U.S. Steel Pours Money In Program To Slash Costs

By ROGER LANE

NEW YORK (AP) — A long-haul effort by the ailing steel industry of the United States to recover the bloom of health is gathering momentum.

This was underscored by three developments in recent days with a common thread—vast expenditures on new production facilities that promise lower costs.

In steel, it is axiomatic that improvements come high for steel is the most capitalistic of all industries, requiring employment of $1 of fixed investment for every $2 of annual sales.

United States Steel Corp., dominant company in the $16,000,000,000 U.S. industry, announced it is pushing ahead with plans for an ore-processing plant in Minnesota costing upwards of $120,000,000.

At the same time, Bethlehem, the No. 2 steelmaker, bought an 1,800 - acre plant site on the waterfront near San Francisco. No decision has been made yet on its use but it is big enough to accommodate a fully - integrated steelmaking works.

During the weekend, a survey by a trade magazine reported that industry - wide appropriations in the April-June quarter for capital spending zoomed to $460,000,000, more than double the $200,000,000 set aside in the January-March period.

SPEND MILLIONS

Nearly every major U.S. steel producer, trying to keep up with a brush-fire spread of innovation in automation, technology and metallurgy, has poured from tens to hundreds of millions of dollars into improved mills and furnaces in the last couple of years.

In some cases, as with time- and money-saving oxygen converters for making raw steel, they have scrambled belatedly to adopt techniques long employed successfully abroad.

Estimates of 1963 plant and equipment expenditures by steel companies have ranged to $1,500,000,000 with the vast sulk devoted to modernization and improvement of industry techniques rather than any basic increase in capacity. U.S. capacity has been only 60 per cent utilized in the last five years.

The underlying aim: To reduce what it costs to mell a ton of steel, then roll it into a usable shape, to roll back ever-stiffening competition from foreign-made steel and rival materials such as aluminum, plastics and concrete.

U.S. Steel's Oliver Iron Mining Division awarded design contracts for a new Mesabi-range plant to mine and process iron-bearing taconite rock near Mountain Iron, Minn.

Construction work is contingent upon approval next year of a Minnesota referendum of a constitutional amendment placing a ceiling on state severance taxes applicable to the project.

Although the processing costs are high, steelmakers increasingly have come to rely on taconite pellets, with a high iron content, as a superior, efficient and dependable feed for their furnaces.

LOOK ELSEWHERE

The natural ores of the great Mesabi range largely have been exhausted, making Labrador and overseas mines principal sources of the enriched-ore pellets.

While Bethlehem made no commitments with respect to its new west coast property, industry observers were quick to compare it with Bethlehem acquisition of a somewhat similarly situated tract at Burns Harbor, Ind., at the foot of Lake Michigan in the 1950s.

Last fall, Bethlehem announced a go-ahead on $250,000,000 in new steel-finishing facilities there as part of a three-year $750,000,000 capital - improvement program.

The company indicated that Burns Harbor eventually might be developed into a fully integrated ore-to-finished steel product plant, possibly the world's largest.

At present, there is only one fully integrated steel plant on the rapidly industrializing U.S. west coast. It is operated by Kaiser Steel Corp., at Fontana in Southern California.

Steel's second - quarter capital spending appropriations amounted to about 40 per cent of the whopping $1,200,000,000 set aside by all U.S. metal-working industries.

Havana Radio Claims Two Rebels Killed

MIAMI, Fla. (AP)—A Havana radio said Monday that two Cuban counter - revolutionaries were killed by the Cuban armed forces and militiamen in an encounter near Trinidad, south Las Villas province.

The men were described by the radio as agents of the U.S. Central Intelligence Agency and identified as Pedro Gonzalez, leader of counter-revolutionary gang, and his companion, Mario Soler, known as El Metanero.

The broadcast heard here said they had committed numerous crimes throughout the province and described them as delinquents and assassins.

Luis Conte Aguero, head of the Cuban exile group Sentinels of Freedom, said last Friday that several Cuban militiamen were killed when they attempted to ambush a guerrilla group commanded by Pedro Gonzalez near Trinidad.

