

Ford seeks cut in size, scope of Highway Trust Fund

By JAY PERKINS

WASHINGTON (AP) - President Ford proposed Monday that the nineyear-old Highway Trust Fund be cut back in size and authority and that its revenues be used exclusively to finish and maintain the nation's interstate highway system.

He also proposed that one cent of the nues. current four-cent per gallon federal tax on gasoline be repealed in states that agree to raise their state gasoline taxes by one cent per gallon — a maneuver

designed to give states a new source of revenue without increasing the over-all tax on gasoline.

The administration proposal would sever all links between trust fund revenues and non-interstate highways. All non-interstate projects would be funded directly from general treasury reve-

The proposal is sure to face a tough battle in Congress from highway advocates, who have long resisted any effort to "bust the trust" or to sever the links

between trust fund revenues and the highway program.

Advocates contend the trust fund principle — that users of a system be taxed to pay for the cost of building and maintaining that system — is the fairest form of taxation because only those who benefit pay any fee.

They have waged several successful battles in recent years against those who would open the trust fund revenues for mass transit and other nonhighway projects. Congress, however,

did agree in 1974 to allow states to trade in trust fund dollars for certain controversial highway projects and collect an equal amount of money from general treasury revenues to finance mass transit systems.

The Ford proposal, which was sent to Congress Monday, would work this completed. way:

-One cent of the current four-cent federal gasoline tax would be combined with the tax on diesel fuel, excise taxes

trucks to make up the trust fund. All revenues generated by these taxes would be used to finish building the 42.500-mile interstate system and to upgrade and maintain the system. Currently the states are charged with maintaining the interstate system once it is -Two cents of the four-cent gasoline

tax would be diverted from the trust fund into general treasury revenues. All non-interstate highway programs, on automotive parts and user taxes on including safety programs and highway

beautification, would be funded from the general revenues. There would be no tie-in between the money generated by the two-cent gasoline tax and highway programs. The non-interstate highway program would have to compete with other federal programs, such as health, education and welfare or defense, for its share of the general funds.

-The final cent would be diverted to the states for use on transportation projects or for any other state program.

-The current 30 highway categorical grant programs would be consolidated into four broad grant programs to cut red tape and paperwork. The Ford proposal would give top priority to finishing interstate segments between cities and low priority to finishing interstate segments into cities. The administration program was criticized by the Highway Users Federation and the Associated General Contractors of America.

Both groups said the reduced trust fund money would not be enough to complete the interstate system and to rebuild older portions that are beginning to deteriorate.

The Highway Users Federation predicted it would cost \$5.6 billion a year to finish the interstate system within the next 10 years and maintain already completed roadway. The contractors predicted the system could not be completed until after the year 2,000 if interstate spending was held at the level Ford proposes.

In Boston, a spokesman for the U.S. Conference of Mayors, Mayor Neil Goldschmidt, Democrat of Portland, Ore., said if Ford's proposal is adopted "it's going to help all of us. It means a lot more flexibility and a lot more local control. It clears up a series of regulation problems all of us have."





utes later.

Medical authorities said the injured persons were taken to every hospital in Portland equipped to handle a major emergency.

Harold McCaskey, 69, a second-floor resident of the Pomona, said he had a feeling late Monday that "things were not right.'

He said he went to a window, smelled smoke and then a fireman suddenly appeared behind him, saying, "Hey, mack, let's get out of here."

McCaskey, standing on the pavement with no shoes, looked down at the bodies of friends covered with blankets.

"These were good boys and now they are gone," he said. "Where the hell am I going to go?"

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Staff photo by DAVID FALCONER

BLAZE VICTIMS -- Portland policemen and firemen aid victims of fatal four- Hotel, 23 NW 2nd Ave. Fire was called a "disaster" by local medical authorialarm fire Monday that injured nearly two dozen persons in the Pomona ties who took victims to numerous hospitals.

Israeli forces kill 13 in raid into Lebanon

By The Associated Press

hours, an Israeli military spokesman Israeli troops, jets and warships said the Israelis destroyed buildings smashed suspected Palestinian terrorist bases in southern Lebanon Monday, used for organizing terrorist attacks in leaving 13 persons reported dead and the Lebanese city of Tyre and the Palestimian refugee camp of Rashidiyeh. scores of refugee huts destroyed. Prime Minister Yitzhak Rabin vowed Israel During the raid, Israeli artillery fired would pursue "an uncompromising into Lebanon while warships dropped war" against the guerrillas using "the shells on coastal targets and ground

sword. Lebanese Premier Rashid Karami said his troops and Palestinian guerril-

only language they understand" - the

ing an Israeli jet, and seizing an Israeli In a coordinated raid lasting several boat and killing its crew members. Israel said all its men, planes and ships returned safely.

