

# Reagan Tax Plan Receives Unexpected Backing

By HENRY C. MACARTHUR

SACRAMENTO — (CNS) — Governor Ronald Reagan's tax reform proposal received some unexpected support this week when Senator John G. Schmitz, R-Tustin, said he would support the measure "in its present form" on the grounds that it is a "real and meaningful tax reform and should be adopted."

Schmitz has frequently been a critic of the governor's budget proposals, and although a Republican, voted against the budget for the past two years.

He also opposed the governor's billion dollar tax increase in 1967.

However, the administration's tax reform program, he says as he understands it, is not a tax increase, but a redistribution of taxes to relieve some of the excessive burdens now loaded on the owner of residential property.

This would be accomplished, he points out, by transferring that excess to income producers, individuals and businesses.

"It is only these producers,"

Schmitz declared, "who keep our economy and society functioning, and if they are taxed too heavily, our economy and society will collapse."

"Nevertheless, it must be remembered that every producer living in California pays taxes on his residence, owned or rented, as well as on his production."

"So long as his overall burden is not increased significantly, it is better that he pay his taxes out of those earnings than out of capital, which, in the most essential sense of the word, a man's home is."

Schmitz says the best of all the features of the program is its firm, low ceilings on all forms of local property taxation, ceilings which could only be over-ridden by a 60 per cent vote of the people.

"This kind of guarantee," he says, "has been conspicuous by its absence from past tax reform and property tax relief proposals, such as the misleading Proposition 1A on last November's ballot."

"Now, at last we have a property tax relief proposal that is genuine and trustworthy

because there is a specific protection against the general rise in all taxes that usually results from alleged "tax reform." He referred to the fact that when Proposition 1A, with its \$70 rebate proposal, went into effect, county and city tax rates were increased to the point that in most cases, the \$70, not yet even received by taxpayers, will merely be given back to the cities and counties.

"So long as the Reagan proposal remains a true tax reform, and not an overall tax increase or an invitation to property tax increases at the

local level, that is, so long as it remains substantially in its present form, it is a long step toward fulfillment of his campaign pledges of 1966," Schmitz declared.

The senator also observed that the program may be "distorted and mutilated" from various negotiations and compromises in the legislature. This is putting it mildly, as many interests are affected and these interests are powerful in their influence with the legislature. It is also anticipated that the liberal element will attempt to "mutilate"

from various negotiations and compromises in the legislature. This is putting it mildly, as many interests are affected and these interests are powerful in their influence with the legislature. It is also anticipated that the liberal element will attempt to "mutilate and distort" the proposed reforms on the basis that they will increase taxes for those most unable to stand an increase.

In other words, the governor's program, as well as other reform plans, indicates any reform has a tough row to hoe.

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## Comment and Opinion

A-4 PRESS-HERALD

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### Law Day, USA

LAW DAY, USA — May 1 — has become a significant date in our society. The American Bar Association, in promoting this annual observance, is performing a worthy public service. The noble purposes of Law Day, USA, are:

1. To foster respect for law and understanding of its essential place in American life.
2. To encourage citizen support of law observance and law enforcement.
3. To advance equality and justice under law.
4. To point up the contrast between freedom under law in the United States and governmental tyranny under communism.

The Law Day, USA, theme this year, "Justice and equality depend upon law — and YOU," is a truism with a meaningful message for all Americans.

To Plato, justice was a cardinal virtue. Some philosophers have defined justice as "truth in action." Truth, we are told, is immortal, but unfortunately both truth and justice are subject to the frailties of man.

Maximum justice and equality depend on the successful maintenance of an overall system for the orderly redress of grievances. In our country, we believe that our established democratic system under the rule of law is the best means to achieve rights and freedoms. Certainly, the "rights and freedoms" mandated under anarchy, communism, socialism, or dictatorship are not "truth in action."

The observance of Law Day, USA, is closely followed by National Police Week, May 11-17, highlighted by Peace Officers Memorial Day on May 15. This time has been set aside by an act of Congress and proclaimed by the President to give all Americans an opportunity to pay respect to the men and women who devote their lives to our system of law and its enforcement. Members of law enforcement can be proud that their primary responsibilities relate to protecting the ideals so vital to our democratic way of life.

