

Labor costs rise while productivity takes another dip

WASHINGTON (AP) — Labor costs continued rising at near-record rates during the past three months while productivity in the American economy declined sharply, the government reported Wednesday.

The new figures from the Labor Department were further evidence of the nation's twin problems of a sagging economy amid persistent inflation.

Unit labor costs, an important indicator of inflationary pressure, rose

at an annual rate of 13.9 per cent in the third quarter of the year, the second fastest rise in 25 years. The rate was exceeded only by the year's first-quarter increase of 14.6 per cent.

Productivity — that is, output per worker hour — fell at an annual rate of 3 per cent in the July-September period after a slight rise in the previous quarter and a 7.1 per cent drop in the first quarter.

Productivity usually declines when over-all output in the

economy falls, as has happened in all three quarters this year. The decline in output in the third quarter was 3.3 per cent, 2 per cent in the second quarter and 7.8 per cent in the first.

By comparison, the decline in output of the private economy in the first quarter of the 1969-70 recession was 2.5 per cent, and the decline in output per worker-hour was eight-tenths of a per cent.

Despite worsening statistics, President Ford on Tuesday de-

fended his economic plan sent to Congress three weeks ago as still sound. He followed this up Wednesday with some tough talk to his Cabinet, urging that it promptly push legislation and take administrative action to carry out his program.

Ford, according to press secretary Ron Nessen, told the Cabinet: "I will hold every department responsible. You have the ball. You must carry the ball and if you don't score, it's your fault."

Meanwhile, the new director of the Council of Wage and Price Stability, Albert Rees, scheduled public hearings for next month that will focus on the high profits earned by food processors and other middlemen.

The Labor Department said in its report that the rise in wages, combined with the decline in output per man-hour drove unit labor costs up. That puts upward pressure on prices as employers seek to keep profits up.

Weather

Continued overcast today and tonight with intermittent showers and thunderstorms; possibly local heavy rains. Partial clearing Friday afternoon. High Thursday 79°; low tonight 69°; high Friday 74°.

The Battalion

Vol. 68 No. 35

College Station, Texas

Thursday, October 31, 1974

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Nixon reportedly pleased by Magruder's early lies

WASHINGTON (AP) — Jeb Stuart Magruder testified Wednesday that early in the Watergate cover-up he was assured that then-President Richard M. Nixon was pleased at the way Magruder was keeping the true story of the scandal from coming out.

In the second day on the stand as a prosecution witness at the Watergate cover-up trial, Magruder also said he was promised financial help if anything went wrong with plans for him to lie to federal grand juries in the summer and fall of 1972.

The former deputy director of Nixon's 1972 re-election committee also acknowledged telling FBI agents that during the cover-up, he

obtained as much money as he could above his normal salary from the committee.

Under cross-examination, Magruder said he told FBI agents on April 19, 1973, that after the original Watergate break-in he accumulated \$10,000 or \$11,000 "for self-preservation." Magruder said he later learned the figure was \$6,000, which he held until the committee agreed to pay some of his legal fees.

It was left unclear precisely how Magruder went about obtaining the extra money.

Shortly after Magruder left the witness stand for the day, Assistant Prosecutor James F. Neal disclosed the next witness would be Robert Reiser, Magruder's assistant at the re-election committee.

Neal also said that a portion of defendant H. R. Haldeman's testimony before the Senate Watergate Committee might be played on a video tape machine and flashed on a screen for the jury.

Neal said because of complications, namely errors in the printed public transcript of Haldeman's testimony, it might be inadmissible as evidence that the former White House chief of staff committed perjury before the committee.

During earlier questioning by Assistant Prosecutor Jill Wine Volner,

Magruder testified that he once volunteered to take the blame for the break-in but was turned down by senior officials at the committee and the White House.

Magruder now is serving a minimum 10-month prison term for his own part in the coverup.

Generally, he recounted a story told before in testimony to the Senate Watergate committee and in his book, "An American Life: One Man's Road to Watergate."

Magruder, 39, told of preparing an elaborate cover story for federal investigators to account for \$250,000 approved for use by Watergate burglar G. Gordon Liddy, then an official of the re-election committee.

Magruder said former White House counsel John W. Dean III came to his office shortly before Magruder was to give his perjured testimony and told Magruder:

"Everyone at the White House and the committee, particularly the President, the President was particularly pleased at my efforts at keeping the truth of Watergate from coming out."

Looking vigorous and healthy for a man coming out of prison, Magruder quoted Dean as saying that if anything went awry, he would be given money just like Liddy,

Watergate burglar E. Howard Hunt and the other five original Watergate defendants.

Magruder said he was later given similar assurances from defendant and former Atty. Gen. John N. Mitchell.

Besides Mitchell, the other defendants in the trial are former White House aides John D. Ehrlichman, H. R. Haldeman, former assistant Atty. Gen. Robert C. Mardian and Kenneth W. Parkinson, a lawyer for the re-election committee.

Magruder recounted that the first time he met Parkinson, Mardian told him to tell the whole truth about the break-in. Parkinson had been hired as an outside lawyer for the re-election committee.

