denied the most desirable broadcast times on the CBS-affiliated stations.

There was no immediate comment from CBS.

Before the new compensation plan was adopted in January 1961, the complaint said, most CBS affiliates presented five hours of network programs a week without compensation, but received 30 per cent of their normal time rates for each additional hour of network programming.

Under the new plan, the government said, the affiliates receive 10 per cent of their normal rates for the first 60 per cent of network programs which CBS asked them to show and 60 per cent of their normal rates for each additional hour.

The suit said this eliminated competition in the production and sale of programs by independent producers and suppliers and by the affiliated stations.

CBS has about 200 affiliated television stations and owns and operates five, in New York, Chicago, Philadelphia, Los Angeles and St. Louis.

Steel Chairman Replies to Critics

Price Hike Held Negligible

NEW YORK (AP)—Board Chairman Roger M. Blough of U.S. Steel answered his critics from President Kennedy to the man in the street by calling the announced increase in steel prices "almost negligible."

Blough read a 1,500-word statement at a jammed news conference Thursday afternoon and declared the \$6 per ton hike in steel prices would ultimately benefit the nation.

The statement did little to stem the tide of criticism flowing from the White House, although some government economists said privately the price rise would not hurt business expansion.

Secretary of Commerce Luther H. Hodges held a news conference of his own in Manhattan and said the men responsible for the price increase "said in effect that United States Steel comes first, the United States of America second."

Blough, 58, closely guarded by city detectives and other security guards, opened the nationally televised news conference with an obvious reference to Kennedy, who has called the price increase "wholly unjustified and irresponsible."

Deeply Concerned

"We do not question the sincerity of anyone who disagrees with the action we have taken," he said. "Neither do we believe that anyone can properly assume that we are less deeply concerned with the welfare, the strength and the vitality of this nation than are those who have criticized our actions."

Blough said the "almost negligible" price rise was necessary to modernize steel plants. He said this would create more jobs, taxes and make the United States stronger in worldwide economic competition.

Blough said U.S. Steel had never given the administration a pledge not to raise prices. "No assurances were asked and none were given regarding price action as far as I am concerned or any other individual con-

nected with our corporation," he said.

Blough, who earns about \$300,000 a year as U.S. Steel board chairman, said that steel costs since 1958 "have gone up far more than the announced increase of yesterday."

Blough expressed surprise at an estimate that the steel hike would add \$1 billion to defense expenditures. Direct sales to the Defense Department, including sales through subcontractors and everybody else, would account for only about \$20 million extra, he said.

The increase, he said, adds almost negligibly to materials costs in every-day products. As typical, he mentioned 65 cents for a small refrigerator, \$10.64 on a standard-size car, three cents for an electric toaster, 70

cents for a domestic 4-burner range, five one-hundredths of a cent on a common-sized food can.

Foreign Imports

Blough spoke throughout in calm, deliberate tones, sometimes hesitating, and with apparent reluctance to generate any new friction by use of strong terms.

He said foreign imports of steel were a very serious problem, and stressed the role of up-to-date machinery and equipment in meeting their challenge.

Without such improvements, he added, "no sales will be made, no work provided, no taxes available and our international competitive positions, our balance of payments, our gold reserves and our national growth will seriously suffer."

Hodges, former North Carolina governor, met with newsmen about 30 minutes after Blough made his defense.

He said that "any firm or industry is free to set prices as it sees fit." But he added that "it is free to make mistakes and I believe the steel industry's mistake is a tragic one."

"It's action is a disservice to the country and to the business community as a whole."

First in Four Years

Hodges admitted that while steel prices have not risen in four years labor cost per ton of steel did not increase "essentially" during the same period. "As a former businessman,"

he declared, "I am confident that the business community as a whole is disturbed by this development."

Hodges said he did "not enjoy criticizing a major American industry." But he declared the government has "a clear responsibility to speak out when private actions are taken which may well jeopardize the continuation of a healthy free enterprise system."

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Water Supply Cut

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Tearful Elizabeth Taylor Leaves Night Club Alone

ROME (AP)—Elizabeth Taylor went home alone from a night club date with Richard Burton early Friday and an onlooker said the film beauty had tears in her eyes.

An unidentified friend escorted the actress to her car, while Burton remained at their table. Later the actor, who has been Miss Taylor's leading man both on and off the movie set since she parted from singer Eddie Fisher, walked out of the club alone and went to a nearby bar.

One photographer said Burton had a bruise and swelling on his forehead which had not been seen there the night before.

Brought Dogs Along

The couple arrived separately earlier in the evening at a hotel cocktail lounge and then went on to the night club together. Miss Taylor, 30, brought two of her pet Yorkshire terriers along. The dogs went home with her. Burton today was reported at work on the set of "Cleopatra,"

in which he plays Marc Antony to Miss Taylor's Cleopatra.

The studio said Miss Taylor was not at work but might be on the set Friday afternoon.

A Vatican weekly newspaper meanwhile attacked Miss Taylor for her marital record and warned that she may end up an "erotic wanderer, forever without a safe haven."

Wouldn't Comment

A studio spokesman said the actress would not comment on the editorial lashing given her by L'Osservatore Della Domenica—the Sunday Observer. Miss Taylor was reared a Christian Scientist but converted to Judaism after the death of her third husband, producer Mike Todd.

The Vatican City weekly, in a blistering letter addressed to "Dear Madam" but leaving no doubt that it was meant for Miss Taylor, said she was not fit to be the mother of her own three children and an adopted flaxen-haired German girl of 14 months.



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