Justice and equality should be the goal of all men, but not all men want the obligations which make these ideals possible. Rights and liberties under a free society are not automatically accrued. They require a heavy and continuous investment of civic duty and individual responsibility.

Let us, not only today but always, exalt justice and equality, and let us remember that these cherished freedoms depend upon law — and each of us.—J. Edgar Hoover, Director FBI.

### A Change Needed

The United States Post Office faces a crisis. Each year it slips further behind the rest of the economy in service, in efficiency, and in meeting its responsibilities as an employer.

It operates at a huge financial loss to the American taxpayer. The postal managers and employees who daily bear the staggering burden of moving the nation's mail know that the remedy lies largely beyond their control.

The President's Commission on Postal Organization, after an exhaustive study, recommends that a postal corporation be chartered by Congress to operate the postal service of the United States on a self-supporting basis. The new corporation would be designed to provide: dependable postal service, at fair prices, fully responsive to the public needs; a soundly financed and self-supporting postal system; better working conditions and greatly increased career opportunities for one of the nation's largest work forces.

The establishment of a public mail corporation should be given serious consideration by Congress in order to provide the nation with a sound and efficient mail service.

The President's Commission stated, "it is our considered judgment that postal costs can be reduced by at least 20 per cent if normal investment and operating practices used in private industry are made available to postal management."

### Has the Actual Cutting Started?



### CONGRESSIONAL REPORT

## Need for Tax Reform Is Dire, Congressman Says

By GLENN M. ANDERSON  
17th Congressional District

Unless immediate steps are taken to revise the nation's tax structure, we could wind up celebrating the 200th anniversary of the American revolution faced with a new revolution against unequal taxation despite representation.

This week I introduced a bill to begin re-establishing equality of taxation for all Americans by lifting some of the burden from middle income families. Every American expects to pay his fair share of taxes, but middle income — and poverty level — families are carrying too heavy a load, while corporations and individuals with incomes above \$200,000 per year escape their responsibilities.

President Nixon has called for a continuation of the 10 per cent tax surcharge, at least through the end of this year, in order to curb inflation caused by an over-stimulated economy.

I don't believe that Secretary of the treasury David Kennedy has succeeded in demonstrating the need for continuing the surcharge. If a need exists, I think it would be better to plug up the loopholes in our tax structure.

Instead of burdening the middle-income taxpayer with

the surcharge, I favor the repeal of the 7 per cent investment tax credit that was instituted in 1962 to stimulate a sluggish economy. Our economy is no longer sluggish and any continuation of this tax break reduction for corporate investments only adds fuel to the spreading inflationary fire in our country.

These are a few of the other inequities in our present tax laws:

Huge tax-exempt foundations provide a tax shelter for the established hereditary fortunes — and shift the burden to the middle income hardworking taxpayer.

Unmarried persons who maintain their own home should be taxed at the same rates as a head of a household. There are approximately 20 million unmarried men and women in this country and there is no reason they should pay a higher rate than married persons. Whether a person is married or single should have no bearing on how much he pays in income taxes.

In 1967 there were 155 individuals with incomes exceeding \$200,000 — including 21 persons with incomes of \$1 million or more — who paid no income tax whatever. At the same time more than 2 million persons living in poverty paid their taxes — with money that was desperately needed to feed and clothe their children.

We need to reverse this situation by providing complete tax exemption for families with incomes below the national poverty standard of \$3,500 and establishing some sort of "minimum tax" for these few wealthy non-taxpayers.

As a first step toward this goal, I introduced today H.R. 10785 which will adjust the personal income tax exemption from \$600 to \$1,200.

The cost of living has increased 50 per cent in the 21 years since the \$600 personal exemption was established, but no adjustment of that ex-

emption has been made since then. For a family of four, the exemption is still \$2,400 — only two-thirds of the income that will sustain poverty-level living standards.