For one hour and a half, Magruder laid out the story for Parkinson, and then was summoned later by Mitchell who asked why he had not told Parkinson the cover story prepared for use before the grand jury.

Magruder told Mitchell that he believed Mardian meant it when he said to tell the truth.

"Well," Magruder quoted Mitchell as saying, "just don't tell the truth any more to any more people who are not on the team working on this problem."



And the rains keep falling . . .

Off-and-on rains during the last few days have kept students guessing whether or not they will need an um-

brella. This student came prepared for them. (Photo by Jack Holm)

Correction

"The Battalion" was wrong yesterday when it reported that the five cadets who confessed to using marijuana had grade point ratios under 2.0. The information was given by Chip Utterback, one of the Corps staff members who entered the rooms of the five cadets on Sept. 8 and searched for marijuana. At least three of the cadets who confessed while under the Aggie Code of Honor have CPRs over 2.0.

Surgery close call for Nixon

LONG BEACH, Calif. (AP) — Former President Richard M. Nixon almost died after going into shock following surgery for phlebitis, his former White House press secretary revealed Wednesday.

"There is no doubt that we almost lost President Nixon yesterday afternoon," Ronald L. Ziegler told an impromptu news conference at the hospital where Nixon is being treated.

Nixon's doctors have sidestepped questions as to whether Nixon's life was in danger during the crisis on Tuesday.

Nixon was still on the critical list Wednesday.

Dr. John C. Lungren, Nixon's personal physician, said the former president had shown improvement. He said internal bleeding, which triggered the shock, had apparently stopped.

Blood for transfusions was set aside in case bleeding recurred.

Lungren said that although Nixon's vital signs were stable, it was too early to make a prognosis on his condition.

Ziegler said, "I know that President Nixon has not lost the will to live...he's a man of great strength and great courage, and he will pull out of it."

Ziegler said Nixon's condition after he went into "vascular shock"—collapse of blood circulation—for three hours was so serious that "I think it's fortunate that President Nixon was in the intensive care unit."

Czar feud

Style and management led to Sawhill ouster

WASHINGTON (AP) — An energy power struggle fueled by White House dissatisfaction with John C. Sawhill's style and management led to his ouster and the installation of Interior Secretary Rogers C. B. Morton as the administration's one and only energy czar.

In removing Sawhill as federal energy administrator Tuesday, President Ford demonstrated that he is backing Morton as energy chief with the President's own power to hire and fire.

High-placed administration sources say various forces focused that power on Sawhill:

—He was urging mandatory energy conservation when Morton and the President wanted only voluntary measures.

—He showed a tendency to reveal policy proposals before the administration was ready to talk about

them, such as the gasoline tax proposal.

"Premature leaks blow your chances on the Hill (Congress), if you don't touch the bases first," one source said, referring to the need to line up congressional support in advance.

—Some administration officials thought Sawhill was not managing the Federal Energy Administration firmly enough. President Ford said publicly he was dissatisfied with the progress on new energy programs.

—Finally, some sources think Morton resented FEA's grab of important Interior Department offices and officials when FEA was formed last December.

Morton told reporters there was nothing wrong with Sawhill except a "style" that somehow did not fit the "style" of other in the administration.

Morton agreed later under a barrage of questions that Sawhill's advocacy of mandatory conservation had something to do with his demise.

Another source said the question of energy conservation versus energy production was "a phony issue." More important, this source said, was a need for toughness at the head of FEA.

Just over a year ago, energy policy was a low priority and the title "energy czar" was jokingly applied to John A. Love, head of a modest, powerless Energy Policy Office in the White House.

Caught unprepared by last October's Arab oil embargo, Congress and the President hastily established the Federal Energy Office, later re-established as the FEA, and placed William E. Simon, then deputy Treasury secretary, in command of its oil allocation and price control programs.

Pot trial to be set

Two A&M students charged Oct. 23 for possession of marijuana were arraigned Wednesday morning before County Judge William R. Vance.

Scott Foster and Steve Hamm, both 18 and freshmen, were charged after University Police allegedly found 16 small marijuana plants growing in their room in Moses Hall.

A tip from an informer in the dormitory led to the arrests, said Harry Blumfield, head resident adviser.

Foster was fined \$250 plus court costs and given a 30-day sentence, probated for one year. Hamm pleaded not guilty and was released on \$500 bond.

A trial date for Hamm has not been set.



Aggies give for Blood Drive

Personnel of the Wadley Institute of Molecular Medicine in Dallas are taking blood from Aggies who volunteer this week. As of 5 p.m. Wednesday,

733 units had been collected. A record collection is expected. The old record is 1000 units. (Photo by Chris Svatek)

Election guide inside; voter turnout urged

Inside today's Battalion is a four-page election guide which can be pulled out and saved for reference for Tuesday's general elections.

Included are comments from the participants in the governor and

lieutenant governor races as well as perspectives on local district and county candidates.

The Battalion encourages all students and area residents to show an interest in their government and vote Nov. 5.