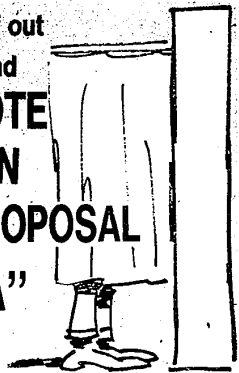


get out
and
VOTE
ON
PROPOSAL
"A"



Give taxpayers credit when due

There are simpler, more effective ways to grant tax relief than the plan called Proposal A that's on Tuesday's ballot.

Proposal A should be defeated because it probably won't work. Simple logic ought to remind taxpayers that less money will buy fewer services.

Forget promises by state legislators that tax money lost by local governments and school districts will be reimbursed. Where's it going to come from?

Legislators admit that the increase in the state sales tax from 4 to 5.5 percent won't be enough to do the job. So they'll be cutting the state budget by \$250 million and borrowing the remainder.

What the constitutional amendment will end up doing is robbing local cities and school districts of state dollars they now receive in order to reimburse them for property tax dollars lost. That means taxpayers can expect to see services reduced — even dropped — that now are funded by revenue sharing and state aid.

WE'RE CONCERNED that voters will really become disillusioned with government when they find local officials begging for new millages and waivers of the 6 percent cap on annual property tax increases under Proposal A.

Michigan taxpayers already receive property tax relief. It's called the circuit breaker, and it refunds a percentage of your property tax along with state income tax return.

Problem is that you grant the state an interest free loan for six months until the money is returned. That could be improved. Taxpayers would find real tax relief if they got a credit when their tax bills come due.

Surely a state Legislature that can come up with a plan as complex as Proposal A can find a simple, economical way to administer property tax credits.

Everything Proposal A does, with the exception of the sales tax, could have been done by the legislature without requiring a costly election on a horrendously complex constitutional amendment.

Vote no on Proposal A, and tell the legislators to try again.

An American in Acapulco

Bargain takes tourist for a ride

"Look, I just can't meet your price," I argued. The vendor just stared. "I'm really not rich, you know," I insisted. "Inflation is killing me. My earning power is shrinking every day."

His expression never changed. With his big, sad eyes glistening, he repeated his price: "Five pesos, señor."

He had me and he knew it. I knew he knew it, and I knew I wouldn't be able to resist. I dropped the five peso coin into his palm. He gave me my merchandise and ran away.

It upset me, being conned out of five pesos by a 6-year-old bandit. Twenty-five cents just for a tiny box containing two Chicklets.

No doubt the little kid ran back to his mother to tell her what an easy mark this American was.

I WAS RIGHT. There he was, gabbing to his mother and waving a finger in my direction. The mother was employed in the same field as the son — street market merchant.

But then, that's what many natives of Acapulco do for a living. What keeps the town alive, I learned quickly, is tourists. The population worked in the street market, the hotels or restaurants, or taxi cabs. Often, they combined several of these.

Oh, oh, trouble. The mother had spotted me. Her eyes were lifeless, her face betrayed no emotion. Like a shark poised for the kill, she slowly circled, sizing up her prey.

She made her move, darting toward me. My defense was immediate. Hands up to ward off the attack, before she could say anything I blurted out, "No, gracias, no, I don't want anything."

But she zoomed right past me. She had spotted another mark — a middle-aged American woman whose skin was still white. She had obviously just gotten off the plane and probably wasn't familiar with the monetary conversion rates or street bargaining.

Easy pickin's for a pro like this, I figured.

SAFE FOR the moment, I paused to look at the task I was faced with: Mission: get to the bank approximately one-quarter mile distant and cash in some traveler's checks for pesos.

But as I surveyed the situation I was confronted with, I realized it would be no easy task. Mexican merchants lined both sides of the streets, ready to pounce on an American headed toward the bank.

I had only travelled 25 yards from the hotel and already I was out of five pesos for Chicklets. Walking 400 yards further would be suicidal.

Get a cab, I decided quickly.