RIPLEY'S BELIEVE IT OR NOT

Defected British Diplomat Ended Life Physical Wreck

Stanley Johnson formerly was a member of the Associated Press staff in Moscow. Here he gives his impressions of Guy Burgess, the British diplomat turned Soviet spy, whose defection with fellow diplomat Donald Maclean in 1951 shook London.

By STANLEY JOHNSON

NEW YORK (AP)—Guy Burgess, who died in Moscow hospital Friday, spent the last years of his life in utter degradation. He was a toothless, physical wreck.

Despised by the Communists for whom he had spied, the former British diplomat padded out the small sums they gave him with an income supplied regularly from his family's fortune in Britain.

Even Donald Maclean, another diplomat with whom he fled in 1951, would have little to do with him.

Burgess, who died of a heart attack at the age of 52, once had everything — position, money, good looks.

THREW IT AWAY

He threw it all away.

I last saw Burgess at a cocktail party in Moscow just over a year ago. He had no teeth, little hair; and must have weighed at least 250 pounds.

He was, as usual, drunk and incoherent.

He was at the party for one reason only: To drink Scotch whisky and try to hide a bottle to take home.

The British naval attache talked out of the room when Burgess arrived. The other guests stared.

Burgess wore his usual attire —a tweed jacket and filthy grey flannel slacks. His conversation was filled with praise for communism and sneers at Westerners.

But he let it be known that he came from the upper stratum of British society. Until his dying day, Burgess was a snob.

A homosexual, Burgess lived with a Red army corporal in a sordid little apartment where he kept himself drunk on vodka when exchange restrictions kept him from getting the Scotch he preferred.

ACCUSES U.S.

PEKING (Reuters) — Chinese Communist newspapers Friday described Wednesday's civil rights march in Washington as a success "despite every effort by the Kennedy administration to control and suppress it." In front-page reports they said President Kennedy on the one hand mobilized more than 10,000 troops and police "for suppression" and on the other hand "donned a mask of kindness" in sympathy with the Negro freedom movement.

CONTRACT BRIDGE

By B. JAY BECKER

South dealer.
Both sides vulnerable.

NORTH
♠ 10
♥ Q 10 9 6 5 4 2
♦ K 6 7
♣ Q 8

WEST
♠ K 9 6
♥ 7
♦ J 10 9 7 5 2
♣ J 5 3

EAST
♠ Q 8 7 5 2
♥ 8
♦ Q
♣ K 10 9 6 4 2

SOUTH
♠ A J 4
♥ A K J 3
♦ A 8 4
♣ A 7

The bidding:

South	West	North	East
1♥	Pass	4♥	Pass
6♥			

Opening lead — jack of diamonds.

The declarer begins the play usually knowing little of the composition of the opponents' hands, but, as the play progresses, a few rays of light emerge and help illuminate the enemy's holdings. Declarer does not always learn precisely how the adverse cards are distributed, but he can generally make an intelligent guess when attempting to solve a particular problem.

Here is an instructive hand along these lines. West leads a diamond and South takes the ace. Declarer sees there are two losers and that, if he is to be successful, he must perform some kind of magic to make one loser disappear.

This feat is far from impossible, so he commences by cashing the ace of hearts and ace of spades and ruffing a spade. Then, after playing a trump, he ruffs the jack of spades. When he cashes the king of diamonds, this becomes the position:

North
♥ Q 10 9
♦ 6
♣ Q 8

West
♠ 10 9 7
♦ J 5 3

East
♠ Q 8
♣ K 10 9 6

South
♠ J 8 3
♦ 8
♣ A 7

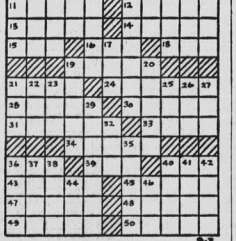
Declarer now has a crucial decision to make. He is sure to make the contract if he guesses which opponent has the king of clubs. If West had the king, he should lead a diamond and force West to return to a club (or yield a ruff-discard). If East has the king, he should play the ace and another club to compel East to yield a ruff-discard.

