

Ford proposes tightening of welfare, health programs

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deficit and dipping into its reserves.

Effective in 1977, the increase would raise the maximum tax paid by an employee to \$1,014, up from \$855 this year. All but \$49 of this proposed hike might occur anyway under automatic provisions of present law.

Ford also proposed a revision in the Medicare health program for the aged. It would cost the over-65 patients more for short-term illnesses, but set a \$740-a-year ceiling on what they could be charged for covered services. The limit, he said, would protect them against catastrophic costs for serious illness.

While Ford's message foreshadowed clashes on a number of issues with the Democratic majority in Congress, it also staked out some positions that would set him apart from Reagan.

While Reagan has proposed large-scale transfers of federal programs to the states, Ford came out for tightening rather than abolishing federal welfare programs.

Ford also called for what he described as "long overdue reform of the scandal-ridden food stamp program." A major change would limit benefits to those whose net income is

below the poverty level, currently \$5,050 for a family of four.

He said temporary extensions of special unemployment benefits will continue in 1976 and that he will ask for continued job training funds in 1977.

He renewed his call for a five-year extension of federal revenue-sharing with states and localities.

Ford advanced two plans he said would stimulate needed business investment.

One would provide fast depreciation of productive facilities, aimed especially at areas of high unemployment — which under present circumstances would cover much of the country.

Another would be designed to encourage persons of moderate income to buy stock in U.S. firms. The purchase price for such long-term investments could be deducted for tax purposes, with the proceeds to be subject to tax only if cashed in later.

To make it easier for heirs to retain family farms and businesses, Ford said the estate tax on such inheritances should be postponed and stretched out.

He also said he will propose programs to help lower-income persons rent and buy homes through sub-

sidies affecting 500,000 dwelling units, at the same time helping the lagging housing industry.

Saying the country needs a strong defense posture to strengthen its hand in international negotiations and keep its alliances vigorous, he said he will submit an increased defense budget.

Warning against "the crippling of our foreign intelligence services," Ford said, "I will take actions to reform and strengthen our intelligence community. I ask for your positive cooperation. It is time to go beyond sensationalism . . ."

Police guard site of labor violence

LAKE CHARLES, La. — Work was resumed peacefully Monday at the Jupiter Chemical Co. plant construction site under the eyes of police on guard against any sign of renewed violence.

A mob of about 100 men broke through the gates last Thursday and attacked on-site workers, leaving Joe Hooper, 26, shot to death and four others injured.

Formal charges were filed Monday and during the weekend by Dist. Atty. Frank Salter. The charges and the men included Wilbert J. LeLieux Jr., 34, of Lake Charles, first degree murder; Kenneth E. Hooper and John H. Jensen, attempted murder.

Although authorities said the violence stemmed from a union feud, State AFL-CIO president Victor Bussie denied that union leaders were involved.

Two carloads of members of the American Federation of Unions — an independent coalition of unions — went back to work Monday. They are working for Payne & Keller Construction Co., the contractor.

At the same time members of the Southwest Louisiana Building Trades Council, AFL-CIO, picketed the project. Their signs complained of low wages and poor working conditions.

At a news conference in Baton Rouge, Bussie acknowledged that unions affiliated with the AFL-CIO have been in competition with the independent union. But he said he had no reason to believe union leaders were involved.

"As to who started it, I have no way of proving," Bussie said.

"Whoever it may have been, wherever the evidence may lead, those persons should be properly charged and brought before the proper court."

Bussie said he has urged nonviolence in labor disputes, and noted that 186,000 persons belong to the AFL-CIO in Louisiana and only a fraction of one percent are accused of violence.

Meanwhile, State Public Safety Department director Donald Thibodeaux said in Baton Rouge that "hired goons" were involved in the Lake Charles mob attack. He said telephone lines were cut and the men had weapons and "expected to use them."

Economic growth seen in government figures

WASHINGTON — The latest government figures are expected to show the economy is settling into its long-term growth trend, but the growth apparently has some soft spots.

The Commerce Department reports today on the initial estimates for the Gross National Product, or total economic output, for the last quarter of 1975. The report should show a growth rate half that of the previous quarter, according to Commerce Department economist James L. Pate.

That would be a 6 per cent annual rate of growth in the volume of output, compared with the 12 per cent annual growth rate which constituted the biggest jump in 20 years for the July-to-September quarter.

And 6 per cent or 7 per cent is

about what the Commerce Department expects in the way of economic expansion for 1976. The White House issued a statement Monday night that said President Ford's economic advisers are projecting a growth rate of 6.2 per cent this year and 5.7 per cent next year.

The rate of inflation in the Gross National Product, or GNP, for the fourth quarter was expected to remain at the 7.1 per cent annual rate registered in the previous quarter.

White House economic advisers are predicting a consumer price increase of 5.9 per cent for this year, compared with last year's rate of about 7 per cent. However, Ford said in his State of the Union address Monday night that he considers that rate still too high.

Referring to inflation, Ford said, "We are slowing it; we must stop it cold." Ford said the economy is generally "slowly but surely getting better."

The character of the current economic expansion was underlined Monday with the release of statistics showing industry is operating with 29.2 per cent of its capacity idle. Americans' personal income is growing at a progressively slower rate and home construction is trailing off.

New evidence in Hearst trial

SAN FRANCISCO — Attorneys for Patricia Hearst, citing "newly discovered evidence," have won a hearing Wednesday on efforts to block further examination by a psychiatrist the newspaper heiress accused of harassing her to hysteria.

U.S. District Court Judge Oliver J. Carter granted the new hearing after receiving sealed motions during a 1½-hour conference Monday with attorneys for both sides.

Defense attorney Al Johnson said the new evidence concerned the examination by Dr. Harry Kozol of Boston. He would not elaborate.

The attorney said Miss Hearst would attend Wednesday's hearing, but he would not say whether she would testify.

Last week, the 21-year-old Miss Hearst testified during a two-day hearing that Kozol bullied her to tears Jan. 7 with accusing questions — an accusation Kozol flatly denied.

Carter, after the hearing, ordered Miss Hearst to undergo further examination by Kozol or face court sanctions which could include barring testimony from defense psychiatrists.

Johnson said Miss Hearst had not been re-examined by Kozol since the ruling.

He said he didn't think the current legal gymnastics would delay Miss Hearst's trial Monday on bank robbery charges stemming from the April 1974 Hibernia Bank robbery here.

The announced defense is that the heiress was forced to participate by the Symbionese Liberation Army, the terrorist group which kidnaped her on Feb. 4, 1974.

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