

Governor's Plan Offers a Tax Shift, Not Reform

SACRAMENTO — (CNS) — Governor Ronald Reagan's tax reform program hit the state legislature on the final day for introduction of bills at the 969 session. Although the program is idealistic concerning its objectives, it probably has but little chance of passage as submitted.

However, Governor Reagan hit the nail on the head when he told the legislature:

"There is one irrefutable fact of government life which must be faced squarely and coped with constantly."

"There is only one way to reduce taxes, and that is to reduce government spending. One is impossible without the other, especially under our state constitution which prohibits deficit spending."

"Within a few weeks, I will announce specific steps which will be taken to add additional limitations on government spending in those areas over which the administration has direct control. It is mandatory that we here in Sacramento do everything possible to reduce the cost of government."

Objectives of the administration tax reform program, he said, are to establish a simplified, equitable and balanced tax system; provide relief from the inequitable residential property tax; shift responsibility to the local level; bear at the state level, primary responsibility for greater educational opportunities and to do these things without increasing the aggregate total of the tax burden.

He proposes to achieve these objectives by a double-barreled proposal, the first to be

accomplished this year, and the second through a constitutional amendment to be submitted in 1970.

This year, he would increase homeowners' property tax exemptions to \$1,000; eliminate veterans' exemption; reduce the business inventory tax; maintain the bank and corporation tax, and eliminate unwarranted sales tax exemptions.

Also, he proposes return to use of personal exemptions on state income taxes; permit

payment of property taxes on a quarterly basis; establish a department of revenue; all as part of the long-range tax reform.

The long-range program would revise the entire school financing program by switching 80 per cent of property taxes to an adjusted gross personal income tax; imposing a statewide non-residential property tax; limiting local school taxes; providing a 60 per cent majority for tax overrides; fixing a two-thirds vote

of the legislature for any increase in taxes, and providing for voluntary income tax withholding.

Other long-range proposals would provide insurance companies be taxed the same as other corporations, rather than on gross premiums; consider capital gains on unimproved property in a straight personal income basis and render some assistance to old age property owners.

The proposal for creation of a department of revenue is

likely to run into serious trouble in the legislature, as this has been tried many times previously and failed of achievement.

In effect, the "tax reform" program offers the public as a whole no tax relief, but merely a shifting of taxes from one segment to another. Conceivably, it could be of some assistance to the property owner, but it must be kept in mind that the property owner is the bulwark of the income tax.

Your Right to Know
Is the Key to All Your Liberties

Comment and Opinion

A-4 PRESS-HERALD

APRIL 11, 1969

Tuesday's Election

Torrance voters will go to the polls Tuesday to select three members of the Board of Education for four-year terms.

The quietness of the campaigns shouldn't mislead those interested in the quality of Torrance's educational system. The nation's educational system is under challenge and there is no assurance that local systems such as Torrance will escape as targets for the anarchists and rebels, and for those pursuing special interest causes ranging from narcotics to sex.

Such a threat makes selection of the Board of Education of vital importance to all of us.

Tuesday's election will pit two incumbents and six challengers in a contest for the three vacancies. One incumbent, William Hanson, is not a candidate for re-election.

During his eight years of service, Mr. Bert M. Lynn has made invaluable contributions to the city's educational system and his bid for re-election should be approved. An active element in community affairs throughout his nearly 25 years of residency here, Mr. Lynn has demonstrated many times that he does his own thinking and often provides the spark necessary to see a complex problem or project through to a conclusion. The new Southern California Regional Occupational Center here is a prime example of his value to the growth and development of the city's educational establishment. The Press-Herald strongly recommends the re-election of Bert M. Lynn.

A second incumbent—one with a shorter span of experience, is Burton E. Belzer who has brought to the board a sense of urgency in the area of vocational training and in reflecting community needs on the board. As president of his own manufacturing plant, Mr. Belzer has a grasp of budgets and finances which is valuable to the board. He has served since he replaced Dr. Don Wilson last year following Dr. Wilson's election to the City Council. We recommend that he be given a full term.

The field of new candidates for Tuesday's balloting represents one of the strongest in recent years, and we believe any three could serve ably in the posts.

Two, however, have impressed us as with their community activities, their prior work in several areas of civic and professional service, and in the qualifications they present for the post.

Mr. Stanley Dunn, a Torrance resident for 12 years and the winner of the Distinguished Citizens Award here in 1965, has shown a great capacity for community service and would, we believe, be an asset to the school board.