Hours after the raid ended, Arab gunners fired a volley of Katyusha rockets into the northern Israeli communities of Safad and Yiron, and a small bomb exploded in a Jerusalem suburb. No casualties or damage were reported forces struck at suspected guerrilla either from the rocket attacks or the bases. The Palestinians claimed downbomb.

The raid into Lebanon came only Closing Dow Jones three days after a bomb packed in a

Rabin told parliament that Israel will "spare no effort to advance in improving its methods of action against terror . Much has already been done in the

fighting arena to deter, prevent, foil, uproot" the guerrillas. He also congratulated the Israeli forces in the raid and said, "by methodical, bold and sophisticated actions, terrorism can be overcome."

However, Goldschmidt expressed concern about the suggested funding for urban transportation programs, for which Ford asked \$800 million a year. "The current authorization level is \$1.1 billion a year, and we need addi tional funds, not a cutback," Goldschmidt said. He said the mayors are seeking \$1.5 billion for urban projects, which he said would barely keep up with the rate of inflation.

Mansfield, Ford differ on gas price

WASHINGTON (AP) - Senate Majority Leader Mike Mansfield and President Ford's chief spokesman gave opposing views Monday on whether the price of gasoline will rise to \$1 a gallon. Mansfield, D-Mont., told reporters at the Capitol that the retail price will rise to \$1 if oil-producing countries put into effect threatened price hikes and if the President's energy policies are carried out.

But White House Press Secretary Ron Nessen responded that Ford "sees no indication that it could go that high."

An investigation of recent price hikes was being prepared, meanwhile, with hearings to begin in two weeks. It was announced Sunday by Sens. Adlai E. Stevenson, D-III., and Henry M. Jackson, D-Wash.

Nessen was asked at a news briefing if the price of gasoline might go to 85 or 90 cents a gallon and if Ford would consider that excessive.

In addition to responding that Ford sees no indication of prices rising that high, Nessen accused Congress of lagging on the President's energy program.

"The people complaining when they pulled up to the gas pump this weekend ought to tell their congressmen and senators, who are home this week, that they want to start getting that money back through a tax rebate which the President proposed," Nessen said.

Ford's energy program called for increased taxes on gasoline, with much of this money rebated to the public.

Comics B6 Crossword A14 DAY B1-3,8 Editorial A18 Financial C6-8	Marine	las prevented the Israelis from achiev- ing their goal in Monday's raid, which he said was to land troops to attack refugee camps.
Foreign A2-5 Forum A19	Radio, TV B7 Sports C1-5,9	Today's chuckle
Classified		Punctuality for appointments is a handy way to get some time to yourself.

Straub signs bill that lets students attend labor talks

SALEM -- Calling the measure "imperfect." Gov. Bob Straub nevertheless signed a bill Monday that will allow students at Oregon public institutions of higher education to sit in on faculty-administration labor bargaining talks.

Straub said he signed the measure "because the bill, while imperfect, is not so imperfect that its flaws should spell foreclosure on an idea that has considerable potential as a learning experience for college students."

The bill, HB 3043, allows three students from a state university or college to sit in on labor talks as independent non-signatory participants. The students, under the new law, also will have access to all written negotiation documents.

Sponsored by state Rep. Ted Kulongoski, D-Eugene, and state Sen. E.D. Potts, D-Grants Pass, the bill sparked a controversy last week when a scheduled signing by Straub was postponed and one of the governor's aides said he would recommend that Straub veto the

fleasure.

Members of the Associated Oregon Student Lobby, which had supported passage of the bill, said the delay was designed to build opposition to the measure. Straub's office said a clerical error resulted in the signing date mixup. Keith Burns, the governor's executive

assistant, said last week he agreed with the executive department, which urged the governor to veto the bill "because if the state bargains with the teachers on a statewide basis, we could have as many as 24 students sitting in on the talks.'

Burns also said it was possible the confidentiality of any negotiating session could be lost if students were allowed to listen in, and said similar attempts to bring students into labor talks on campuses in New York State proved unsuccessful.

At the signing ceremony Monday, Straub said he will give the bill a chance to work "and shortcomings in the measure can be remedied by the 1977 Legislature."

See related story on Page A12

Bolts ignite which forest fires

> Firefighters from state and federal agencies controlled scores of lightningcaused fires in the Pacific Northwest Sunday and Monday - and cast a wary eye on new thunderstorm activity in Central and Eastern Oregon and Washington.

