Consensus: Scrap the single business tax

(First of four editorials)

Gov. William Milliken and the Michigan legislature must get credit for trying to do the right thing when they concocted the single business tax in 1975.

"Equity, revenue stability and capital expansion" were the goals—and quite proper ones—as the governor said in his State of the State address. Until SBT went into effect in 1976, Michigan businesses were paying seven different taxes, and the biggest one—the corporate profit tax—was producing roller coastering revenues over the course of the business cycle.

Milliken said SBT has moved the state closer to those goals. That is a super-cautious statement for its chief architect. As we see it and hear business people talking about it, however, SBT has failed to move Michigan far enough toward those goals.

SBT ought to be scrapped. We point no finger of derision in saying this, and we again give the governor and legislature credit for trying. But SBT still ought to be scrapped.

"EQUITY," the first goal, has not been achieved at all, apparently.

The governor's task force on SBT, headed by Lt. Gov. James J. Damman, is reportedly split over the question of revision versus rewriting. Nine want to retain it, nine want to dump it, and four said they couldn't decide.

Business people, especially those involved in small businesses, seem overwhelmingly against it. Now it's theoretically possible they could be wrong, but it's a fact of life that if people feel oppressed or put upon, then government had better change things in a hurry or suffer a loss of confidence. Michigan can ill afford a revival of the widespread feeling it has an anti-business climate.

The facts, as determined in a survey by the Damman task force, are:

- Nearly two-thirds disagree with the concept, which is a value-added tax.
- Some 80 per cent disagree with the formula.
- Only 25 per cent see features worth retaining.

THE TASK FORCE report attempts to discount those complaints by suggesting the majority who failed to answer are actually satisfied. That's possible, but it doesn't square with what our reporters have heard in local chamber of commerce meetings and at the task force's own public hearings.

Many business leaders told their accountants to dump the survey form when they learned what the accountants would have to charge them to fill it out. Others were plain sick and tired government and questionnaires.

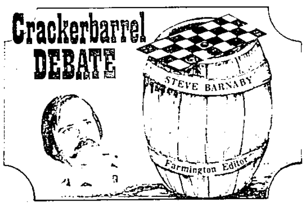
Moreover, there's a factor that no survey can adequately report. That factor is the sense of anger and outrage many business men and women unleash when they talk about the single business tax.

These attitudes alone should convince Milliken and our lawmakers in Lansing to go back to the drawing board and design a new way of raising revenue from the firms which organize the production of goods and services in Michigan.

And there are other reasons . . . which will be examined next Thursday.

editorial opinion

Valuable leader lost in Terry Brennan death



The government worlds of Farmington Hills and West Bloomfield will be missing an important figure in the coming years now that lawyer Terry Brennan has died.

For many years—19 years in Farmington Hills and 16 years in West Bloomfield—the senior member of the Brennan and Bibeau law firm has been keeping elected officials on the straight and narrow road of living up to their respective charters.

Sometimes local officials found themselves disagreeing with an opinion rendered by the sandy-haired attorney. But in the end, for the most part they found that Terry was correct.

Watching Terry work over the last year made city and township hall watchers respect him even more. Just about everybody knew that Terry was really too sick to be working that hard. Lesser men would have thrown in the towel and said the hell with it—but not Terry.

EVERY WEEK, he would spend many hours seeking answers on municipal and zoning laws and wrestle with the overabundance of lawsuits plaguing the governments.

It's hard to imagine what a meeting will be like without Terry. His dry and subtle wit was a welcome relief from the sometimes pompous meanderings of elected officials. Some referred to him at the eighth member of the Farmington Hills council. Still others thought he should have taken a less active role in the meetings.

But that would have been a mistake. Terry wisely disregarded the criticism and continued to guide his part-time legislators.

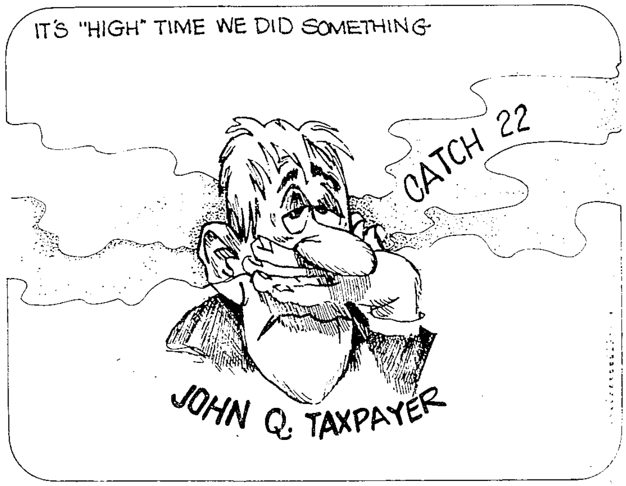
Terry's trait which earned him the most respect among those with whom he worked was his uncanny ability to remain cool under pressure. As his health deteriorated, Terry remained calm and collected even during the most heated debates.

Residents would holler and scream, while local legislators pounded and bellowed. But in the end, everyone involved in the fray would turn to Terry seeking his opinion. Most times, he knew the answer.

NEVER ONCE did I see Terry lose his temper, although he would have been justified many times. Instead, in his own indomitable manner, he would flash a quick smile, render his opinion and sit back to watch everyone's reaction.

If someone pressed him for more details, he would pull out a law manual, which always seemed to open to the correct page, and support his argument. But most of the time, he didn't even have to do that. His mind was a walking law book that could support his opinions.

We'll miss Terry Brennan. But Farmington Hills and West Bloomfield are better places because of him.



Legislators play 'Catch 22' with conflicting laws, rules

Modern proverbs:

'Glitter costs too much'

Eccentricities

—by HENRY M. HOGAN, JR.—

A stitch in time saves embarrassment.