Likewise, Mr. Edgar Stevers has demonstrated in his profession as an industrial engineer and as the founder and president of a volunteer organization to provide food, clothing, and other goods for America's Indians that he has ability and energy to get things done.

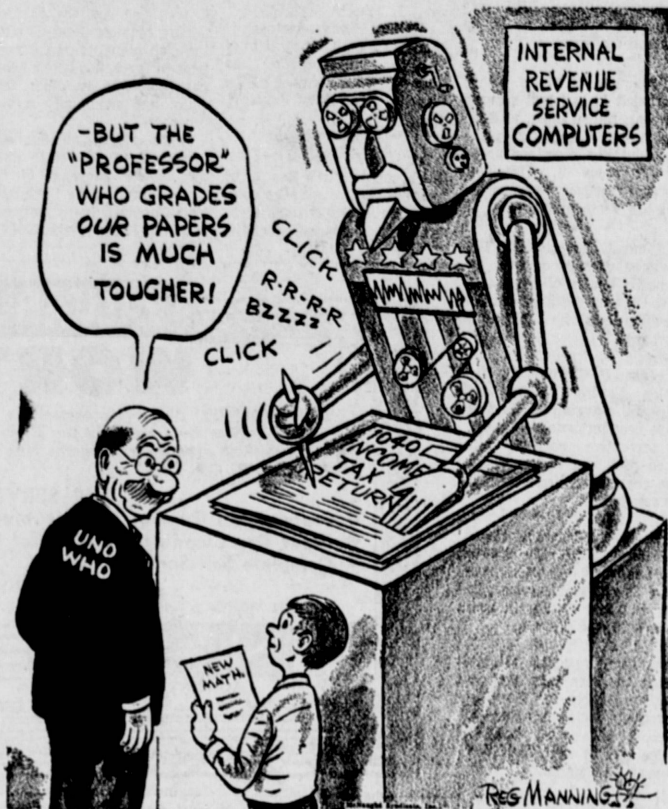
While others seeking the office have exceptional qualifications, we believe Burton E. Belzer, Bert M. Lynn, Stanley Dunn, and Edgar Stevers offer voters a solid slate from which to select three Board of Education members.

Other Opinions

In the big cities of our nation, those who live on "welfare" are banding together to form organizations of considerable strength. Their purpose is to get more of everything — more money, more services, etc., from the government at no cost to themselves. They feel that it's the duty of the government to support them — many of such people have never known any other way of life, and doubtless there are those who have never worked for a living. "Relief" was intended chiefly to help out those between jobs, or who were in need through no fault of their own. It was not intended as a way of living as some seek to make it today. — Sullivan (Ill.) Progress.

"And now, gentlemen," said a Congressman during a speech in the House, "I want to tax your memories." "Gad!" muttered a colleague. "Why has no one thought of that before?" — Miami Beach (Fla.) Times.

Grownups Have Math Exams, Too, Son



SACRAMENTO REPORT

Last Minute Flood Adds To Sacramento 'Log Jam'

Capitol News Service
SACRAMENTO — When the people of the state voted a constitutional amendment providing for annual sessions of the state legislature, including pay raises to \$16,000 annually for legislators, one of the contentions for the amendment was that such annual sessions would speed up the work, and avert "log jams" for introduction of bills.

Quite the reverse has been true, as evidenced by the unprecedented dumping of bills into the hopper April 7 and 8. The latter date was the closing day for introductions without special permission for the remainder of the 1969 session.

On that date, the assembly dumped more than 500 measures into the hopper, which was better than 25 per cent of all the bills introduced for the three months in which the introduction period was in effect.

The senate was worse. It ran the introductions to more than 500 measures during the last couple of days, which amounted to more than a third of the bills introduced during the first three months of the session.

The thought was that this terrific log-jam would be alleviated through the process of annual sessions, and that legislators would have more time to prepare constructive legislation.

tion for the state, and present it to the people in an orderly fashion, rather than last-minute bills which can't be heard in committee anyhow for 30 days.

The governor's office was no help. It caused to be introduced on April 8 its entire tax reform program, on which it has had three months to work during the current session. As a result, the legislature won't get around to considering this highly important piece of legislation, which affects the pocket-books of every taxpayer in the state, until around May 8, better than four months after the beginning of the session.

It was also thought that the annual session procedure would give the people of the state time to digest the legislation introduced. Again, the reverse is true.

