

editorial opinion

Ambulance burnings are futile attempt

This week's gasoline bombing of the Farmington Hills Ambulance Co. vehicles was an absurd act by sick minds.

This country's stability is built on its traditional ability to solve problems through an orderly governmental process. Such an irrational act only serves to thwart that process.

Until those responsible are apprehended and convicted, it is a matter of conjecture of who did it and for what reason. For the sake of true justice, it should remain that way.

The human rescue service has been one

Nostalgia won't help

In the old Andy Hardy movies and the Archie comic books, kids would hang around a drug store soda fountain to consume soft drinks and to socialize, as kids need to do.

The soda fountain is no more. Some smart accountants told pharmacists that soda fountains didn't pay, so out they went.

The kids still consume soft drinks—and beer—as they socialize. Today it's done in shopping center parking lots and in moving cars. You can tell by the smashed bottles and rolling cans in those parking lots, on your lawns and along the roadside.

Preaching at people and showing TV commercials about crying Indians won't work. We need to make littering expensive. The way is to charge a 10-cent deposit on beer and pop bottles so people will have a monetary incentive to return those bottles to their friendly local stores.

It will take a law to do it. The Michigan United Conservation Clubs are circulating petitions asking the legislature to pass such a law and, if it doesn't, to place the proposal on the ballot.

Sign the petition. Ask your legislator to resist the pressure of the litter lobby and vote for HB 4296.

Observer & Eccentric Newspapers

SBT zaps small business

Michigan has passed a single business tax. In what is heralded to be the elimination of seven oppressive taxes on business, the state will assess only one tax on business enterprises.

Gone are the corporate franchise taxes and corporate income taxes.

Gone are the financial institutions income tax and the domestic insurance company privilege tax, gone are the savings and loan association privilege tax and the business portion of the intangibles tax, and gone are the local property taxes on inventories.

Supposedly, the purpose of the single business tax (SBT) was not to raise more revenue for the state but to reform the old tax structure and make Michigan more attractive to capital-intensive industries, thus creating more jobs.

THE PROBLEM is that Michigan's SBT is like a camel, which is said to be a horse designed by a committee.

First of all, under the old Michigan tax structure, only the state corporate income tax at 7.8 per cent and the local property tax on inventory were substantial costs of doing business in this state, and the corporate income tax was assessed only against firms making a profit.

The SBT, instead of being a tax on profit, is one on activity.

It is a value-added tax, which is popular in Europe, where businesses are taxed on what they add to raw materials in order to make a saleable product.

PRIMARILY, IT IS a tax on the total compensation of workers, consisting of wages and salaries, social security taxes, unemployment compensation taxes, worker's compensation premiums, health and life insurance and pension and profit-sharing plans.

In addition to the compensation paid workers, the profits of a company, its depreciation and interest paid make up the rest of the tax base.

When you put all these items together, the state will assess a 2.35 per cent tax.

What does it really mean, as soon as you hire a new employee, your state tax will go up 2.35 per cent of that person's wages and fringes. A business which hires new people is raising its own taxes, so the tax is a deterrent to creating new jobs in the state. If an employer has the choice of hiring an additional employee or not, he certainly will not hire the additional worker and pay additional taxes.

SECONDLY, DEPRECIATION, which is the amortization over a period of years of the cost of machinery, is added back into the tax base.

of the most volatile issues to hit Farmington Hills in years. The city council's decision to award a contract through August to the private firm was a fair and equitable decision.

It gave the company a chance to prove itself. It also gave the volunteers a chance to gather information and demonstrate how they could do the job better.

At the completion of the contract the council could then make another equitable decision.

Now the waters have been muddied by this irrational act. The ambulance company's operation has been unduly hampered. It will be difficult for the city council to make a concise decision on who should handle the human rescue service.

The sad aspect is that the persons who will suffer the most will be those persons in need of medical aid and transportation to area hospitals. Just about any Farmington Hills resident could fall into that category.

Hopefully, those who perpetrated this crime will be apprehended quickly so rumors and resentment can be avoided. For Farmington Hills to grow into a sound, well-functioning municipality it needs residents who will work together peacefully in solving its problems.

Those who know anything about the incident should contact the police so those who seek to disrupt the community can be taken off the street.

STEVE BARNABY
Farmington editor

Eccentricities

by HENRY M. HOGAN, JR.

This means that every time a company adds a machine, which would normally require additional employees, the state tax goes up. Under the federal income tax, depreciation is a deduction—not an increase in the tax base.

