

House committee approves \$20.1 billion tax cut bill

WASHINGTON (UPI) — The House Ways and Means Committee completed its action on a \$20.1 billion tax cut bill yesterday that would provide cash refunds of up to \$200 for all who paid 1974 income taxes and a cut in withholding taxes for everyone later this year.

The anti-recession measure, pushed through the committee in just four days, was approved 28-5. Action by the full House was expected within several days of its return Feb. 18 from a 10-day recess.

Besides granting \$8 billion in 1974 tax refunds and payments to individuals, and another \$8.3 billion in withholding tax relief to individuals the last half of this year, the bill would provide \$3.8 billion in tax incentives and assistance for business expansion.

But committee members turned down

a proposal for a \$1 billion tax break to help rescue financially ailing American business giants that included the Chrysler Corp., and put a \$100 million ceiling on investment tax credits for the American Telephone and Telegraph Co.

Some 62 per cent of the rebate would go to those making less than \$15,000 while about 15 per cent would go to those making more than \$20,000. The average family of four would receive a rebate of \$100 at \$10,000 of income, \$126 at \$12,500 of income, \$170 at \$15,000 and \$200 at \$20,000.

All told the bill's \$20.1 billion price tag was \$4.1 billion above President Ford's recommendations, all of it in increased tax relief to individuals. Ford also had proposed tax cuts on 1975 individual income but as a part of his energy conservation package rather than his

economic recovery program.

Reshaping Ford's proposals to emphasize tax relief for low and middle income groups, the committee for the first time incorporated in legislation a so-called negative income tax provision, cash payments from the government for persons too poor to have owed any income tax for 1974.

The minimum standard deduction, now \$1,300 for a single return, would be raised to \$1,900 for a single return and \$2,500 for a joint return. The standard deduction would be calculated at 16 per cent of adjusted gross income rather than the 15 per cent it is now, with the maximum increasing from its present \$2,000 to \$2,500 on a single return and \$3,000 on a joint return.

However, anyone making more than \$30,000 could get no more than

\$90 to \$100. The final rebate figure will be calculated later to remain within a committee-imposed limit of \$8 billion.

The rebate would work this way: Every family or single taxpayer would get back 10 per cent of the taxes he paid in 1974 up to a maximum of \$200. Those who paid less than \$100 in taxes would get back the full tax they paid.

The maximum would begin shrinking when income reached \$20,000, phasing down to the maximum \$90 to \$100 at \$30,000 of income.

A form of negative income tax for the working poor was approved earlier by the committee. This provision would grant a payment of five per cent of earned income to anyone making \$4,000 or less even if they paid no taxes. This credit would phase out as income went above \$4,000 one making more than \$6,000.

Funding cut may increase tuition

By JANICE SELINGER
Collegian Staff Writer

Penn State might be forced to raise tuition if the 1975-76 budget recommended by the State Board of Higher Education is accepted by Gov. Shapp.

The board's recommendation is about \$8.8 million less than what the University is now requesting.

Penn State originally requested \$111.6 million, but now is asking for \$114.5 million because of \$2.9 million needed to cover retirement costs.

The State Board's recommendation of about \$105.8 million was based on the \$111.6 million figure, said Russell Evans, executive secretary of the board. This is because the board's recommendation was made in November and the new budget request was just announced at the January trustee meeting, University President John W. Oswald said.

Oswald said the Board's recommendation is lower than what Penn State requested because there is a built-in

anticipated tuition increase. According to Oswald, for four years the board has been pushing to make tuition at Penn State, Temple University and University of Pittsburgh tuitions \$1,000.

Oswald said he originally wanted to raise tuition gradually in order to eventually reach the \$1,000 figure. However, due to the state of the economy right now, Oswald said he would like tuition to remain where it is at \$960.

Oswald said speculations on whether we will have a tuition increase will have to wait until the governor presents his budget to the state legislature.

The board's figure is only a recommendation, Oswald said. The real budget comes from the governor's budget, which probably will be submitted to the legislature March 1, Oswald said.

