

OBSERVATION POINT



By PHILIP H. POWER
Publisher

Kids' Games: How Many Baby Steps To Real Tax Reform?

Children play a game called "how many steps from you to me?" in which the player who is "it" challenges the others to guess the number of giant steps, normal steps or baby steps between them.

The Michigan Legislature must have been playing the game using mostly baby steps as it revised some parts of our state tax structure. And some steps were forward, some backward.

ONE GOOD STEP was to place on the November ballot a proposed constitutional amendment to allow a graduated rate, or "progressive," income tax.

Our state income tax has a flat rate of 2 1/2% on individuals. If your income is low, you are helped by the \$1,200 per person deduction. If your income is high, you can figure nice ways to avoid it. If you're a middle-income guy, you get socked.

We need to have graduated rates if we're going to expect the most elementary principle of fair taxation — namely, ability to pay. Hopefully, this proposed amendment will get a fairer hearing from the electorate this year than it did in 1968.

Two steps of doubtful value were taken when the Legislature changed the provisions of the income tax law by allowing smaller credits for local property taxes and city income taxes.

The state hopes to pick up \$92 million in additional revenue through this bit of sleight-of-hand. It would have been nice to see

our lawmakers face the issue a little more squarely and raise the tax rates.

From this vantage point, it's hard to figure whether limiting the city income and property tax credits is progressive or regressive. Some small credits will be allowed — up to \$15.

ALREADY THE LEGISLATURE has lifted the cigarette tax by four cents a pack. Granted, cigarettes have a bad name for health reasons, but the lawmakers were thinking about money when they hiked this tax.

The cigarette tax is plainly regressive; that is, it takes a bigger percentage of the poor smoker's pay than the rich smoker's.

When the cigarette tax was being debated, there was some fear that it would make smuggling profitable across state lines. Revenue hasn't been running as high as anticipated since the tax took effect in April. Is it buyer resistance? Is it due to smuggling? It's hard to say.

This much is clear, though: Any move toward heavier consumption taxes is a bad one, and the Legislature gets black marks for this move.

WHEN THE NEW constitution was being debated, one of the strong selling points was that our property would be assessed at 50% of "true cash value" all across the state. Local governments' tax collections would rise as the economy rose — so the argument went

— and the system would become fairer.

What actually happened, however, is that in the inflation of the last six years, property prices shot up faster than the economy as a whole. It wasn't just the old folks on fixed incomes who got hurt, either; people whose incomes were rising found their assessments were rising faster.

The problem is incredibly complex. One clear-thinking legislator, Rep. Marvin Stempien of Livonia, fostered a resolution to curb the steady rise in assessments on single-family homes.

But Sen. Sander Levin, whose district covers Southfield, and who is running for governor, stuck his neck out and opposed a similar bill in the Senate.

"We need property tax reform, all right, but the way is not through freezing local government and school revenues," said Levin.

I CAN'T SEE my way clear to call either side categorically right or wrong on their proposed solutions.

The important thing to recognize is that the fault lies with the whole property tax system — a tax that was a pretty good indication of ability to pay a couple of centuries ago, but which became a bad tax as soon as the industrial revolution began, a worse tax when suburbs were built, and a worst tax (if you'll pardon the grammar) when people began retiring at 65 or 82.

The only way out of this property tax mess is to junk it. Do away with it. If not wholesale, right now, then bit by bit. There's just no way in the world to "reform" the property tax to a point where it will make any real economic sense.

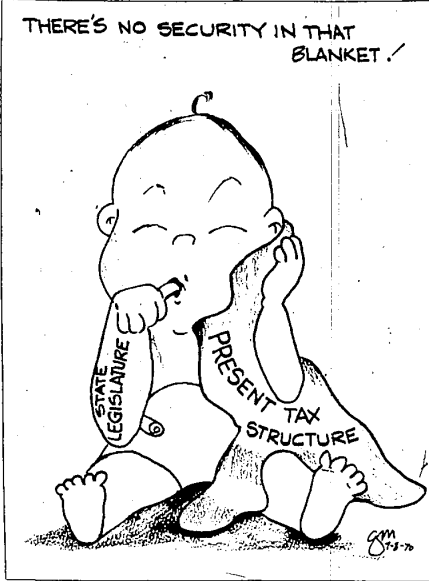
This brings us to one last baby step our good legislators took.

THE HOUSE passed — but the Senate got stumped up in — a plan for a constitutional amendment to limit the property tax rate. Limiting the rate is something that most of us will probably agree on, if it ever gets on the ballot. It will reduce our reliance on that old-fashioned property tax. It's a good baby step.

But the giant steps, with seven-league boots will come (1) when we the people make up our minds to permit a progressive income tax, and (2) our legislators have the guts to pass the kind of income tax rates they know the state needs to take care of education, the mentally ill, the environment and all the other state problems.

Will we the people have a strong enough sense of fair play to vote "yes" on that constitutional amendment? Will our legislators be bold enough to take the giant steps with the income tax that need to be taken?

I'm not psychic, and I can't predict the future. But I strongly believe that we need to quit playing kids' games with baby steps and start taking giant steps in the field of tax reform.



How Youngsters Can Find Good Jobs

By MRS. E. BENNETT
Livonia

DISSENT

This year will see thousands of high school graduates thrown upon a very depressed job market. Many of them would like to get summer jobs with the intention of saving towards tuition for college classes. However, industry can absorb very few...and girls will not be able to fit into temporary office situations.

Are things hopeless? Not at all. The biggest demand in the world today is for plain, ordinary services, not at \$8 or \$9 per hour as plumbers and electricians and painters are asking, but services that any sensible, energetic 18-year-old can handle.