The evidence indicates that East is more likely to have the king. West is known to have started with at least three spades, a heart and six diamonds, and hence cannot have more than three clubs. East, therefore must have been dealt at least six clubs and is consequently more likely to have the king among them. Accordingly, South plays the ace and another club and East must resign.

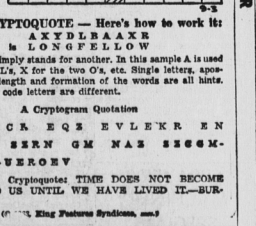
DAILY CROSSWORD

ACROSS
1. Nehru's home
6. Hide away in a secret place
11. Tied
12. Brownish-grey
13. Correct
14. Be in accord
15. God of evil: Egyp.
16. His wife turned to salt
18. Affix
19. Whey of milk
21. Clenched hand
24. Stops
28. Concepts
30. Pieces of kitchen equipment
31. Certain card player
33. Social group: Scot.
34. Line for a dog
36. Mimic
39. Definite article
40. Wing-like
43. Extend
45. Strength
47. Come forth
48. Like a leafedge
49. Shows extreme fondness
50. Storms

DOWN
1. Certain trees: Pl.
2. City: Alaska
3. Song for two people
4. Tavern
5. To muddle
6. Sculptured likenesses
7. Children's game
8. Subtle emanation
9. Hastened
10. Pay attention
17. Grampus
19. Booth
20. Exact counterpart
21. Spliced pin
22. Fish
23. Body of water
25. Peruvian coin
26. Girl's name
27. Japanese coin
29. Moves violently
32. Part of a chest
35. Cut
36. Dry
37. Spanish dollar
38. The Orient
40. Eager
41. Fail to win
42. God of war
44. Hint
46. Man's name



Saturday's Answer



9-3

DAILY CRYPTOQUOTE — Here's how to work it:

A X Y D L B A A X B
is L O N G F E L L O W

One letter simply stands for another. In this sample A is used for the three L's, X for the two O's, etc. Single letters, apostrophes, the length and formation of the words are all hints. Each day the code letters are different.

A Cryptogram Quotation

N A G M C R E Q Z E V L E K R E N N A S C Q S Z R N G M N A S Z S C G M - M G M C. — V E R O N Y

Yesterday's Cryptoquote: TIME DOES NOT BECOME SACRED TO US UNTIL WE HAVE LIVED IT.—BURROUGHS

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OUR BOARDING HOUSE MAJOR HOOPLE

ON THE AIR

TUESDAY PROGRAMMES

CFCY-TV

6:00 p.m.—Musicone
6:15 p.m.—Scarlett Hill
6:30 p.m.—Vacation Time
6:45 p.m.—Mike Mercury and His Super Car
7:00 p.m.—Suki
7:15 p.m.—Gazette
7:30 p.m.—CFCY TV News
7:35 p.m.—Cinema 13-7
7:45 p.m.—Dakota Lil
8:00 p.m.—Car 54, Where Are You?
8:30 p.m.—Perry Mason
9:00 p.m.—Ghost Squad
9:30 p.m.—Live and Learn
10:00 p.m.—CBC TV News
10:15 p.m.—Local Weather
10:18 p.m.—Viewpoint
10:19 p.m.—Sign Off

TV. CALLS
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Kent St. Ch'town

CKCW-TV

6:00 p.m.—Station Sign On
6:15 p.m.—News, Weather, Sports
6:30 p.m.—Summer Playbill
7:00 p.m.—Going Places
7:15 p.m.—Scarlett Hill
7:30 p.m.—Vacation Time
8:00 p.m.—Bugs Bunny
8:30 p.m.—Buckskin
9:00 p.m.—Television News
9:15 p.m.—Television Weather
9:20 p.m.—Hazard
9:30 p.m.—Television Sports
10:00 p.m.—Theatre at Seven
Sons Of The Sea
11:00 p.m.—Three's Music
11:30 p.m.—Car 54, Where Are You?
12:00 a.m.—Perry Mason
12:30 a.m.—Ghost Squad
1:00 a.m.—Live and Learn
1:30 a.m.—CBC TV News
1:45 a.m.—Viewpoint
2:00 a.m.—CKCW TV News
2:05 a.m.—Sign Off