Oswald said he cannot promise that there won't be a tuition increase, but he said he hopes it won't be necessary. He also said he hopes the governor's budget

will include the funds to cover the added \$2.9 million retirement costs.

T. Reed Ferguson, Penn State's legislative liaison in Harrisburg, said he has not heard any discussion on campus concerning a tuition increase, but he said he hears a lot about it in Harrisburg. According to Ferguson, those in Harrisburg feel Penn State's tuition should be increased to be more in line with private institutions in the state.

Ferguson said he is optimistic that the governor will give Penn State enough money so that a tuition increase will not be necessary.

Chalmers G. Norris, budget officer for Penn State, said it is too early to predict if there will be a tuition increase.

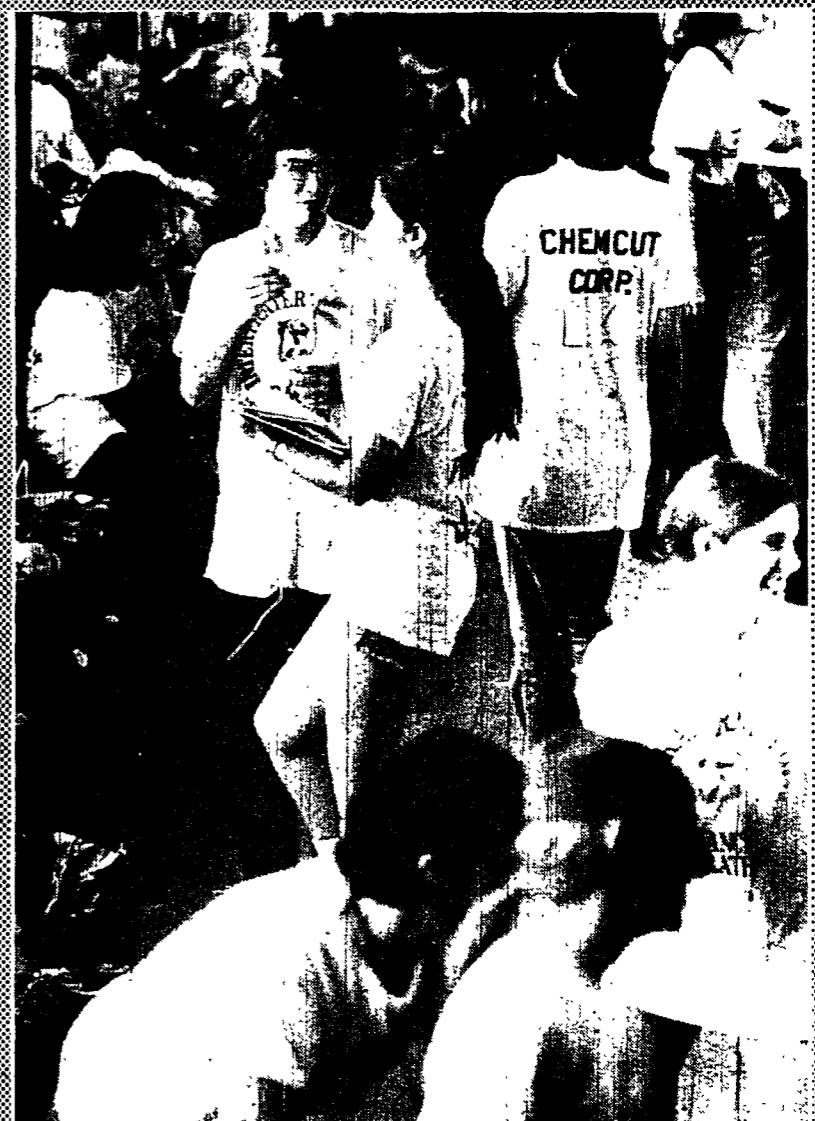
"It all depends on whether we can save physical plant cost, but we will try every means to avoid it," Norris said.