When the present exemption was set in 1948, it represented two-thirds of the median family income of \$3,184 annually. To re-establish that relationship today, the exemption would have to be \$5,000 for a family of four. My bill will bring it more nearly in line with the original concept and assure that no poverty level family will spend its money for taxes instead of food.

The time for studying tax reform has past; the time for action is now. This measure will give immediate relief to middle-income taxpayers, but it is only the start. Over the next five to seven years we should establish a program reducing the income tax rate. Then in 1976 we can proudly proclaim that the American Revolution — not a modern day taxpayers' revolt — provided the assurance of fair and equal taxation for all.

### Quote

Any more deductions in our take-home pay and some of us won't have a home to take it to. — Dale Holdridge in The Langford (S.D.) Bugle.

Law of improvement: Your best today isn't good enough for tomorrow. — Bill Trimble in the Ellicottville (N.Y.) Post.

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### HERB CAEN SAYS:

## Snarling Dogs Put Bite On This Good Samaritan

Bay City beat: Poor Enrico Banducci. He was bitten on the elbow last midnight at his B'way coffee house, trying to separate Janis Joplin's big dog from HIS big dog as they snarled, snapped, and scuffled with each other. "First the tax man puts the bite on me and now THIS," laments Bandooch heading for the doctor.

You may want to rearrange your vacation schedule: Rudolf Nureyev, Margot Fonteyn, and the entire Royal Ballet check into the Opera House July 8-13 for eight performances — but this time, they vow, no Hashbury scenes for them. . . . The IBM conventioners are bringing Bawdway back to life these nights, and now we know what's on their mind when they look at IBM's "THINK" signs. . . . Betty Mitchell of Larkspur was heard to cry, "Stop, stop, O time in thy flight!" Monday — and for good reason. A magpie flew in through her bedroom window, and flew out with her \$150 wristwatch. A magpie care about time?

The beat goes on: The Bay Bridge tolltakers — some of them — do say "Thank you!" and even "Have a nice day!" So say their commuting defenders, rising in response to our item about Fred Anderson's You're Welcome Club (these are S.F. exes who say "You're welcome" as they hand over their quarters, hoping thereby to get a "Thank you"). . . . Of course, the Bay Bridge tollhouse cookies have a good reason to be grumpier than the big leaguers on the Gate Bridge. They get substantially less pay. I ask you, is Dr. Cupid Poe a great name for a Berkeley psychiatrist? Not only that, Dr. Cupid is about to

publish a book called "Games Mothers Play" — another blast at man's best friend — in collaboration with Norman Singer, the noted S.F. pornographer whose porn is published by Olympia Press.

Meanwhile: William Daily Report from Our Man in San Francisco

had a friend who died and was cremated at Colma, with inurnment scheduled for an Eastern city, so he phoned the other day to ask if the ashes were ready. Voice: "Are they to go?" Bill: "Say, where did you get your on-the-job training — at a Doggie Diner?"

Alexis Merab, King of the Nob Hill restaurateurs, has broken ground in Maui, Hawaii, for Alexis' Bistro, which sounds like something we could have used here. . . . And Millie Howie has one for our Carrying Things Too Far Department (Hawaiian division); the "Kane" and "Wahine" restroom labels at the Chevron Island service stations. Oh brudda. . . . Dissident students at quiet old Woodside High — I didn't know they had any either — are plotting a "Nude-In" for next weekend, but the principal, describing the proposed event as "moral bankruptcy," is prepared to repel the repellant.

Hank Grant describing his impoverished childhood: "All we could afford was a windup TV" . . . Flash from Tom Holler, Oakland chief of the National Safety Council: "Among the bills proposed in the State Assembly is one that would clamp a 15-mile-per-hour speed limit on wheelchairs and invalid tricycles." And I say ban

"To a tennis player, love means nothing," Carter Smith said here yesterday, to which Joel Pimsleur retorts, "To a lover, tennis means nothing."