RADIO TODAY

CFCY

TUESDAY

6:00—Sign On
6:05—News & Weather
6:15—Country & Western Roundup
6:30—News & Weather
6:35—Hebrew Christian Hour
7:00—Country & Western Roundup
7:05—News & Weather
7:15—CFCY Farm News
7:30—Country & Western Roundup
7:35—News
7:40—Weather
7:45—Country & Western Roundup
7:50—Weather
7:55—Atlantic News
8:00—Thought For Today
8:05—News & Voice Reports—CBC
8:15—Preview Commentary—CBC
8:20—Notes & Music
8:25—Matinee Musical Charades
8:30—Notes and Music
8:35—News & Weather
8:40—Notes & Music
8:45—News Headlines & Weather
8:50—Notes and Music
8:55—Matinee Musical Charades
9:00—Montague Entertains
9:05—Notes and Music
9:15—Bulletin Board
9:20—Notes and Music
9:25—Atlantic News Roundup
9:30—Weather
9:35—Mostly Music
9:40—News & Weather
9:45—Mostly Music
9:50—News Headlines & Weather
9:55—Interlude
10:00—The Maurice Pearson Show
10:15—CBC
10:30—Pops In Country and Pops
10:35—News & Weather
10:40—Pops In Country and Pops
10:45—Matinee Musical Charades
10:50—Pops In Country and Pops
10:55—News & Weather
11:00—Trans-Canada Matinee—CBC
11:30—Pops In Country and Pops
11:35—News & Weather
11:40—Canadian Roundup—CBC
11:50—Pops In Country and Pops
11:55—The Outports
12:00—News & Weather
12:05—Matinee Musical Charades
12:15—The Outports
12:20—Marine Weather
12:25—The Outports
12:30—News & Weather
12:35—On Parliament Hill—CBC
12:45—Sports Parade
12:50—Tonight's Music
12:55—Back to the Bible
1:00—News & Weather
1:05—Byline
1:15—Business Barometer
1:20—Program Schedule
1:25—Stone Guide Program
1:30—Tonight's Music
1:35—Assignment
1:40—Country Holiday CBC
1:45—CBC National News & News
1:50—Speaking Personally CBC
1:55—Fourth Estate CBC
2:00—News & Regional Weather
2:05—Starlight Serenade
2:30—News & Maritime Weather
2:35—Starlight Serenade
3:00—News, Regional Weather & Sports Scores
3:15—Sign Off

CBA

TUESDAY

6:00—The Gerry Fogarty Show
6:30—CBC News & Inland Weather
6:35—Maritime Sportscast
6:40—The Gerry Fogarty Show
6:45—Max Ferguson
7:00—CBC News and Direct Reports
7:15—Review Commentary
7:20—I.M.Chronicle
7:25—Weyroon
7:30—Jigsaw Puzzle
7:35—CBC News
7:45—Thomans Commentator
7:50—Consumers
8:00—Record Album
8:15—The Archers
8:30—Safe Variety
8:45—Embores Junction
9:00—Jim Davis
9:15—Maritime Farm B'cast
9:30—CBC News & Weather
9:35—Bulletin
9:40—And The Boys
9:45—Time Out For Melody
10:00—C.O. Time Signal
10:05—Time Out For Melody
10:30—Music Shop
10:35—CBC News
10:40—Trans Canada Matinee
11:00—CBC News
11:05—Radio Roundup
11:30—Music in the Air
12:00—Music in the Air
12:05—Fish B'cast
12:15—Sports, CBC Notebook
6:00—CBC News & Weather
6:15—On Parliament Hill
6:20—Regional Commentary
6:25—Maritime Sportscast
6:30—Music in the Evening
7:15—Byline
7:20—Marine Weather and Musical Interlude
7:30—Business Barometer
7:35—Assignment
8:00—Radio International
8:30—New Writing
9:00—Country Holiday
10:00—CBC Nat. News Roundup & Speaking Personally
10:30—London Chamber Concert
11:00—Here Come the Clowns
11:30—Nightspot
12:00—Sports Scores and Marine & Inland Weather
12:15—Johnny Dankworth and his Orchestra
12:45—Music in the Night