

Housing bill clears despite debate

WASHINGTON (UPI) — Seeking to bolster the ailing housing industry, the House Ways and Means Committee cleared yesterday legislation to exempt the first \$500 of savings account interest from taxation.

The action sparked heated debate about whether it would primarily help well-to-do individuals, and whether it actually would accomplish its stated purpose of helping the home-building housing industry.

The Treasury Department strongly opposed the bill, as

did the AFL-CIO and committee liberals. Rep. Herman T. Schneebeli, R-Pa., ranking committee Republican, said following the 15-6 vote that President Ford would have no similar recommendation in his inflation-fighting plan.

A Treasury Department spokesman said the bill would reduce federal tax revenues by more than \$1.8 billion a year while increasing available mortgage money only \$3.5 billion on a one-time basis, and "we don't think that is good economics."

But Rep. Donald Brozman, R-Colo., who sponsored the bill, said it actually would raise treasury revenue by increasing activity and employment in the housing industry.

The bill would exempt from taxation the first \$500 — \$1,000 on a joint return — of interest earned on savings accounts in savings and loan institutions, commercial banks, credit unions and mutual savings banks.

A similar proposal was

earlier defeated by the committee, but the committee reversed itself after chairman Wilbur Mills swung his support to it.

Approval came during a sometimes boisterous committee session which saw the committee approve the bill, vote to reconsider it and then reverse its vote to reconsider. Some members of the committee privately called the legislation the "re-elect Brozman bill," and suggested it would never come up for House debate.

The AFL-CIO said in a statement released shortly after the vote that the bill would be mainly a break for high-income families with large savings and high tax brackets.

"Not only will it (the bill) not ensure any more funds for mortgage loans, but it will drive up interest rates and cost the federal treasury up to \$2 billion in lost revenue, most of it going to the wealthy in the form of a new tax shelter," the AFL-CIO said.

Administration reform efforts lauded Shapp attacks panel's motives

HARRISBURG (AP) — Gov. Shapp completed a three-day stand before a House investigative committee yesterday with praise for his administration's efforts at reform and another attack on the panel's motives.

"I have spent three days here reviewing everything they had," Shapp told reporters after the hearing. "It's another example of the openness that has been brought to government in Pennsylvania over the past four years ..."

"I don't think there's any question that these hearings have been the main thrust of the Republican campaign in 1974."

Republican committee aides handed Shapp's interrogation the first two days, asking him to explain his firing of a state cabinet member, his political financing in 1970 and his view of alleged political kickbacks in county highway offices.

On Tuesday, the questioning came mostly from Democrats, who allowed Shapp to use the proceedings for a recital of his attempts at government and political reform in the past four years.

Shapp cited his actions in 1971 to require financial disclosures from top state officials and to curtail the forcing of political contributions from state employees.

He praised his system for "merit selection" of judges based on recommendations of lawyers and pointed to creation this year of a Board of Ethics to consider conflict of interest questions faced by government employees.

"This administration is not just by words but by action moving to correct the abuses of the past,"

Shapp said.

Republican committee members briefly questioned Shapp about his sale of a Williamsport cable television company in 1971 and his views on several controversial leases for Harrisburg office space.

The cable television company was sold by Shapp at a profit of about \$2 million, after he and his partners had won a 25-year franchise from the Williamsport City Council. Two council members later received state jobs.

Shapp testified that the franchise was unimportant, and that the state jobs had nothing to do with the council's action.

"There is absolutely no truth ... to charges that anyone at any time was granted any favors by the state in return for a vote," Shapp said.

He said the cable company was sold for somewhat less than it might have been worth, because he was anxious to avoid any conflicts of interest as governor.

Rep. James Ustynoski, R-Luzerne, brought up the leases issue. He said the state could have purchased the two Harrisburg office buildings and done the necessary renovations for about \$5.8 million. The state's 10-year leases call for \$8.3 million in rent.

Shapp agreed that the buildings probably should have been purchased instead of leased. But he noted that his administration's efforts to buy another Harrisburg building had been stymied by House Republicans.

The House committee, controlled by Republicans, was established last year to investigate state contract practices.

Democrats have maintained persistently that its real purpose is to provide issues for the Republican gubernatorial candidate, Drew Lewis.

Shapp asked to testify after Republicans began alleging that the Democratic party was benefiting from political contributions by contractors and other persons doing business with or regulated by the state.

In previous testimony, he acknowledged that such persons were traditional sources of political funding, but for Republicans as well as Democrats.