Once the governor's recommendation budget is submitted to the legislature, budget hearings are held where requests and appropriations are discussed, said

Paul Muench, executive director of the State Senate Appropriations Committee. At this time, Penn State and other state university representatives are asked to appear before both Houses of the legislature to defend what they specifically requested and relate to what the governor recommended, Oswald said.

Going before the legislature is often an effective way of getting extra money appropriated. For example, two years ago the governor did not want any increase in Penn State's budget, but by appearing before the board Penn State was able to get a 6 per cent increase, said Neil McAuliffe, administrative assistant to Senator Joseph Ammerman.

The figure recommended by the board for all Pennsylvania colleges and universities is 12 per cent higher than last year, Evans said. Yet this 12 per cent is still less than what all the universities requested, Evans added.



Time for a breather

DANCERS TAKE A BREATHER in last year's IFC dance marathon. An annual event, the marathon raises money for charity. This year's charity is the Easter Seal Society. The dance is this weekend.

Dance marathon to raise money for Easter Seals

More than 30 couples will dance the weekend away in the HUB Ballroom for the benefit of the Easter Seal Society and their own pockets.

The Interfraternity Council's third annual Dance Marathon begins at 7 tonight and will continue until Sunday night.

Last year the marathon raised more than \$10,000 for the Central Pennsylvania Chapter of the American Heart Association. According to Steve Siegal, IFC public relations chairman, this year they hope to raise more than \$15,000.

Each couple pays a \$20 entry fee. The fee can be paid by the couple or by sponsoring dormitories, fraternities, sororities or area merchants.

If the couple is sponsored by an area merchant, the sponsor's name must be imprinted on the T-shirt. The couples will dance to 48 hours of continuous live music provided by 21 area bands. Judging will be done by two members of the Easter Seal Society.

Merchandise prizes have been

donated by State College and Nittany Mall merchants. These prizes will be raffled off by lottery during the marathon.

There are two categories for prizes. The first, "Time and Money," is judged on the number of net points received by a couple. Net points are determined by the amount of money donated in each of the couple's names, each dollar being worth one point, minus the points subtracted for breaks and failure to dance.

Five points are deducted for each break. Dancing penalties will be determined by the judges. First prize in this category is \$500, second is \$300 and third is \$100.

The second category, "Time," is judged solely on time danced and does not include points for donations. First prize is \$300, second is \$200 and third is \$100.

In case of a tie, the judges will select the winners on the basis of their dancing ability throughout the marathon.

8.5% unemployment peak seen

WASHINGTON (UPI)—President Ford's chief economist predicted yesterday that unemployment would reach a peak of about 8.5 per cent this year before beginning a slow descent.

Chairman Alan Greenspan of the Council of Economic Advisers said there is nothing the government can do to get unemployment down from around an average of 8 per cent in 1975 and 1976 without creating an unacceptable and dangerous inflationary impact.

Even if the planned fiscal 1976 deficit of \$52 billion were nearly doubled, to \$100

billion, the extra economic stimulation would not pull the unemployment rate down to an average of 5.5 per cent by 1976, he said.

Greenspan sat at a table on the stage of a Senate auditorium for three hours, answering questions from Congress' Joint Economic Committee about his grim forecasts for two years of high unemployment and high inflation.

The January unemployment rate is to be announced by the Bureau of Labor Statistics this morning. It is expected to be significantly higher than the December rate, which was reported at 7.1 per cent but, in a recomputation, Greenspan reported, actually turns out to be 7.2 per cent.

Every percentage point increase amounts to about 900,000 more idled workers.

Greenspan heard expressions of anguish about the prospective high unemployment rate. Rep. Margaret M. Heckler, D-Mass., said the idea was "frightening."

"If you're talking about eight per cent in this country, I dread to think what you're talking about in Massachusetts," she said. "The bad news is unendurable."

Greenspan said the administration would not hesitate to alter its policies if change seems necessary.

"In the judgment of the President, these are the policies that for the moment make sense," he said. But they are not "frozen unalterably," he said.

On the other hand, Greenspan said, it could turn out that the administration is pessimistic. He said the private economy contains remarkable

"recuperative elements."