Any group of women, talking together for 15 minutes, will turn to the impossible task of trying to find someone to give her a hand with keeping up with the house and yard, at a reasonable rate which I would consider to be \$1 an hour.

THE BOYS, WORKING alone or in a small group, can canvass their own neighborhoods and find work; and iterative work to keep them busy all summer.

Outside of the usual lawn work, see who needs to have their gutters cleaned out, storms and screens changed and washed, windows washed (every woman in Livonia needs this), cars washed and carefully cleaned inside, garages swept and perhaps hosed out, pools serviced.

Are any of you even slightly

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mechanical — can you put new washers in a leaking faucet, can you put up a few shelves in a fruit cellar, can you teach a youngster to swim in one of our fabulous new municipal swimming pools?

How many of your neighbors have a garage badly in need of repairs or painting? Give it a good inspection and a fair estimate. Chances are you will be busy for the rest of the summer.

FOR THE GIRLS there are similar opportunities. Baby-sitting 40 hours a week can be monotonous, but how about searching out mothers with pre-schoolers and setting up a plan to take them off her hands for an hour or two a week so she can go grocery shopping, or just take her bath in leisure.

Why is there such a stigma to housework? I called the youth bureau several times for a girl to help me with occasional housework (more for running up and down the stairs than for scrubbing walls) and four times I was told that girls just aren't interested.

Mothers would love to have someone they can call on without previous notice to send to do part of the grocery shopping, or run some of the never-ending errands.

Can you sew simple and easy things?..mothers would love well made and sturdy play clothes for their kids. Entertaining is a job with children underfoot — let it be known that you are available to help with preparations and perhaps ride herd on the kids while Father is barbecuing for his friends.

The list is endless...Many young boys and girls need money and jobs; the older people need help. Get together and everyone will benefit.

Ray Thompson writes

Fine Site For Police Academy

Livonia Police Chief Robert Turner, long an advocate of special training for police officers and especially cadets (beginning patrolmen), has come up with an idea that should receive special attention from his fellow members of the Michigan Association of Police Chiefs as well as the State Legislature.

Turner proposes to use a portion of the 1,000-acre Maybury Sanatorium site for a Michigan Police Academy where new officers would receive special training for a period of no less than three months, and members of the department would have an opportunity for refresher courses throughout the year.

What better use for the land than to construct facilities for a Michigan Police Academy that could take care of men from departments throughout the state," says Chief Turner.

HE POINTS OUT that there is a proposal to turn the acreage into a recreation center with the

exception of 240 acres which is being sought by Northville Township and the City of Northville for a municipal golf course.

In his proposal, Turner sees no reason why another 120 acres couldn't be used for the Police Academy.

"It would still leave more than 600 acres for recreation facilities and that could take care of a great many sports. There could be baseball diamonds, tennis courts, football fields, tennis courts, and just about whatever the Wayne County officials decided to place there and still have room left over," he comments.

The proposed academy would be at a state level and would be financed by various foundations with some funds from the state.

Turner, who has been making a thorough study of the situation for months, says he knows that federal funds are available for such a project. He also has found several foundations that would

give financial backing to such a project.

WITH DETROIT Police Commissioner Pat Murphy recently coming out with a statement that all new members of his department should have at least one year of college, it appears that Turner's proposal has considerable merit.

Turner cites the current situation where a cadet received some training on the job and then is sent out on a beat to handle any and all incidents.

"We have to send men out in police cars when they have received only the training available on the job," he says. "Just imagine the situations they run into and often have to use their own judgment and common sense in how to handle them.

"During the course of a week, a new policeman may have to handle a mentally disturbed person, a hard-nosed criminal carrying a gun, a family quarrel to mention a few of the things that can crop up.

"We have no way of training him how to take care of every possible type of situation. Contrast that to a course of intensive training over a period of three to six months where the teachers are men with years of experience in all phases of police work.

"That's what we would receive from a Michigan Police Academy such as I am proposing. It would make for better police departments in every city, village or township in the state."

If Commissioner Murphy, who has had years of work with some of the largest police departments in the state, thinks that more education is a must for the Detroit officers, then we support Turner's proposal.

WE RESPECT Turner's judgment in the need for such an academy since he has long been rated as one of the best outstanding police officers in the state. His promotion to chief in Livonia was an indication of how the city fathers of that community felt.

We hope the legislators and his fellow police chiefs in Michigan give the proposed academy their undivided support.

After all, isn't a question of land—that's already there. It's only a matter of getting permission for its use. Turner says he knows where the financing can come from, and he apparently has a good idea where he can get the money for the necessary buildings and facilities.

With all of that going for them, how can the legislators and police chiefs miss by giving their approval?

Clear Up Motorcycle Code

Thanks to area Police Chiefs and numerous motorcyclists, we take typewriter in hand to correct an interpretation of the state's new motorcycle code.

The new laws also apply to motor-driven cycles. This means that a motor-driven cycle of less than five gross brake horsepower or a motorcycle of less than 125 cubic centimeter displacement is not allowed on any limited access highway in Michigan.

It is unlawful to operate a motor-driven cycle at night without written permission from the

chief law enforcement officer of the city, township or county in which the operator lives. And the machine may not be operated faster than 35 miles per hour, or as set by local ordinance, whichever is less.

Our interpretation was that all motorcyclists would have to receive written permission to operate at night...thanks to the police state at Livonia, Farmington, Redford Township, Garden City and Plymouth, the matter was quickly brought to our attention.

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