

# Pursell panel frowns on tax increase; state benefits from U.S. fuel revenue

By Mary Klemic  
staff writer

Every department of state government may be asked to make reductions of 2 to 5 percent when the expenditure subcommittee of Gov. Blanchard's Fiscal Crisis Council submits its report, according to Carl Pursell of Plymouth.

Although he is a Republican and a congressman, Pursell is chairman of the nine-member subcommittee, one of three such panels drafting recommendations on the state's budget problems. He said the committee would probably not ask for a tax increase.

"You don't tax to improve prosperity," said the third-term congressman. He said the panel's recommendation would probably ask for a property tax freeze "up front" and reductions from almost every department. A possible exception is the Corrections Department which runs Michigan's prisons.

THE SUBCOMMITTEE heard testimony Dec. 29 in Lansing. Pursell said the speakers included representatives from the areas of mental health, general government, the fiscal agencies of the state Senate and House, the Michigan Chamber of Commerce and the state auditor general, along with former state legislators.

Suggestions from speakers included recommendations that cuts be made across the board, according to Pursell.

"I'm in favor of that principle," said Pursell, a former two-term state senator and member of the appropriations committee.

Pursell said the full committee will meet this week. He said Blanchard wanted the panel to submit its recommendations before the governor's televised state of the state address the evening of Jan. 26.

MICHIGAN WILL get a 78 percent boost in highway construction money from the nickel-a-gallon federal gasoline tax increase, said Pursell, who supported it. The increase will go into effect April 1.

Four-fifths will go to highway work. The remainder will be used for public transportation, figures for which are unavailable.

The money is distributed according to a formula that takes into account population, the amount of highway travel and miles of actual highway.

"The roads had to be maintained or we were going to spend more later on," Pursell said.

Michigan received just less than \$189 million from the federal government last year. But it is estimated that under the new formula, Michigan will receive \$336.9 million.

That allocation is expected to climb to \$378 million in 1984, \$400 million in 1985 and \$426.9 million in 1986.

PURSELL SAID Drew Lewis, who recently resigned as secretary of Transportation, was "probably the most outstanding transportation secretary we've had in years. I worked with him very closely on programs for Michigan. He was supportive of Michigan."

The congressman said he did not know the total background of Elizabeth Dole, whom President Reagan nominated as Lewis' successor. "But it's nice to see a woman in the Cabinet level," Pursell said.

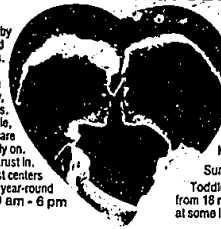


staff photo

Draw Lewis (left), then Secretary of Transportation, and U.S. Rep. Carl Pursell, R-Plymouth, made the rounds of Michigan Republicans during the 1982 Super Bowl celebration in Farmington Hills. When Lewis resigned, Pursell called him "probably the most outstanding transportation secretary we had in years."

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