But Greenspan stressed his view that the worst conceivable course would be a policy concentrating so singly on getting unemployment rates down in the short term that the long-term inflationary consequences are ignored.

"There's something plain wrong in our policies to have to accept eight per cent unemployment for two years," complained Sen. William Proxmire, D-Wis.

No, said Greenspan. What was "plain wrong," he said, were past government spending policies that ignored the "inflationary bias" they created in the economy. He said he abhors unemployment, too.

"I can assure you senator," he told Proxmire, "I do not enjoy looking at the numbers any more than you do."

Pornography sales low in State College

By DAVID KASZYCKI
Collegian Staff Writer

Smut is no longer a big thing, at least according to those who sell it in State College.

The pornography boom brought on by Liberal Supreme Court decisions several years ago has leveled off and begun to wane.

"Local young people are not buying pornography," said Richard T. Flebotte, owner of Progressive News, the magazine and book distributor for central Pennsylvania.

Progressive News discontinued its line of hard-core sex books last year because of poor sales.

"The trend is away from cheap skin magazines. Nugget, Dude, etc. are all dying because the market is saturated," Flebotte said.

And Cathy Bell of Nittany News on W. College Avenue said, "Kids seem to be singularly more interested in mysticism and drugs than sex."

The skin magazine market, according to Flebotte, is dominated by Playboy and Penthouse, which control 90 per cent.

While national sales of these magazines are about even, Flebotte said Penthouse outsells Playboy 4,000 to 3,500 in State College.

Other skin magazines include Playgirl and Viva, aimed at women, and After Dark, favored by gays. Bell said she does not really consider those magazines pornographic.

"It's hard to believe it but (17 years ago when Nittany News opened) the idea of women selling Playboy was scandalous. There were letters to the editor, church groups complained, etc.," Bell said.

Complaints these days are few, usually over a Penthouse displayed in the window," Bell said.

Playboy and Penthouse can be bought in more than a dozen places in town and on campus. While Graham's on S. Allen Street offers the greatest variety of skin magazines (nearly 30), others can be found in dairy stores such as Kaye's Korner and Bootes or fast-service stores like Ma-Jik Market.

While X-rated movies are shown in the area and individuals rent stag films to fraternities and other groups, State College does not have the clientele to support an adult bookstore, Flebotte said.

The closest adult bookstore is 30 miles away in Mill Hall.

Until it was mysteriously destroyed recently, an adult bookstore operated in Cresson.

Bell said the large market that deals with sexuality is displayed in a variety of ways. She classified sexually explicit literature into four distinct categories.

A first category is the plain "medium-core" books blatantly meant to arouse prurient interests. These books sold at Nittany News and Graham's, with standard titles like "Pale Throat" and plots just as standard, are bought almost exclusively by older, married town men, Bell said.

The manager of Graham's reports that owner Fred Hurvitz had planned to drop the "dirty books" but a recent shipment has been "selling like hotcakes."

Popular porn such as "The Happy Hooker," "The Sensuous Couple" and "Inside Linda Lovelace" falls into Bell's second category. These books, including many of the current best-selling books, are sold at every bookstore as well as groceries and other stores.

Harry Weitzel of the University Book Store on campus reports that the pop sexual advice book "Joy of Sex" is now his biggest seller, even bigger than "Centennial" and "Gulag Archipelago."

Another category includes classics such as Henry Miller's "Tropic of Cancer" and "Anango Rango," an old Asian treatise on the art of love-making. These books, although censored in the past, are now recognized as fine literatures in their own rights.