The flood of bills is so immense that not even experts can determine what is before the solons.

It is a foregone conclusion that the dilatory introduction of bills does a disservice to the people of the state, in that it does not make information immediately available to them concerning the activities of the various legislators. It also causes the lengthening of the legislative session, at definite added costs to the public.

Under the old system, that is bi-furcated session, the bill introduction period was limited to 30 days. There was a 30-day recess for consideration of the bills by the public, and then the session recommenced to dispose of the legislation one way or another. Usually, the legislature adjourned around June 1, or shortly thereafter.

Under the new system, the legislature is likely to run into the fall of 1969 while the solons wrangle over the various issues presented.

The late introduction of bills this year presented added evidence of the legal situation the state has gotten into by reason of annual sessions. Continued changes in the codes of California reflects an uncertain status in the rights of citizens in the courts of the state. Law revisions in effect can cause altered decisions on whether or not to enter the courts to pursue these rights, as the point is being reached where the citizen doesn't know what's law from one day to the next.

This hasn't been solved or cured. It will not — we can turn in all the force necessary to preserve order and will, but this will not solve the issue. — Governor Reagan on college unrest.

There are cases where a parent refuses a job because he would be making less than what he is receiving in welfare. — Assemblyman George Milias.

HERB CAEN SAYS:

Medic With Stray Parrot Gets Julia Child Advice

The Shadow knows! Unclassified cable, spotted by one of our spies, from Navy medics at the Third Field Army Hospital, Saigon, to superior officers at Pearl Harbor 6 March 69: "Psittacosis, suspected. Patient (Carlos H. Spain) bitten by parrot four days prior to admission. Temperature ranges from 100.9 to 104.8. Patient has been given initial 2 million units procaine penicillin, then 500 milligrams tetracycline every six hours. Request instructions for disposition of parrot."

BuMed Pearl Harbor's reply 10 March 69: "1. Parrot should be thoroughly plucked, cleaned and washed well. 2. Julia Child recommends plain bread crumb and herb stuffing. 3. Roast in 350 degree oven approximately 30 minutes per pound, baste occasionally. 4. Side dishes should include crisp watercress salad, wild rice, asparagus tips. 5. Highly recommend properly chilled Schloss Johannisberg vintage 1966. 6. Bon appetit."

You can count on the Navy.

Notes, quotes, etc.: ... Unsettling squib buried in the U. S. Geological Survey's pamphlet on the San Andreas fault: "Geologists are horrified to see land developers build rows of houses straddling the trace of the 1906 break." Hello? ... The embattled Smothers Brothers had a crew in town last weekend, checking the new Kabuki Theater, the Palace of Fine Arts, Civic Auditorium and Veterans Auditorium as possible sites for their

TV show when they flee Hollywood. ... When his black biographer, Alex Haley, displayed his check for \$50,000 from Columbia Pictures, Melvin Belli murmured: "From the back of the bus to the back of the Rolls-Royce" ... June 21 may be the first day of summer for thee and me, but it

Report from Our Man in San Francisco

will be slightly overcast for six prominent, including Writer Paul Jacobs and Attorney Ed Keating, former publisher of Ramparts. They guaranteed Eldridge Cleaver's bail, and if Cleaver doesn't show up pretty soon, they're out the \$50,000 on that June day.

La Triviata: Joanne Woodward is as frustrated as a one-legged flamenco dancer. As counsellor for the White Collar Girl agency, she is trying to place a job applicant Elizabeth Taylor and nobody believes EITHER name ... Gavin Arthur, who I am identifying as the grandson of the 21st President of the United States for positively the last time, simultaneously celebrated his 68th birthday and his eviction from his Buchanan Street digs, and heads for a new life in Mendocino ... For punning above and beyond the call of anything, our award to Barbara Werle. Off for a spring cruise aboard the Lurline, she told Bob Hull that she insisted on a starboard stateroom "because I've heard

about port noise complaint." Bleagh?

Merrill Lynch, Pierce, Fenner & Smith — the famed "We, the People" of stock brokers — did it again last week. Paul Slater caught this in their big ads in the financial sections last week: "We still believe, as Robert Merrill did 40 years ago, in 'taking Wall Street to Main Street' — and hooboy, did they pick a wrong number! Forty years ago was — 1929 ... Eleanor Roosevelt's portrait has been downgraded at the White House, and Herbert Hoover's promoted to a more prominent location. Are you beginning to get the picture?"