"How many pesos to the bank?" I yelled to the taxi driver.

I was somewhat embarrassed to be asking, since it was such a short distance. But the driver didn't seem surprised. I figured he had heard such a request before — probably quite a few times.

"Twenty pesos," he answered nonchalantly. I hesitated. Twenty pesos is nearly a dollar; just to ride a few blocks.

But, in weighing the alternatives, I surmised it would probably be the cheapest route to the bank.



C.J. Risak

MY REASONING had been shaped after a couple days in Acapulco. I looked at myself, garbed in a brightly-colored Hawaiian shirt, white painter's pants, a beaded Indian belt, plastic sandals and an Italian bicycling hat.

The Mexicans, I concluded, must think I'm some rich, sophisticated, globe-trotting playboy.

I tried telling several street merchants that I was really very poor, that I had won the trip on a television game show. But these people worked on the streets. They easily recognized dishonesty. They had to, just to survive the day-to-day bargaining they did with each other.

They saw right through me.

The problem with Americans in Acapulco, I philosophized, is twofold: They are sympathetic and they can't pass up a bargain.

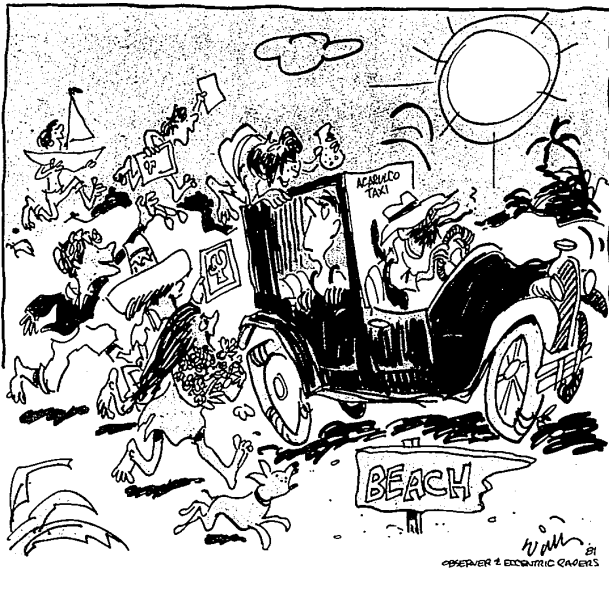
But American bargain hunters in this town were nothing more than fish food. Few had the character to resist the Mexicans' sales pitch.

Those that did resist the bargains rarely escaped the Chicklets kids, who preyed on the sympathetic.

I ANALYZED my weaknesses as both. I could neither resist a deal or a pair of sad eyes.

That's why I climbed into the cab. The trip, although only a few blocks, was harrowing. There are no stop signs, traffic signals or speed limits in Acapulco. One friend likened it to a Grand Prix training ground.

But the flight with a smiling, gold-toothed Mexican cabbie still seemed safer than risking financial disaster on a trip through the street market.



Workers lose in GM revision of economic rules

Guess it's time to return to school and take a graduate course in economics from Roger Smith.

Smith, chairman of the board of General Motors, certainly has different ideas about how the American economy works than the ones my economics professor shared a couple decades ago.

That became apparent last week as I read the financial reports of General Motors performance during the first quarter of fiscal 1981.

I remain dumbfounded by the attitudes expressed by top officers of one of America's major corporations, which for years has been considered to be the hallmark of what's good for our nation.

IN THE EARLY 1960s, it was believed that profit was desirable because it produced jobs and could easily be justified as a reward to those investors who take risks.

It also was believed that competition produced keen business minds and sound practices that resulted in greater productivity and even greater profits.

And we also used to believe, back in the dark ages, that wage earners bought products, and it therefore was important for a corporation to keep as many employees employed as possible.

But in 1981 instead of profits being used to create employment, General Motors is deliberately reducing its work force in order to earn a profit.

And General Motors is asking that risks be removed so it can earn greater profits to redesign its plants.

