

Panel looks at tax relief for middle

by Don Phillips
United Press International

WASHINGTON—Rep. Al Ullman, D-Ore., recommended Monday his House Ways and Means Committee pass a quick tax cut of \$15 billion to \$18 billion, most of which would go to low and moderate income Americans.

Seven prominent economists agreed in testimony to the committee that a tax cut of \$15 billion to \$20 billion is necessary to stimulate the economy toward recovery. All agreed that most or all of the cut should come through lower withholding rates rather than a one-shot rebate as President Ford proposes.

As proposed by Ullman and later expanded on by staff experts, Ullman's bill would:

- Grant an immediate rebate of \$5 billion to \$7 billion to low income taxpayers.
- Lower income tax withholding rates by \$8 billion to \$10 billion, spread over the remainder of 1975, limited to low and moderate income persons.
- Perhaps give a portion of the cut in the form of a tax credit for a part of Social Security taxes paid.
- Cut business taxes by about \$3 billion by increasing the investment tax credit from 7 per cent to 10 per cent. Ullman said he would like to make the tax credit increase permanent but said he did not believe the committee would go along with him.

Ullman said the committee would begin drafting a tax cut bill next week, hoping to finish it by mid-February. He said he hoped also to have an energy-tax cut package completed by mid-May and a tax reform bill completed by September or October.

President Ford has proposed a \$12 billion tax rebate to individuals.



Attorney General nominee testifies

WASHINGTON—Edward Levi (right) appears before the Senate Judiciary Committee Monday on his nomination to attorney general. Seated with him is Sen. Charles Percy, R-Ill.

A noted legal scholar, Levi said he favors reviving the death penalty for certain crimes and will, if confirmed, give the fight against urban crime very high priority.

U.S. doesn't want to give Phnom Penh supply airlift

by Veng Eng
United Press International

PHNOM PENH—American officials told Cambodia Monday the United States does not want to begin a Berlin-style airlift to keep Phnom Penh alive because of the danger to U.S. aircraft, government sources said.

The Americans urged Cambodian forces to launch a battlefield offensive to push Communist forces back from the banks of the Mekong River, so that supplies can reach the capital from South Vietnam by water, the sources said.

The Cambodian high command told U.S. embassy officials they do not have the troops or the resources for such an operation, they said.

The fuel-short country was struck another blow when saboteurs working under cover of darkness blew up four tanks containing up to 70,000 gallons of gasoline at the port city of Kompong Som, 111 miles southeast of Phnom Penh, military sources said.

Four government soldiers guarding the fuel depot were killed in the blast and eight wounded, they said.

Rebel shelling of Phnom Penh's

Pochentong airport went into its sixth day with four rockets slamming into the strip Monday, officers said.

The daily shelling has already partially closed the airport.

The diplomatic exchange came as stocks of food in warehouses in the capital were falling to a precarious level, with government officials estimating supplies will reach the critical level within two weeks.

No rice has reached Phnom Penh since Christmas Eve, when the last civilian supply convoy up the Mekong reached the capital. Two convoys have since attempted to make it up the river but only some ammunition barges have run the gauntlet of intense rebel gunfire.

American planes, piloted by civilians, already are flying about 10 loads of ammunition to Phnom Penh daily, and American officials have said they are considering an airlift to resupply the city.

At least 30 flights of C130 Hercules transport planes a day would be required to provide enough rice for Phnom Penh to exist.

74 trade deficit second only to 72's

by Leonard Curry
United Press International

WASHINGTON - High-priced foreign oil forced a \$3.1 billion world trade deficit in 1974 that was the United States' second worst showing in this century, Commerce Department data showed Monday.

Commerce Secretary Frederick B. Dent said there would have been a \$14 billion trade surplus without the burden of triple petroleum import costs.

The nation paid an increase of \$16.8 billion to import 79 million fewer barrels of petroleum than it did in 1973. A nation suffers a trade deficit when the value of its import exceeds the value of its exports.

In 1974, the Commerce Department reported, higher oil prices wiped out the

benefits of export increases of \$9.4 billion for machinery and \$2.1 billion for food.

Total exports were valued at \$97.9 billion compared with \$70.8 billion 1973. The 38 per cent gain in the value of exports was exceeded by a 45 per cent surge in imports form \$69.5 billion to \$101 billion.

The 1974 trade deficit of \$3.1 billion was second only to the 1972 deficit of \$6.4 billion for this century, a Commerce spokesman said. The 1974 deficit was also the third in

four years.

Trade weakness in 1971 and 1972 led to dollar devaluations that made U.S. goods, including food, cheaper for the rest of the world to buy and conversely more expensive for Americans.

But the devalued dollar turned the trade deficit into a \$1.3 billion surplus in 1973 which should have meant good times for

Americans in 1974. The unexpected and unprecedented surge in petroleum prices from \$7.8 billion to \$24.6 billion wiped out the gains made through the dollar devaluations.

The balance of trade for December was \$606 million deficit, largely because of declining exports of coal, wheat, soybeans, computers and power generating machinery.

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Sugar prices to drop

United Press International

In short supply and at record prices only two months ago, sugar suddenly is bloating warehouses and backing up shipping in harbors, and industry spokesmen said Monday prices in supermarkets will decline—at least temporarily.

"We're dealing with a magnitude of change many times greater than any time in the past," said Saul Kolodny, director of economic research for Amstar, the nation's largest sugar refiner.

But the oversupply may be only temporary. A Department of Agriculture

estimate indicates that world sugar production for 1974-75 would fall 100,000 tons short of demand. But for now, sugar is piling up in warehouses faster than it can be sold.

The glut of sugar on the market comes only two months after sugar prices soared to as high as 90 cents a pound in mid-November, creating a consumer outcry and, in some areas, boycotts.

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THE CAT IN HAT
Illustration of a cat.

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THE OLD WAFFLE SHOP
NEW HOURS
Monday—Tuesday
7 a.m.—4 p.m.
Wednesday—Thurs
7 a.m.—1 a.m.
Friday—Saturday
Sunday
9 a.m.—10 p.m.
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Plaza 1 2:30 4:45
7:00 9:15
WINNER OF 8 ACADEMY AWARDS!!
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Plaza 2 3:00
5:10
7:20
Alan Arkin
James Caan
Freebie and the Bean

Plaza 3 3:10 5:10
7:10 9:05
BURT REYNOLDS
IN "WHITE LIGHTNING"

ECONOMY PROBLEMS — YES SOLUTIONS — ?
A Panel Discussion on the Current Economic Crisis
Tuesday, January 28 213-215
8:00 p.m. Union

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