Speaking of crashes and recessions, Barron's, the financial paper, had this to say about the stock market last week: "The bias is clearly on the downside, breadth is still bad." Now, smirks broken Alex Brown, we know why Mr. Dow isn't talking to Mr. Jones ... Add eightimes that stick: A legless peddler aboard his cart, getting a tow up Leavenworth by hanging onto the bumper of a Veterans Cab Driver: "Yeah, I do it for him all the time. He can make it downhill on his own" ...

Belated bureaucrats to the unsung Associated Press staff in Salt Lake City who led off recent news story as follows: "Saying military nerve gas was not the cause of a mass Utah sheep kill last spring, Army commander announced Friday a plan to keep it from happening again." Now that's good writing.

THE MONEY TREE

Giant Retailers Expect To Sell You Everything

By MILTON MOSKOWITZ

The store where you shop today is more than likely to be a branch of a chain with roots all over the country.

It's a big store, stocking a variety of goods, flanked by a huge parking lot and doing a substantial part of its business on credit.

In short, were well into the era of the giant retailer, which wants to sell you everything. Stores have been vigorously invading each other's territory.

Example: F.W. Woolworth, which some people still erroneously call "the dime store," bought the Kinney shoe chain in 1963. Its first acquisition since 1912. It's now acquiring the Richman Brothers apparel chain, and it runs a 90-store Woolco discount operation. More than 100 new Kinney outlets will be opened this year, bringing the total to 978. The 35 new Woolworth stores to be opened this year will average three times the size of units opened a few years ago.

Example: The Great Atlantic & Pacific Tea Company world's largest food retailer, is making the first retail diversification in its history with the proposed acquisition of North Carolina's Eckerd Drug, which operates 93 drug stores in seven Southern states.

Example: Montgomery Ward, the big mail order and retail chain, is moving into the big cities. In 1961, it had one store in the Washington, D.C., market; today, it has four. In 1961, it had two stores in Los Angeles; today, it has nine. Thirteen new stores were opened in the last half of 1968,

and ten more will open this spring.

The moves by these three giants — Woolworth, A&P and Ward's — grab you because all three have been losers in the retail explosion which has swept the country. Now they're trying to catch up.

Just five years ago,

A Look at the World of Finance

Woolworth was the undisputed leader of what's called the variety store industry, with a lead of more than 2-to-1 over its nearest competitor, W.T. Grant. S.S. Kresge ranked fourth behind McCrory.

Kresge has since blasted them all out of the water. It was quick to move into shopping centers, it was quick to move into the discount field with its K-Mart chain. Result: Kresge's sales, up 25 per cent last year, are now at \$1.7 billion, right behind Woolworth's \$1.9 billion, and Kresge will probably pass Woolworth this year.

A&P is another old laggard. Five years ago its lead in the supermarket business was 2-to-1 over the Number Two chain, Safeway. That lead it no longer has, as its sales have been virtually static. Safeway and Kroger each now does 60 per cent of A&P's volume, and local chains, with greater flexibility than the A&P superstructure, have been able to make strong inroads in the food business.

Montgomery Ward is the classic case of the musclebound giant which refused

to move. It waited for a post-World War II depression which never materialized. Incredibly as it may seem, Ward's sales of \$1 billion in 1949 and ten years later its sales were at the same level. Where can you go from there but up? Combined now with the Container Corporation of America in a new complex called Marcor Inc., Ward's has lifted its volume to \$2 billion and it's become a volume to \$2 billion.

If these have been the losers, who are the winners? Well, Sears, Roebuck & Company, for one. It took Sears 59 years to reach sales of \$1 billion in 1945. Then, it took only 23 years to reach sales of more than \$8 billion. No one sells more goods to Americans than Sears, more than 60 per cent of it on credit.

Another shrewd one is J.C. Penney Company, a fixture in shopping centers everywhere. Known originally as a retailer of soft goods (apparel and linen), Penney has moved aggressively into hard goods (appliances) and into the catalog sales field pioneered by Sears and Ward's.

New combinations with national implications are in the making. Broadway-Hale Stores, largest department store chain in the West, is merging with Neiman-Marcus of Dallas. And the Minneapolis giant, Dayton, is merging with the Detroit department store giant, J.L. Hudson.

Size doesn't count, they say, but there's another saying which is perhaps more apt: "No one remains small—by choice."

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