Furthermore, GM is appealing to the federal government to take direct action to reduce competition so it can increase sales.

And, after laying off thousands of workers, General Motors now is appealing to the UAW to renegotiate its contract so as to increase its productivity. And, apparently, GM is content to keep its laid-

Daniels' den

by Emory Daniels

off employees out of work as long as it is able to wrestle wage concessions from the UAW and bleed the American economy of its price reserves.

In fact, of all the arrogant behavior shown by General Motors to date, the worst was to raise car prices at a time when sales volume is way down and unemployment high.

THE ANNOUNCEMENT made several weeks ago was that GM had realized a net profit of \$150 million for the first quarter.

Stacked up against total sales, that represents a profit margin of 1.2 percent. During the last three months of 1980, GM earned a net profit of \$155 million. So for the past six months, with the Detroit area reeling because the auto industry is "sick," GM has earned a profit of \$345 million.

In explaining the first quarter profit, Roger Smith says it was made possible because GM reduced its work force, cancelled bonuses and reduced company contributions to employee stock purchases.

The reduction in the work force for the first quarter amounted to 39,000. And so the GM chairman boasts of making a \$190 million profit by, in part, laying off 39,000 workers.

I know that will impress the boys on Wall Street and in the country club, but earning a profit by laying off workers is not your classic approach to helping a region recover from a recession.

Smith says GM needs the profit, and much higher profits, to help raise the \$40 billion the corporation needs to redesign its cars and refurbish its factories by 1985.

Faced with a capital budget calling for \$10 billion a year, it would appear many years will pass before the 39,000 laid-off workers return to the new, improved assembly lines.

(Wall Street analysts predict a 1981 profit for GM of \$1.4 billion. In 1980, GM ended the year with a record \$763 million loss, but in 1979 finished the year with profits of nearly \$3 billion. In first quarter fiscal year '79, GM earned \$12 billion and followed with \$1 billion profits for the second quarter of '79.)

Smith points out GM is paying about \$19.70 per hour to each worker, including fringes, and needs to lower its labor costs by \$3 per hour to compete with Japan.

So if General Motors is going to compete with Japan, says Smith, it will need the help of the UAW, which it hopes will agree to reopen the current contract.

Beyond that, GM has joined the call of the other car makers in asking the U.S. government to restrict the import of Japanese autos. Thus we find the hallmark of capitalism urging the federal government to eliminate competition so GM can sell more cars.

As a consumer, I resent the government's doing anything that will help maintain car prices at present levels. If GM wants to be more competitive, it should look hard at its prices and quality and consider whether quality can be improved by maintaining a reduced work force.

THE REQUEST to limit imports is especially arrogant, given GM's recent announcement it was raising 1981 car prices by 3.5 percent.

I remain dumbfounded that General Motors' response to a 7 percent decline in sales is to raise prices by 3.5 percent. That defies everything I learned about supply/demand.

I realize that a \$350 million profit for the past six months won't buy back many laid off workers. In fact, that profit volume would pay the wages of only 5,000 workers.

But given the fact that auto workers have a pretty good record at buying cars, General Motors has a selfish interest in recalling workers from layoffs. If the 5,000 workers, for instance, were recalled and each bought a GM car (now selling for an average of \$10,000) the corporation's sales would increase by \$50 million.

Maybe GM fears that its prices are so high that if 5,000 workers were recalled to work, 4,000 would buy Fords instead.

WHAT AMAZES me about all that's going on now is that, in time of serious recession, we find General Motors:

Laying off workers to earn a profit; responding to a sales slump by raising prices; reacting to stiff competition by asking the government's help in eliminating that competition; seeking assistance from the union to raise productivity (a job which belongs to management, not unions); and asking Detroit for tax breaks so it can build a factory after showing little regard for the employees living in this region.

Whatever happened to risk? What ever happened to corporate social responsibility? What ever happened to supply/demand? What has happened to the free enterprise system?

I haven't yet written my congressman urging import quotas against Japanese car makers, but I may urge my government to deliver me from General Motors.