### THE MONEY TREE

## New Business Recruiter Has a Strange Approach

By MILTON MOSKOWITZ

Do you know a college student who's interested in a career in business? From the recruiting techniques of business, you might conclude that your best advice to such a student would be to join Students for a Democratic Society or another militant student organization.

Whether they've been impressed by the campus riots or polls indicating that young people are interested in more than just making money, or for whatever reason, businessmen today are recruiting with a different set of appeals.

Dip into the magazines reaching the college campus and you'll see the crusading businessman in action.

Here's Prudential Insurance Company of America, the largest life insurer we have. Would you believe this pitch: "Who says money can't have a social conscience?" That's the headline on a Prudential college-bound ad which goes on to explain that Prudential's money "builds homes, renews cities, creates jobs, grows food."

Or how about this one? "Invitation to join a revolution."

That, is the flaming headline on a college recruitment ad placed by Chemical Bank New

York Trust Company, one of the oldest, largest, staidest banks in the country. "We're in the market for restless talent," pleads Chemical. "Make no mistake — the world of the

A Look at the World of Finance

modern banker is now one of change and challenge."

Think about that, you campus revolutionaries. You can take over Chemical Bank instead of the college administration building.

Western Electric, the giant manufacturing unit of the Bell System, advises students to forget about the cliché that "business is for the birds." It points out that in its Kearny, N.J., plant, it was voluntarily given machine shop training to 70 persons from the Newark ghetto community.

Business recruiting was never like this — and we can cite many other examples. Mobil Oil, sixth largest petroleum company, tells college students they won't get ahead at Mobil by "who you know but what you know." Charles Pfizer, the pharmaceutical producer, heralds: "At Pfizer, you're not obligated to help the disadvantaged. . . . but we'll pay you if you do."

em from the freeways, too, those speed-crazed maniacs.

Tom Holler, the National Safety Council chief in Oakland, has this story about a highway patrolman who stops a drinking driver and, among other things, asks for his age. "Won't tell ya," says the drinking driver. Trying another tack, the officer asks, "Well, what's your birthday?" "October 13," says the driver. "What year?" snaps the officer quick. "EVERY year, silly," smirks the driver. All right, everybody off to the pokey. . . . Jack Murray phoned a salesman at Lucky Lager last week and the operator told him "Sorry, he's on his beer break" — and that sounds like a nice place to work, too.

Grafitto of the minute at Mooney's Irish Pub: "Luther Burbank Is Now Pushing Up Daisies" . . . Grafitto of the second, menzroom, Crown-Zellerbach: "Reed Hunt Uses Kleenex!" You see, Reed Hunt is board chairman of Crown-Zee and around that building Kleenex is a no-no and is this explanation really necessary? . . . Ray Plunkett was standing nearby at this Tahoe service station and caught the scene: A hippie driving up to a pump in an old VW bus absolutely covered with decal snowflakes. Attendant: "You want gas or shall I just water the flowers?" . . . And Hugh Birch, the Quantas exec is in town from Sydney where, as he tells it, the pilot greeted him en route to the plane: "Why, hello, Mr. Birch, where are you headed for?" Hugh: "Don't YOU know?"

"To a tennis player, love means nothing," Carter Smith said here yesterday, to which Joel Pimsleur retorts, "To a lover, tennis means nothing."

And Squibb Beech-Nut says: "You've heard all the clichés about the business establishment: Corporate womb. Selling out. Conformity. . . . Well, to us they're as meaningless as calling all students hippies and draft-card burners. We happen to think that a career with our establishment can be exciting, challenging, rewarding and fun."

Speaking of "the establishment," Henry Ford II recently invited students to join it — and change it. Journeying to the Vanderbilt University campus at Nashville, the chairman of the Ford Motor Company said: "I think you would be surprised if you knew how many establishment people share your views about what is wrong with society and your hopes for improvement. . . . it is indeed possible for you to find a place within the system and still be true to your ideals."

Can a leopard change its spots? We don't know — but it's wonderful to watch it try. "Moderator," a magazine distributed to college students, points out that it "has spent years trying to convince businessmen that campus radicals are not irrelevant to the future of business."

That message seems to be coming through now.