

Tax, energy bills win little applause from area reps

By MICHAEL MATUSZEWSKI

Congress' final session before the campaign break lasted 36 hours, but few congressmen, even those who voted for the two most significant pieces of legislation passed last week, seem satisfied with the results.

The two bills were the \$18.7 billion tax cut and the long-awaited energy bill.

On the tax cut, the House vote, 337-8, followed passage by the Senate, 72-3. Observer & Eccentric circulation area congressmen voting for the bill were: Carl Pursell (R-Plymouth), James Blanchard (D-Pleasant Ridge), William Broomfield (R-Birmingham) and William Ford (D-Taylor).

Voting against the tax cut bill were Reps. David Bonior (D-Mt. Clemens) and William Brodhead (D-Detroit).

The energy bill passed the House, 231-168, and the Senate, 60-17.

Of area congressmen, only Bonior opposed the energy bill.

SOME AREA representatives were especially critical of the tax cut bill. Brodhead called the tax cut, "an excessive tilt toward well-to-do individuals."

"Previous tax cuts were more across the board," Brodhead said, adding that the issue of tax reform was ignored.

"I could have supported the bill," Brodhead said, "if the tax cuts were more proportionate." Taxpayers earning \$15,000 or less, he said, account for 64 per cent of all tax returns. Yet, the bill gave them only 24 per cent of all relief, according to Brodhead.

STAFFERS IN Bonior's office pointed to several more statistics, which they said proved the inequity of the bill. They said persons earning between \$50,000 and \$100,000 accounted for only one per cent of the population, but were receiving 10 per cent of the bill's benefits.

They added that of the \$2.1 billion designated to ease taxes for investors, 41 per cent of the tax savings would go to persons earning more than \$200,000 annually. Those persons, they said, make up 0.1 per cent of the population.

BLANCHARD, who was not critical of the manner in which the cuts would be distributed.

"The cuts are more meaningful for persons earning between \$15,000 and \$40,000 and they're not as meaningful for persons earning less than \$15,000 a year."

"Face it," he said, "the people above \$15,000 pay so much in taxes to begin with."

"And the people making less than \$10,000 a year have so many government programs to help them, that it's not really fair to argue that point."

Specifically the tax cut bill will:

- Increase the personal exemption from \$750 to \$1,000. The general tax credit of \$55 would expire this year.
- Raise the standard deduction to \$2,300 for single persons and \$3,400 for couples.
- Reduce the maximum corporate tax rate from 48 per cent to 46 per cent beginning Jan. 1.
- Allow persons 55 or older to sell their houses and not be taxed on the capital gain, providing that the gain does not exceed \$100,000.
- Exclude 60 per cent of profits from sale of non-residential property, stocks and bonds from the regular federal tax (up from the current policy of 50 per cent). The rest would be subject to regular tax rates.
- Revoke tax brackets to allow persons to earn about six per cent more before moving into higher tax brackets.

AS FOR THE long-awaited, much-maligned energy bill, it drew few rave reviews from area representatives, even though they voted for it 5-1.

Pursell, a member of the House Science and Technology Committee, had few good things to say about either the committee's energy program or that outlined by President Jimmy Carter in April 1977.

Carter's program, Pursell said, "was not really a substantial effort to consider our energy situation."

Congress "completely gutted" the president's recommendation, the Plymouth Republican said, "because it was so bad."

However, what Congress replaced it with was not an immediate solution to America's long-term energy problems, according to Pursell.

"The bill was a disappointment," he said, "because it lacked a major concern for alternative forms of energy."

Instead, the program emphasized

saving energy, stimulating domestic production and reducing foreign oil imports. It gradually lifts price controls on natural gas, offers incentives for energy conservation and encourages industry to switch from gas and oil to more abundant coal.

THE MOST important provision from the consumer standpoint is the gradual lifting, over the next five

years, of price controls on natural gas.

"As far as homeowners are concerned," Brodhead said, "prices are going to go up. They were going up before the bill and they're going up after the bill."

Deregulation supporters, however, hope that higher prices will stimulate production.

IN ANOTHER important natural

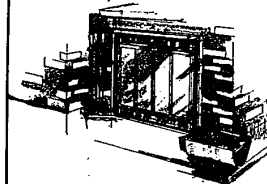
gas pricing provision, Congress, for the first time, extended pricing controls to gas produced and consumed in one state. Previously, only gas shipped across state lines was under pricing restraints.

Supporters of this provision are hoping that natural gas suppliers will be more inclined to ship gas to northern and midwestern states because prices will now be equal.

Opponents of natural gas price deregulation, such as Bonior, say it will be "a windfall for oil and gas companies."

Claudia Elliott, a legislative aide to Bonior, said there is no guarantee that new earnings from deregulated gas will be used to finance new production. "What they can do is just hold back the money and pay it out in dividends," she said.

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School-age traffic injuries down 24%

1977 school-age pedestrian traffic injuries and deaths decreased 24 per cent from the 10-year average in Michigan.

However, school safety remains a serious problem due to the combination of careless motorists and unpredictable students, according to the Automobile Club of Michigan.

"Ninety-nine per cent of the injuries and fatalities involving youngsters aged 5 to 14 occur at areas not manned by safety patrolmen, adult crossing guards or police officers," said Arthur Gibson, the auto club's safety and traffic engineering manager.

Children crossing streets at mid-block are the victims in more than two-thirds of the 2,000 child pedestrian injury and fatality accidents last year. Carelessness contributed to at least 75 per cent of the 2,077 injury and death accidents involving young bicyclists.

"This year we are emphasizing the importance of having youngsters, especially the 154,000 kindergartners attending classes for the first time, cross streets only at designated school crossings," Gibson said.

The auto club suggests that parents

teach children these simple rules for walking or riding bicycles to school:

- Walk only on the sidewalk. If there is none, walk facing traffic on the shoulder of the road.
- Cross only at designated school crossings.
- Look all ways before crossing and walk instead of run across streets.
- Obey safety patrol or crossing guards.

Motorists are reminded to be extra cautious in school areas and to drive at a reduced speed. Drivers also should be alert for children darting into the street from driveways or between parked cars and should watch out for students when turning right on a red traffic signal.

The auto club is holding eight statewide adult crossing guard workshops for law enforcement officials representing 305 Michigan cities.

The workshops are designed to comply with a new state requirement that all adult crossing guards receive four hours of training and two hours of annual review from local police in traffic control.

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