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TEN CENTS

Nixon's Chief Economic Aide Sees 'Less Severe' Controls

WASHINGTON (AP)—A top presidential adviser told Congress Monday the end of the present 90-day wage-price freeze will likely be followed by a "less severe" program retaining legal "clout."

Paul W. McCracken, chairman of the Council of Economic Advisers, said organized labor will be included in "rather formal" negotiations before the second phase of President Nixon's new economic policy is formulated.

Secretary of Labor James D. Hodgson said Sunday that organized labor and consumers will be among those consulted before Phase II begins, and he suggested that controls on corporate profits would be controlled by the administration.

McCracken told Congress' Joint Economic Committee that none of the plans for the period following the freeze has been set in concrete and that all actions—from the "outer limits" of doing

nothing or continuing the freeze itself—remain open.

He told Chairman William Proxmire, D-Wis., that while it is too early to anticipate what the new program will be the prime objective is clear enough.

"It is to achieve a long enough period of a reasonably stable level of prices and costs per unit of output to create a new confidence in the purchasing power of our dollars, at the same time enabling the pricing system to resume its basic function as the sensitive and sophisticated communications network for the economy," he said.

Under questioning by Proxmire, McCracken said the program to emerge "will have to be pretty broad-based support from all elements of our society," including labor.

In a magazine interview published over the weekend, AFL-CIO President George Meany offered "under certain circumstances to sit on a board to ad-

minister the second phase of the President's economic plan, but he added that his 13.7 million-member organization would not be "bulldozed" into participation without consultation.

Washington sources now report that President Nixon's new economic program may lead to one of the biggest tax cuts in a decade.

The administration's proposals are more heavily weighted toward business tax relief, but it is taken for granted now that Congress, if it goes along with the plan, will enlarge the relief for individuals, and quite likely broaden the business cuts too.

The new seven-page proposals advanced by the President add up to a \$7.5 billion tax reduction over a full year.

If the various modifications already being discussed by various congressmen come to pass, the figure could balloon to \$18.5 billion.

By way of comparison, the 1964 tax re-

duction pushed by Presidents Kennedy and Lyndon B. Johnson speeded an economy then, as no stagnation amounted to \$1 the first year.

The 1969 Tax Reform Act, so many of which are still coming in stages, is expected to yield billion in tax relief next year.

Here are some elements of the tax situation, and some of the ties:

Nixon has proposed restoration of investment credit, speedup of provisions, increasing the pe come tax exemption and the stiduction, and elimination of the hile excise tax.

Chairman Wilbur D. Mills says he expects the House-

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Policeman Is Slain in Frisco Station

FRANCISCO (AP)—A man with gun burst into a police station late Monday night and sprayed the front desk with bullets, killing the desk sergeant and wounding a woman clerk, police said early Monday they had no

mediately after the shooting at the side station in the southwest part of the city, police officials ordered armed officers to guard the eight other police stations.

A gunman stuck a 12-gauge shotgun through a hole in a bulletproof partition at the desk and fired, police said. Sgt. John V. Young, 45, hit in the chest, died minutes later at the sta-

A total of 18 shots was fired in the lobby, supporting detectives' suspicion that at least two men made the attack.

Police Chief Alfred Nelder launched an immediate dragnet.

Police said a five-foot cut had been made in a chain-link fence which separates the station from the California-280 freeway. They said the gunman or gunmen apparently entered and left through this cut and then sped off in a waiting car.

They found shotgun shells and skid marks on the freeway.

"It's senseless," Ellis said. "There's no other motive. It seems like it's all part of this San Quentin killing, the bombings, the bombings at Stonewall tonight."

Bank Branch Bombed

Less than an hour earlier, a Bank of America branch a mile northwest of the police station was bombed. The explosive punched a 12-inch by 4-inch hole in the building and broke several windows.

Powerful bombs heavily damaged State Department of Corrections offices in Sacramento and San Francisco on Saturday in a retaliation for what a radical Weatherman group in letters to news media called "the assassination of George Jackson."

Jackson, a black militant, was one of three convicts killed in a San Quentin prison escape attempt Aug. 21. Three prison guard also were killed in the attempt.

A third explosion Sunday wrecked a single-story State Department of rehabilitation office in San Jose.

in Net in Danger

blast also hit Elliot Lippsey, 36, who was struck in the left arm but not in serious condition, doctors

said. One of two other officers in the station, said of the gun. "He hit me through the door and I was shot."

The gunman stepped back, knifed the desk sergeant, and pumped several rounds of buckshot into the desk and a metal door which leads to the station's inner office.

Investigators said they also found all signs of a struggle in the office leading them to believe another was involved and that there may be two gunmen.



SOUTH VIETNAMESE President Nguyen Van Thieu voted Sunday in the nationwide elections for lower house candidates of the National Assembly. He later told newsmen the October presidential election will be held as scheduled.

Thieu's Candidat Apparently Do W

SAIGON (AP)—Supporters of President Nguyen Van Thieu appeared Monday to be headed for a majority in South Vietnam's new lower house election, but it was unclear how big it would be.

Nearly one third of the members elected in the nationwide voting Sunday have no national reputation, and their political alignment is still unknown.