The largest blaze, man-caused, was 400 acres of grass and juniper trees between Madras and Warm Springs on U. S. Highway 26. Another 350 acres of rangeland west of Burns Junction in Malheur County was set afire by a

lightning strike. Late Monday, another lightning storm caused numerous blazes in the Okanogan area of North Central Washington, with the state sending scores of firefighters into the district. The largest was a few acres.

The U. S. Forest Service and the Washington Department of Natural Resources said more than 30 fires in state, federal and private lands were controlled Monday.

New storms worried officials in the areas east of Redmond and Northern Malheur County in Oregon and near the Idaho line in the Colville National Forest in Washington, however.

Continued thundershowers and warm temperatures are forecast for the next few days, including areas near the Oregon Coast, where Siuslaw National Forest fire danger was high near Florence Monday.

For the Portland area, cooler but fair weather except for morning cloudiness is expected, with the high temperature nean 80.

refigerator killed 14 persons in Jerusalem - three of them Arab womem. Addressing Israel's parliament on the Friday bombing, Rabin said, "We will continue Israel's policy of no negotiations with the terrorist organizations . . The only language they understand is the sword - and in that language we will speak to them."

U.S. officer's captors talk

BEIRUT, Lebanon (AP) — Lebanese authorities are negotiating with the leftist kidnapers holding U.S. Army Col. Ernest R. Morgan under threat of death and "hope to get him released soon," Premier Rashid Karami said Monday.

"We are continuing the contacts, and discussions include the terms set by the kidnapers," Karami said, adding that Palestinian guerrillas are "helping in these contacts."

A left-wing group calling itself the Socialist Revolutionary Action Organization said it kidnaped the 43-year-old Morgan, an air defense specialist with the U.S. aid mission in Turkey, during heavy street fighting June 29 as he was traveling through Beirut on a flight from Pakistan to Ankara.

On Sunday night, the revolutionary group sent tape recorded messages and pictures of the captive colonel, a native of Petersburg, Va., with a letter to U.S. Ambassador G. McMurtrie Godley. It said Morgan would be killed unless the United States complied with three demands by 9 p.m. Wednesday.

861.08, down 10.71; Mansfield also attacked recent price stocks on Page C6

increases by major oil firms, amounting to about 3 cents a gallon.

NYC to rehire 2,600 more of 19,000 fired last week

By The Associated Press New York Mayor Abraham Beame announced Monday that 2,600 more city employes fired a week ago would be reinstated. The announcement came after leaders of the city's municipal unions rejected a proposal to forgo a 6 per cent wage increase to save addition-

al city jobs. The reinstatements announced Monday in New York City were in addition to the 2,000 police, 750 firemen and 150 prison guards rehired last Friday. A total of 19,000 city workers originally had been fired to meet budget cuts in the new fiscal year, but the city was able to restore some of the layoffs because of additional taxing powers

given it by the state. The mayor said that more jobs might be saved if the city council passes some nuisance taxes and arrangements can be made with the U.S. Labor Department to hire discharged city employes under provisions of the Comprehensive

Employment and Training Act. Beame said the jobs reinstated Mon-

day included 750 sanitationmen and employes in the Parks and Highway departments, the probation service. ibraries and other cultural agencies.

Last week, striking sanitationmen returned to work after a three-day walkout when the union posted \$1.6 gress.

million in cash to reimburse the city for any wages which could not be made up through the additional state aid. Leaders of police, fire and other city employe unions were unanimous in rejecting Beame's proposal to pass up the wage increase due under a contract negotiated more than a year ago.

"We don't want the contract to become toilet paper," said Victor Gotbaum, president of the union representing more than 100,000 nonuniform city workers.

At the same time, the mayor rejected a union proposal that the city issue twoyear 6 per cent bonds to its employes in lieu of the wage increase. The plan would only postpone payment of current expenses, officials said, a situation that in large measure produced the

city's chronic fiscal difficulties. Taxes per capita already are higher in New York City than anywhere in the

nation. In Pennsylvania, 12,000 state workers continued picketing welfare and unemployment offices while the state

Justice Department considered seeking an injunction to halt their strike.

Negotiations resumed between the state and the two unions representing welfare, unemployment and social workers, but there was no word on pro-

Oregonian (online), 8 Jul 1975 1 (https://infoweb-newsbank-com.proxy.multcolib.org/apps/news/document-view?p=EANX-NB&docref=image/v2%3A11A73E5827618330%40EANX-NB-132990650726FF31%402442602-132939484600CC9F%400-132939484600CC9F%40

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