He who hesitates is liable to hear the man behind him hitting his ear bumper.

Idle hands receive unemployment compensation.

If winning and losing aren't important, why keep score?

All that glitters costs too much.

Grass is always greener in somebody else's joint.

An ounce of prevention is now measured in pills.

A bird in the hand can be messy.

Never put off until tomorrow anything that can be done next week.

An apple a day keeps the doctor away; an onion a day keeps everyone away.

A PENNY SAVED adds to the coin shortage.

Death stunts your growth.

It is better to give and get a deduction.

Absence makes the heart grow fonder; out of sight, out of mind.

The best laid plans of mice and men often end up in a trap.

Show me a good loser and I'll show you a loser.

Show me a child champion and I'll show you a pushy parent.

Behind every successful man stands a surprised mother-in-law.

Do right and fear no man; don't write and fear no woman.

The early bird catches the worm; but then again, who wants worms?

He who laughs last probably didn't understand the joke.

Early to bed, early to rise means there'll never be a midnight surprise.

People who live in glass houses shouldn't take showers in the day time.

A little knowledge is a common thing at cocktail parties.

A little bit of politics goes a long, long way.

In God we trust; all else pay cash.

A man's best friend is a 24-hour automatic bank teller.

Hope springs eternal in the hearts of Tiger fans.

Honesty is the best policy because to be a good liar requires a good memory.

Don't judge a movie by it's rating.

You can't teach an old dog new math.

IF AT FIRST you don't succeed, read the directions.

When in doubt, call it out.

Hell hath no fury like a woman scorned, said Congressman Wayne Hays.

A Rolling Stone gathers a large audience at Pine Knob.

Give him a centimeter and he'll take a kilometer.

Nothing succeeds like being the son of the owner.

Too many cooks crowd the kitchen.

Don't count your income before it's taxed.

A watched pot keeps the waist trim.

There's no fool like an old fool who believes his taxes will go down.

You can't have your cake and eat it too because it's not on your diet.

An ill wind blows and environmentalists arise.

All men are created equal, but some are more equal than others.

Majority rules only if the minorities let them.

Up in Lansing, the state legislature is back in session. Down in Washington, Congress is up and running. And the sweetly tragic smell of Catch 22 is once again wafting through the air.

"CATCH 22," as you will recall is the remarkable novel about the guy who found himself absolutely and totally immobilized by the web of self-contradictory and conflicting rules and regulations promulgated by the Air Force.

Local examples of the syndrome abound in virtually anything that has anything to do with any level of government. Remember the case of the crippled man who wanted to marry the nurse who, on the state payroll, had been taking care of him? It turned out that the government rules required that if she married him, she would lose her job, and hence they couldn't afford to get married. Catch 22, in only two moves.

A BROADER and more tragic example of the Catch 22 disease is detailed in two recently published books—The Politics of Neglect and Between the Idea and the Reality—which deal with the famous (or infamous, if you prefer) Model Cities programs of the 1960s.

Realizing that the cities were in terrible trouble, the formulators of the Model Cities program sought to set up in the Model Cities Act a single, coherent, systematic mechanism by which the hash of uncoordinated and often contradictory federal policies for cities would be made rational and effective. In particular, the program was intended to coordinate the single purpose grant programs that had previously been set up to help the cities.

As we all know, the Model Cities programs were failures, especially when measured against the great promises which were trumpeted for them at the start. What happened?

CATCH 22, that's what happened.

When the Model Cities administration staffers began their first attempts to coordinate and rationalize the patchwork of separate grants to the cities administered through numberless federal agencies, they discovered that other federal bureaucrats were perfectly willing to cooperate—where they could.

But when they read the legislation passed by Congress originally setting up the grants, they discovered that the original stipulations laid down by the representatives and senators were so narrow and so specific that in most cases no freedom to coordinate existed, even when the bureaucracy wanted to do so. Even where the bureaucrats had legal discretion over program funds, they felt they could not safely commit them in advance of the yearly congressional appropriation process. And by the time that was over, most of the funds available were committed to specific projects advocated by individual members of Congress to benefit their own districts.

Observation Point

—by PHILIP H. POWER—

Although the original Catch 22 restrictions written into the fabric of legislation by the Congress were not the only reason the Model Cities programs failed, certainly they were the major reason. As a reviewer of the programs concluded, "The institutional barriers that frustrated the Model Cities program were not built by the administrative agencies themselves. They consisted not of the bureaucratic arrogance and caprice celebrated in chamber of commerce luncheon talks, but of specific restrictions written deliberately by Congress into the categorical program laws and zealously enforced by those groups which benefitted from the programs."

SO OFTEN legislatures, whether at the state or federal level, feel their job is to legislate.

Perhaps true, despite the facts that in Michigan it costs the taxpayers an average of $600 just to have a bill introduced, and only a small percentage of all bills introduced ever are passed.

The real costs of the legislative propensity to legislate are much, much more than the $600 per bill. They lie in the vast and ever-increasing web of legislation that is really behind the increasing prevalence of the Catch 22 syndrome in our society.

To meet this problem, and in honor of the resumption of work by our leaders in Lansing and in Washington, I offer the following modest proposal:

For every bill introduced into any legislative body, there shall be required a "Legislative Impact Statement." Similar to the famous environmental impact statements, a legislative impact statement would involve a careful study of other, previously existing legislation in the field affected by the proposed bill, together with the construction of specific amendments to this old legislation that would make it consistent with the intent and effect of the new bill.

The results of such a proposal, if adopted, would be two:

1) It would slow down legislatures, which are already passing by far too much legislation for the American public to endure, let alone understand.

2) It just might cut down the web of Catch 22 "Gotcha's", which affect all of us so much of the time.

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