Official returns for 140 of the 199 seats gave Thieu supporters 54 and the opposition 32. Three independents were winners, but the other 47 were political unknowns. However, most of the 47 were from the Mekong Delta, where pro-Thieu candidates made their strongest showing.

Bunker Calls on Thieu

While Thieu's supporters did well in the delta and other provinces around Saigon, opposition deputies had the edge in the major cities, including Saigon, and in the northern provinces.

U.S. Ambassador Ellsworth Bunker called on Thieu late Monday and conferred for an hour and 10 minutes, presumably discussing the results of the lower house election and the forthcoming presidential election.

It was Bunker's seventh meeting with Thieu in the last two weeks to convey American anxiety over the fact that

Thieu is the sole active candidate for the Oct. 3 presidential election.

The U.S. was expected to a situation, but with strong misg Thieu plans to make a public

statement on his position in the presidential election after assessing the local results.

The number of house seats from 133 to 199 in this election government control has been a more areas in South Vietnam. candidates, 119 deputies were re-elected, about two-thirds of the seats in the last house.

In Saigon, seven of the 13 win opposition leaders, most of the seats of Gen. Duong Van "Big Cat" were backed by the government. An Quang Buddhist leader over half the seats in Da Nang and the surrounding northern

The North Vietnamese made nearly 100 attacks over and their heaviest activity in the last two weeks to disrupt the government's near-record turnout of 5,507,4 per cent — of the eligible population — said less than one per cent of

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State Family of 4 Dead in Air Crash

MARSHALL (AP)—An Ann Arbor family of four was found dead in the wreckage of a light plane Sunday afternoon, more than 24 hours after the aircraft crashed.

State Police said the victims were William McCool, 45, his wife, Sandy, and their two sons, Christopher, 10, and Robert, 8.

The plane apparently crashed shortly after takeoff in a cornfield about four miles from the airport.

The plane was reported missing Sunday and the wreckage was spotted by a Civil Air Patrol searcher about 4:30 p.m. Sunday.

Although the craft was demolished, it did not burn unless

Budget Timetable Pinches Solon

LANSING (AP)—Legislative leaders hope this week to finally wrap up the embattled state spending plan that for two months has set records for delay and increased cost.

But at the same time they have come up against a 30-day deadline Thursday for deciding if a tax reform question goes on this fall's ballot.

Budget settlement prospects are shrouded with ifs.

If Democrats and Republicans can resolve their basic, bitter disagreement over whether the total budget will be supported by revenues of more or less

was stalemated in the House for more than a month before it passed last week and moved to the Senate.

If leaders can ease the way for final passage of a \$4.45-billion state school aid bill, which so far has faced none of its usual stormy debate in the House.

If more legislators don't knot up questions like a \$37-million education Department bill that the House defeated last week, or how much to spend by a proposed, multi-million dollar drug abuse program and whom to give control of the money.

Another difficulty is that the approximately one dozen budget bills may have

ere can't duck, elections officials say they simply can't get anything ready for the ballot after that date.

Senate leaders said last week were mulling over ways to rewrite the House-passed tax proposal that has aroused the opposition of controlling Republicans, despite Milliken's reluctant endorsement.

The issue is the allowance engineered by House Democrats for a new, graduated state income tax along with provision for cutting back property taxes.

The state constitution now prohibits a graduated state income tax.

One Senate alternative includes ripping

That way, the rate would be for everybody, but it would be a different level of tax according to deductions. In effect, a flat tax on a graduated base.

The legislature would be in on details in an election year. Other informal Senate revision discussion included removing proposal for a maximum 2.5 value-added tax (VAT) on busi-

ness was intended to recover the \$500 million exemption that would get from the roughly \$700 million property tax reduction in the constitutional amendment.

Milliken, who proposed the



—AP Wirephoto

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Official returns for 140 of the 159 seats gave Thieu supporters 58 and the opposition 32. Three independents were winners, but the other 47 were political unknowns. However, most of the 47 were from the Mekong Delta, where pro-Thieu candidates made their strongest showing.

Bunker Calls on Thieu

While Thieu's supporters did well in the delta and other provinces around Saigon, opposition deputies had the edge in the major cities, including Saigon, and in the northern provinces.

U.S. Ambassador Ellsworth Bunker called on Thieu late Monday and conferred for an hour and 10 minutes, presumably discussing the results of the lower house election and the forthcoming presidential election.

It was Bunker's seventh meeting with Thieu in the last two weeks to convey American anxiety over the fact that

election after assessing the lower house results.

The number of house seats increased from 133 to 159 in this election because government control has been extended to more areas in South Vietnam. Among the candidates, 119 deputies were seeking re-election, about two-thirds of them supporters of Thieu. He had a majority of backers in the last house.

In Saigon, seven of the 13 winners were opposition leaders, most of them associates of Gen. Duong Van "Big" Minh. Candidates backed by the antigovernment An Quang Buddhist faction won well over half the seats in Da Nang, Hue and the surrounding northern provinces.