Shapp said he knew of no instances where a person's decision to contribute or not contribute influenced the awarding of state contracts.

The committee chairman, Rep. Patrick Gleason, R-Cambria, said the panel will continue its investigation of a post-election fund raising drive to reduce the debts of Shapp's 1970 campaign.

James Craig, an accountant involved in the fund raising effort, is scheduled to testify Friday, Gleason said.

After that, the committee will resume its look into county highway operations, beginning in Greene County, Gleason said.

He left the door open to recalling Shapp if future developments warrant.

But Shapp said he doesn't plan to appear again. "I've answered every question they had," he said. "I am not going to get caught in the same trap Republicans caught me in in 1966."

A Republican law suit challenging Shapp's primary election spending, later dismissed, tied him up in court for six weeks during his 1966 campaign, Shapp said.

WORSHIP TONIGHT

Liturgy of Reconciliation
with Modern Dance Interpretation
of Bernstein's Mass

10:00 p.m. (Grace Lutheran Church
corner Beaver & Garner)

sponsored by Lutheran Student Parish

Heath ignored as campaign nears end

LONDON (UPI) — Britain yesterday entered the final 48 hours of the campaign for tomorrow's election with Conservative Edward Heath urging a "government of national unity" and both other major party leaders giving him the brushoff.

Heath said at his daily campaign news conference that if he wins he will summon other party leaders Saturday to "start the process of hammering out a common policy" for Britain's economic troubles.

Chief of the governing Labor party, dismissed Heath's pledge as "a gimmick — a tactic to get votes."

Liberal party chief Jeremy Thorpe said, "I consider a coalition government is unlikely in the extreme."

He said he doubted his third-

ranking party would join either the Conservatives or Labor in a coalition. He said the Liberals probably would remain technically in opposition, but would hold talks with whoever heads Britain's next government to see whether agreement is possible on a generally acceptable program.

From Herman the survivor boot in two styles, rated to -20°F...

Construction features include a storm welt, Vibram Sole, and lined, sewed in tongue...

the Colorado, from Fabiano... a heavy weight mountain shoe

From Vasque the Whitney II, a heavy weight mountain shoe in pougout waxed leather...

With padded tongue, storm welt, and hinged heel

for women, an insulated boot from Lincoln, \$19.95. Other 8" boots for women from \$20 to the waterproof, insulated Dunham at \$50

From Fabiano... a middle weight hiking shoe - waxed pougout full-grain leather, storm welt, & overlapping tongue...

the Pathfinder
 137 E. Beaver
 OPEN 10 to 5:30
 Monday thru Saturday
 6:30 to 9
 Monday, Wednesday, & Friday evenings

Concert canceled

Saturday night's Homecoming '74 concert has been canceled.

The cost of tickets will be refunded Friday and Monday at the HUB desk.

East Halls social chairman Al Vicere said Forest Green, one of the three scheduled groups, canceled yesterday.

Vicere said Sunday Drive, a local group scheduled for the concert, would be asked to cancel.

Vicere said Gravel, the third group, would still perform 8 p.m. Saturday, probably in the HUB ballroom. Tickets will be sold at the door.

The Corner Lounge and The Allen Room

Fine Dining

Excellent Cocktails

Entertainment Nightly

THE COLLEGE OF HUMAN DEVELOPMENT PRESENTS THE SECOND ANNUAL

ALUMNI RECOGNITION WEEKEND

Program Theme
"Convergence of Administration of Justice and Human Services"

Thursday, October 10

8:00 p.m. Convocation S-209

Friday, October 11

9:00 a.m. Student-Faculty Coffee Hour Living Center

9:30 a.m. The Classroom — The Community Dialogue — Thom is McKemey Living Center

1:30 p.m. "Human Services — How We Found It" Living Center

Panel Discussion Moderator — Thomas McKemey Student Participants — Kay Lynn Schneider, Bio. Health Health Delivery Service Potomac Community Hospital William Stranch, Com. Dev. National Center for Voluntary Action Elva Malone, I.F.S. Pennsylvania Juvenile Justice Program Kathy Krinks, MER RCA Keystone Job Corporation for Women

3:00 p.m. Socializing Together Living Center. Saturday, October 12

8:15 p.m. Alumni Coffee Hour Living Center

8:45 a.m. College of Human Development Alumni Board Meeting Room - 7

9:00-10:00 a.m. Tours of the Human Development Bldg. Meet in Foyer of Living Center Student Advisers of College of Human Development

Everyone Welcome