

# News Summary and Index

WEDNESDAY, JANUARY 15, 1975

## WTimes The Major Events of the Day JAN 15 1975

### The Economy

President Ford's new economic program includes a \$16.5-billion reduction in individual tax rates in 1975, in addition to the \$12-billion rebate of 1974 taxes announced Monday night, the White House disclosed. The rate reductions would heavily favor those in the lowest tax brackets, unlike the rebate, which would give the same percentage tax reduction to all with incomes under \$40,000. [Page 1, Columns 6-8.]

Business and financial leaders, as well as economists and labor leaders, gave the President's economic program a lukewarm reception. Some applauded—especially those in the auto industry—but others saw the pump-priming as inflationary and said they were worried about large Federal deficits. Some utility and petrochemical industry officials reacted harshly to the energy program, as did real estate owners and developers. [1:6-7.]

The White House said President Ford would ask Congress today to put a tax of \$2 a barrel on all domestic crude oil and a comparable levy on all natural gas. As a result, prices of all petroleum products would go up, but by varying amounts. Gasoline prices might climb by 10 to 15 cents a gallon. There had been speculation earlier that the proposed tax on domestic oil would be \$3 a barrel. [1:6-8.]

Governor Carey said President Ford's plan to use part of a higher crude-oil tariff to provide more Federal assistance to local and state governments might "ward off" cuts in state aid to localities. He had proposed such cuts in his State of the State message. But he warned that the oil tariffs proposed by the President would mean higher utility costs for consumers. [1:6.]

### International

The State Department said that the United States was free to breach the Vietnam cease-fire agreement because the North Vietnamese had violated them. In response to requests for confirmation that the United States had resumed reconnaissance flights over North Vietnam, the department spokesman said that international law permitted one party to breach an accord if the other side had already done so. Defense Secretary Schlesinger virtually acknowledged the flights had been resumed. [1:2-3.]

Secretary of State Kissinger announced that the Soviet Union and the United States

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### National

The 94th Congress convened with bipartisan promises of cooperation. Mike Mansfield of Montana, in his 15th year as Senate Democratic leader, urged a spirit of cooperation and unity with the Republican Congressional minority and the President. Carl Albert of Oklahoma, re-elected Speaker of the House of Representatives, urged that majority and minority unite "whenever and wherever we can." [1:5.]

In a secret vote, apparently along ideological lines, Senate Republicans rejected the leadership bid of Senator Jacob K. Javits, a New York liberal, and chose Carl T. Curtis, a Nebraska conservative, as chairman of the Senate Republican Conference. The vote was 23-14. [1:4.]

### Metropolitan

A Federal grand jury in Newark indicted the former president of the New Jersey Nursing Home Association for filing false Medicare claims from 1968 to 1971 for a home he owns. Donald E. Ross, who runs the Inglemoor Nursing Home in Livingston, N.J., was charged with claiming \$980,306 for it. The prosecutor said the \$810,000 he eventually received was too high. Mr. Ross denied falsifying Medicare claims. [1:2-3.]

Governor Byrne told the New Jersey Legislature in his first message that it would have to approve new taxes to bridge a budget deficit that one official said would be about \$600-million. This would be in addition to new taxes required for a new system of financing public schools, estimated to cost at least \$300-million. [1:2-4.]

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## Quotation of the Day

"I'm too old to be disappointed. That's the will of the conference."—Senator Jacob K. Javits, after losing the contest for a chairmanship. [1:4.]

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## CORRECTIONS

A report by United Press International in The New York Times yesterday incorrectly stated the earnings of the First National Boston Corporation and the bank holding company's net loan losses. First National Boston's per-share earnings for the fourth quarter of 1974 fell to \$1.01 from \$1.22 in 1973 and for the full year rose to \$4.60 from \$4.28. Net loan losses for 1974 fell to \$25.1-million from \$29.6-million for 1973.

An attorney for John W. Dean 3d denies that his motion to reduce Mr. Dean's jail sentence was filed after the deadline specified for such action, as reported in The Times on Jan. 8. An explanatory article appears on Page 20.