The North Vietnamese and Viet Cong made nearly 100 attacks over the weekend, their heaviest activity in four months, but failed to disrupt the elections. The government claimed a near-record turnout of 5,567,446 — 78.5 per cent — of the eligible voters, and said less than one per cent of the 7,000

(Continued on page 2-A, column 2)

Budget Timetable Pinches Solons

LANSING (AP) — Legislative leaders hope this week to finally wrap up the embattled state spending plan that for two months has set records for delay and increased cost.

But at the same time they have come up against a solid deadline: Thursday for deciding if a tax reform question goes on this fall's ballot.

Budget settlement prospects are studied with ifs.

—If Democrats and Republicans can resolve their basic, bitter disagreement over whether the total budget will be supported by revenues of more or less than \$1.05 billion.

Gov. William Milliken last week dropped a broad hint of vetoing major bills if lawmakers do not accept his projections and make cuts to conform.

If final compromise can be reached on a \$54.9 million welfare bill that

was stalemated in the House for more than a month before it passed last week and moved to the Senate.

—If leaders can ease the way for final passage of a \$1.05-billion state school aid bill, which so far has faced none of its usual stormy debate in the House.

—If more logjams don't knot up questions like a \$37-million education Department bill that the House defeated last week, or how much to spend on a proposed, multimillion dollar drug abuse program and whom to give control of the money.

Another difficulty is that the approximately one dozen budget bills may have to compete with several other lively issues for lawmakers' time and favor.

Two of the biggest include the tax reform question in the Senate and a \$29.6-million state-local revenue-sharing bill.

Thursday's deadline for deciding the tax reform question is one that lawmakers

can't duck; elections officials say they simply can't get anything ready for the ballot after that date.

Senate leaders said last week were mulling over ways to rewrite the House-passed tax proposal that has aroused the dogged opposition of controlling Republicans, despite Milliken's reluctant endorsement.

The issue is the allowance engineered by House Democrats for a new, graduated state income tax along with provision for cutting back property taxes.

The state constitution now prohibits a graduated state income tax.

One Senate alternative includes ripping up the graduated tax proposal and substituting a new "piggy-back" taxing authority.

Next July 1, the present state income tax structure would be substituted with a state tax computed as a percentage of the federal tax.

That way, the rate would be constant for everybody, but it would result in different level of tax according to income and deductions in effect a flat-rate tax on a graduated base.

The legislature would be left to work out details, in an election year.

Other informal Senate revisions under discussion included removing the House proposal for a maximum 2.5 per cent value-added tax (VAT) on business. That was intended to recover the more than \$500 million exemption that corporations would get from the roughly 50 per cent property tax reduction in the proposed constitutional amendment.

Milliken, who proposed the VAT concept earlier this year, has yet to formally present a detailed bill.

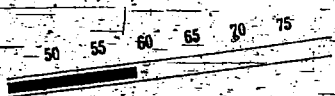
And some lawmakers argue that the concept, common in Europe, is too little known here to be attempted in the state's present, teeter-totter financial condition.

Good Evening

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Lake Michigan Water Temperature



Service 7 to midnite; Sat. 8 to 1. Wonderland Lodge, 440 29th SE., 452-2145. Adv.

Emergency State Meet Called On Indian Fishing Controversy

LANSING (AP) — State officials will hold an emergency meeting Tuesday in an effort to solve the controversy over Indian hunting and fishing rights in Michigan, according to State Rep. Michael Dively.

Dively, a Traverse City Republican, said he will offer a new administration proposal at the meeting. If approved, his plan would sharply curtail commercial fishing by Indians, but allow all Michigan Indians to continue taking game and fish for their own use.

Cuts Commercial Fishing

His proposal would allow all Indians to continue sports fishing and hunting, but eliminate all commercial Indian fishing outside of the Keweenaw Bay area until the Michigan Supreme Court clarifies its previous ruling on the Indian fishing question or the State Legislature

works out a law granting limited commercial fishing rights to Indians.

The court ruled April 5 that the Ojibwa tribe is exempt from state fish and game laws because a federal treaty in 1854 granted them unlimited hunting and fishing rights.

Lacking further legal interpretation, state officials have allowed Indians to hunt and fish all over Michigan, whether subject to the 1854 treaty or not.

Dively said he is proposing new state action because he is convinced that U.S. Indian treaties covering other tribes do not grant similar rights to Indians outside the Keweenaw Bay area.

Dively, who previously had been a champion of unlimited Indian hunting and fishing rights, said he was trying to avoid what he fears is a crisis in the state.

"It may be a sellout of the Indians,"

he said in an interview Sunday. "I hope it isn't."

"Once this thing gets in court," he added, "I'm convinced the Indians are going to lose."

Representatives of the State Department of Natural Resources (DNR), the governor's office, the attorney general's office and the state Indian Affairs Commission will be at the meeting, Dively said.

The DNR has warned that unlimited fishing by Indians could critically deplete the state's supply of game fish.

Atty. Gen. Frank Kelley said his office could not issue an opinion because the whole issue is tied up in a court suit.

That suit, brought by the Michigan United Conservation Clubs in an effort to block Indian commercial fishing, is now in Ottawa County Circuit Court at Grand Haven.