While there are some short-run benefits in the tax to encourage businesses to buy more machinery, the long-run implication is that they buy more machines and create more jobs in order to pay more tax.

BEFORE MICHIGAN had a corporate income tax, it had a tax called the business activities tax, which was a gross income tax; that is, a tax based primarily on sales revenue.

The tax reformers threw out the business activities tax because it discouraged additional employment and additional investment in new plants and equipment.

Michigan has now reversed itself and gone back to the type of tax that was rejected some 10 years ago as being unhealthy to our economy.

There are some businesses which will be helped by the SBT. The lobbyists for special interests have had several businesses excluded or certain parts of their businesses exempted from the tax.

The automobile companies will benefit from the SBT because over the years they have had high profits and have paid high state income taxes, but they will profit by the labor-intensive and the capital acquisition write-off portions of the tax.

Other businesses give special treatment include transportation, real estate, insurance, security guard firms and food retailers.

THE COMPANIES that will make up for this tax reduction to the large companies will be small, individual businesses men who were marginally profitable and, therefore, paid little tax to the state. However, as a group, these are the businesses which employ the largest number of persons in the state.

How any legislator could believe that setting a tax base on wages and depreciation could help this state make its economy more viable must have his or her head in the sand.

It is not hard to understand that, in the coming years, we will see the tax put a lot of small businesses out of business.

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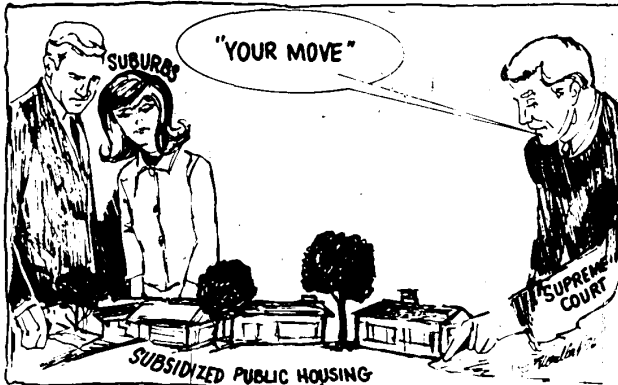
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Housing issue opens up

Other than to observe that a shudder has gone down the spine of every suburb in the country, it's too early to say just what the U.S. Supreme Court's recent decision on segregated housing really means.

Last week, the court unanimously held that the judiciary may order federally-subsidized public housing projects placed in suburbs which have been proven to have engaged in discrimination in housing.

The direct application of the ruling to the suburbs in this area, however, appears slight in the short run because:

• The court's decision was limited to the particular situation in Chicago, where the case arose and where there is a city housing authority whose power extends to the suburbs.

• The court gave the U.S. Department of Housing and Urban Development no new legal powers to force public housing on suburbs unwilling to have it.

• Under present law, the only way the federal government can force public housing projects into a given suburb is to use the leverage of existing or planned federal grants to the city. Many suburbs in this area simply do not have such federal programs, nor do they intend to apply for them.

NEVERTHELESS, THE NEW ruling is certain to produce a vast flurry of legal activity.

One set of suits will test the applicability to housing of the court's 1974 school busing ruling that local government boundaries between the core city and the suburbs were a barrier beyond which the courts could not go in ordering a metropolitan busing plan, unless the suburbs involved had been found guilty of segregation.

Another set of cases will test the legality of the argument, advanced by the National Committee Against Discrimination in Housing, that the suburbs ought to be "deprived of the power to exclude subsidized housing and to manipulate zoning and other controls to screen out families on the basis of income and, implicitly, race."

LOCAL REACTION to the court's ruling has so far been restrained.

Endre Mayer, president of the Birmingham Homeowners Council, observed that "it will probably have a slow effect on Birmingham. We have no sites that I know of suitable for public housing or zoned for it."

Livonia Mayor Edward McNamara said that the city would fight any attempt by the federal government to put low-income housing into the community in violation of zoning ordinances. He added that the city already has a well-balanced housing inventory, including many low-priced homes. "We are not 36 square miles of snobs," he added.

A bad neighbor loses one

Detroit has lost another battle in its bossy neighbor policy with the suburbs, this time over its membership in the Huron-Clinton Metropolitan Authority.

State Rep. Morris Hood (D-Detroit), who has been harassing HCMA with legislative bills, asked for a legal opinion from Atty. Gen. Frank Kelley about whether Detroit could pull out of the five-county parks agency of which it has been a tax-paying member for, in these 35 years.

No way, said Kelley. Not without dissolving the HCMA, which seems out of the question.