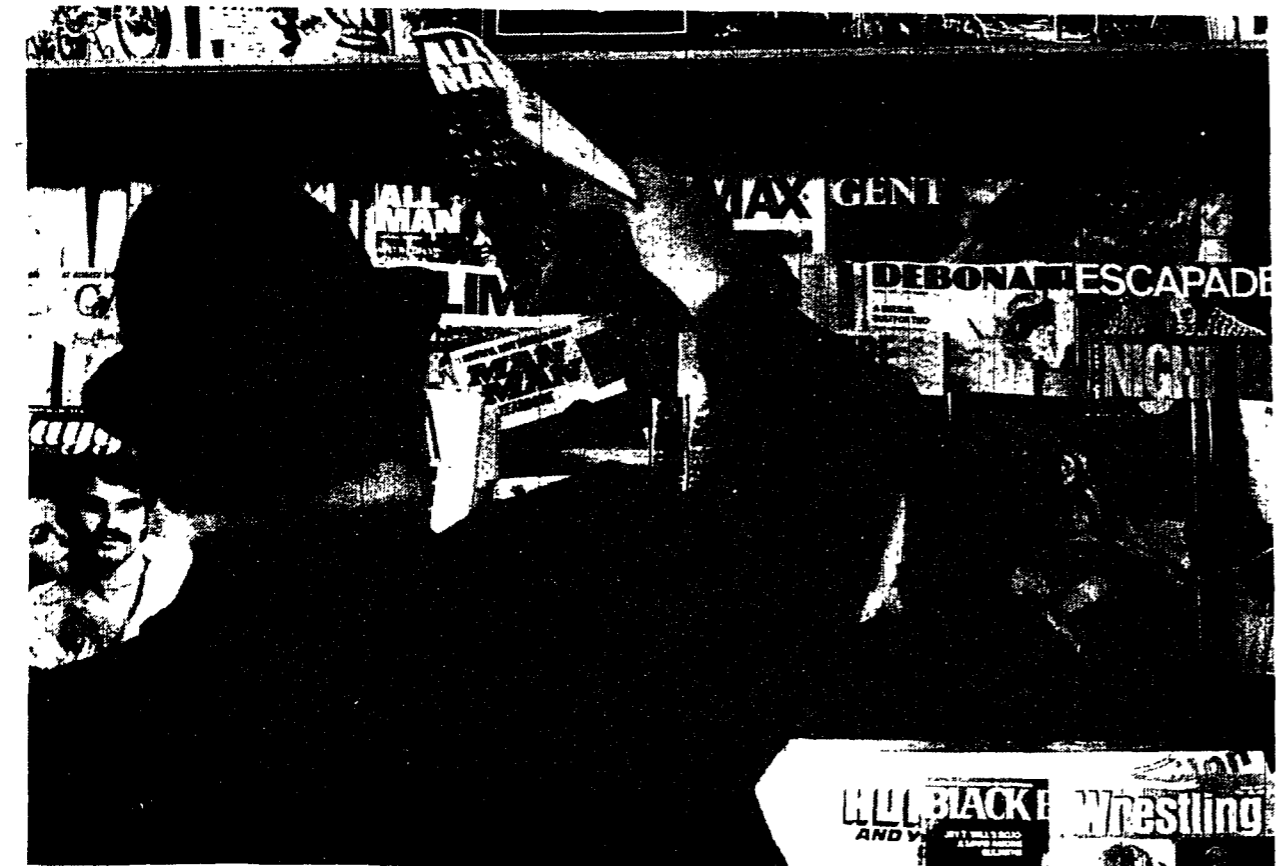
The classics can be found in the three textbook-selling bookstores as well as Nittany News.

A subcategory of classics are the hardback art books dealing with eroticism, sold for up to \$35 at the textbook stores.

A final category is the "head" porn found in underground comics sold at headshops. While some comics were described as "garbage" by Dave Talmus, owner of the Lazy J, on E. College Avenue, others are recognized as "excellent art, outrageously funny."

Bell said "head" cartoonists such as R. Crumb and Gilbert Sheldon are recognized as artistic geniuses.

"Those over 30 might find it totally repulsive...but I don't consider anything but violence pornography. Anything that's natural is not obscene," Talmus said.



Just a peek

THIS GENTLEMAN PICKS up a pornographic magazine but decides he'd better not buy. According to local magazine vendors, sales of pornographic material are falling off.

Photo by Jim Caprio