Morris Hood (not to be confused with Rep. Raymond Hood of Detroit Councilman Nicholas Hood) has a gripe against HCMA. Its 10 superb metroparks are all located some miles outside the City of Detroit, allegedly out of the reach of persons with neither a car nor access to a car.

THOSE WHO WON'T learn the lessons of history are doomed to repeat them, and it seems that Hood and Mayor Coleman Young refuse to learn.

One lesson is that Detroit could have built its magnificent zoo inside its own city limits. A slender but fascinating volume entitled "The First Fifty Years," published by the Detroit Zoological Society, reveals that several in-Detroit sites were under consideration but were disposed of or passed by. Instead, the society and the city located the zoo in Oakland County, at 10 Mile and Woodward.

The official history recounts that on opening day suburban police had to help handle traffic (p. 19). Huntington Woods residents objected to the nuisance of an unfenced parking lot (p. 21); residents north of the park objected to a trackless trolley plan there (p. 23); and nearby residents had two lawsuits going against Detroit for awhile (p. 29).

The lessons are clear: 1) Even in the 1950s, Detroit lacked big enough parcels of undeveloped land for a major park; 2) When Detroit wanted to do something outside its own city limits, it went ahead and did it, and tough luck, suburbs.

THE SCENE SHIFTS to western Wayne County.

Observation Point

by PHILIP H. POWER

Troy City Attorney James D'Amico said, "If the local suburbs don't want them (public housing projects), they simply won't apply for federal funds, and that will be the end of it."

"We're so built up it will have little impact on us," commented Garden City Manager Dana Miller.

WESTLAND IS ONE of the few suburbs in this area that is using federal funds and is in the process of applying for second-year funding of a community development grant. Mayor Tom Taylor is backing a plan calling for use of \$235,000 to rehabilitate older houses.

"I don't see the ruling as a case of the government coming in and building a federal project," Taylor said. "Those days are gone. I think what we have to do is improve that housing which we already have."

"The reason why the old housing policy (where low income housing units were clumped together) died is that people weren't capable of keeping up their properties," Taylor added.

His administration hopes to qualify for a new program of federal housing subsidies in which about \$10,000 of the cost of each unit would be subsidized. The theory is that people who buy such homes could afford to maintain them, since payments would be only 25 per cent of their incomes.

SO FAR, A FEW suburban attitudes toward the court's ruling have become clear.

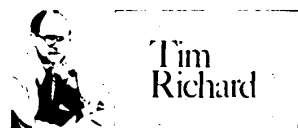
First, the idea of big federal low-income housing projects being plunked down in the suburbs is absolute anathema.

Second, everybody who breathed a big sigh of relief when the court ruled in the school busing case is anxious again.

Third, even the people who advocated cross-district school busing have agreed it does little to improve integration and probably leads to disrupted education for everybody.

Fourth, scatter-site, federally subsidized housing may be an idea whose time has come. It would not conflict with suburban zoning codes, and it might just be a non-disruptive route toward integration.

In any event, the Supreme Court has opened up once again the whole issue of the relationship of the suburbs to the center city. It will be a long time before that one is resolved.



Tim Richard

Plymouth Township residents have the pleasure of playing host to the Detroit House of Correction—that is, a prison. DeHoCo lies along a railroad track, and such a location historically is good industrial land. But Plymouth Township is out of luck, because it can't tax DeHoCo the way it can Ford Motor Co. or Buicks.

Northville Township residents for years had the pleasure of having a tuberculosis sanatorium, owned by the City of Detroit, as a neighbor.

In addition, the western suburbs have such public facilities, built with a certain amount of Detroit influence, as a state hospital, a training home and a facility for the retarded on what would otherwise be their taxable property.

Did Detroit consider the problems its residents would have visiting the TH facility or DeHoCo when it decided to locate them in the suburbs? Not on your life. The suburbs at that time were a popular dumping ground for such institutions.

FOR YEARS, Detroit's policy was to tell HCMA to build its metroparks in the country and keep away from Detroit's bailiwick.

Now our neighbor is introducing bills to "reorganize" the HCMA board and force it to develop a metropark in Detroit, and is even seeking to withdraw from the HCMA.

To its credit, the suburban-dominated HCMA has made two sincere offers to develop and operate facilities in Detroit, one of them Belle Isle. The Young administration said nay. What it really wants is that HCMA money so the mayor can spend it on his staff as he sees fit—not on metroparks.

And so it seems that the metroparks, the zoo, DeHoCo and everything else requiring much land will continue to be out here in the boondocks.

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Observer & Eccentric**

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