

POINTS OF VIEW

# Clinton's giving us the change we voted for

**N**ews flash: The newly enacted Clinton budget plan will reduce the federal budget deficit by nearly \$500 billion without raising income taxes of middle class Americans one penny.

In fact, the total tax increase on such Americans will amount to barely \$30 a year.

Huh? Come again?  
Yes, you heard right. As reported by the Wall Street Journal on Aug. 2, "The plan sharply raises income-tax rates for the richest Americans and only nicks the middle class with a gasoline-tax increase that amounts to about \$30 a year per motorist."

But, you ask, how can that be? What about the businessman in Montgomery, Ala., who tearfully complained last month to the assembled media that proposed tax increases on small business in the budget plan would force her to lay off workers, or worse, shut down completely?

And why were all those people in the Capitol Building halls wearing red T-shirts demanding No New Middle Class Taxes?

Besides, didn't Senate Republican Leader Bob Dole call the bill (gulp) "the largest tax increase in the history of the world"?

You are right of course. But each of

the fulminations you heard, however colorful, are dead wrong. Such fabrications, now quaintly termed "political lies," formed the core of a well-orchestrated, multi-million dollar national disinformation campaign to equate passage of the bill with the fall of the Republic.

Its underwriters — a self-styled fiscal conservatives spending their contributors' bucks willy-nilly — included the Christian Coalition (the redshirts), Big Oil (RIP BTU's) and James Miller's "Citizens for a Sound Economy." (Yes, that's the same Jim Miller who accumulated \$3 trillion of federal debt as Ronald Reagan's budget director and now wants to be Virginia's next U.S. senator.)

For starters, Citizens for a Sound Economy, which put up that tear-jerking Alabama entrepreneur, is now busy scooping egg off its face. It turned out that the taxes of the business in question, like those of almost all small business, were completely unaffected by the budget bill. In fact, the plan's investment tax credit will reduce taxes on small business by several billion dollars over the next five years.

And Sen. Dole's recycled mantra of "higher taxes?" Like the roundly criticized Bush/Quayle '92 commercials, Dole counted only the tax increase ele-



MARK STECKLOFF

ments of the Clinton plan while ignoring its many offsetting tax reduction features.

These include not only the business investment tax credit but an expanded earned income credit, which will enable millions of America's working poor to stay out of poverty.

Rest assured, Bush '90 and Reagan '81 still reign safely as the largest tax hikes in American, if not world, history.

Indeed, national accounting firm Deloitte and Touche has concluded that the new law actually reduces the income tax of a typical family (married couple with two children and \$40,000 income), from \$6,605 in 1993 under present law to \$6,523 in 1994 under the

new law.

Even the tax of the upper or upper-middle "yuppie" family it studied (married couple filing jointly with no children, much debt and \$185,000 combined income) will rise only \$143, from \$47,968 to \$47,511.

It would nevertheless probably surprise most people that President Clinton's original budget plan, and every version of it since, has called for no income tax increase whatever for Americans earning between \$20,000 and \$60,000. (Instead, the tax increases fall overwhelmingly on those wealthiest 1 to 2 percent of Americans, grossing over \$100,000, who enjoyed the greatest tax cuts in the 1980s.)

The budget plan, moreover, contains spending cuts of a magnitude not attempted by an American president since post-World War II demobilization days.

Among other cuts, the plan further reduces defense spending, slashes expensive crop subsidies and crop insurance programs, eliminates excessive payments to doctors, hospitals and medical labs, and cuts agency and White House staff.

These reductions more than offset modest increases provided in some programs like childhood immuniza-

tion. Perhaps the most telling fact of all is the Republican Party's quiet concession that the budget bill will, in fact, greatly reduce the federal deficit. According to the Journal, "there is a surprising consensus among budget analysts from both parties that . . . the expected compromise is likely to push the deficit down (from this year's expected \$285 billion) to roughly \$210 billion or perhaps a bit lower in the fiscal year that ends Sept. 30, 1997."

As a result, the federal deficit will decline from approximately 4.5 percent of gross domestic product to about 2.7 percent — a 40 percent drop. And Republicans do not seriously dispute the Administration's estimate that the bill will reduce the deficit some \$490 billion to \$600 billion during the next five years.

In part by keeping interest rates low, a shrinking deficit puts extra cash in the pockets of all Americans. And that's precisely the kind of change Americans voted for last November.

Mark Steckloff is a Farmington Hills resident and an attorney with the Detroit firm of Sachs, Waldman, O'Hara. He specializes in labor, employee benefits and bankruptcy law.

LETTERS

He's not bowing

**L**et us cut through the chaff about the Masha Silver-Joanne Smith feud and get to the real crux of the matter: Those who are elected or appointed to office have got their heads stuck up in the clouds.

They forget who pays for the things in this city. They forget that the people do not serve them. They are there to serve us. And they should remember that it is we who pay them.

The concept of those in city council chairs not listening to residents isn't new. When the ad hoc committee was first brought up by councilmen Lichtman, Grant and Severs, it was to cut out the Open Meetings Act and resident participation.

There have been times I have seen Smith when she didn't care very much for a lot that was said by the residents or city council candidates, as though others had no right to an opinion.

Remember who it is that is supposed to serve. Remember who it is that lives in Farmington Hills and has the right to speak on anything that concerns them or their taxes.

Remember it is we that are the bosses, not they. The city has a hard time seeing the real world and not the fake one they see it as. They are not kings and queens we bow to nor are they dictators.

This is the United States of America and we do have the right to be heard. And we shall.

Vernon C. Klepinski, Farmington Hills

Family at risk

**I** have been a practicing attorney for 25 years specializing in family law and custody matters.

I have served on State Bar adoption and custody committees. The baby Jessica case is more than an innocent child caught between the struggle between biological and adoptive parents fighting to keep her at all costs. The case strikes at the heart of society, because it threatens to unravel the fabric of family unity.

Jessica has become the symbol of a movement to enact legislation which would permit filing of lawsuits for custodial rights to children by a person representing the child's best interests.

Under such a standard, any person, even a stranger, could assert custodial

rights against any parent, biological or adoptive. Such proposed legislation would nullify parental rights and destroy the security or stability of the family unit.

No parents would be safe from a legal challenge from a person claiming that the best interests of the child require it to live elsewhere.

Those who have money could go shopping for the child of their choice; any child would be up for grabs. Lawsuits involving child custody will proliferate by the thousands. Kidnapping statutes would be rendered unenforceable. There will be no security for anyone, including baby Jessica, if such a law were enacted.

Stuart H. Brickner, West Bloomfield

Term is biased

**A**s a 30-year customer, cancel my subscription.

Enclosed editorial July 29: "Tax plan is dangerous gamble." I agree it's dangerous. Your quote "lawmakers . . . just for power" is the end of all statements.

A general, broad, biased, personal opinion.

You could have written the exact article and opinion when America was ruled by the British and their tea tax as an ultra conservative viewpoint.

Carl Stano, Rochester Hills

## Engler's education costs containment is still alive

**B**ack in March, when state legislators were negotiating Proposal A, I obtained an outline of one of the plans where item 9 was crossed over with black lines and labeled "OU".

"That," said a lawmaker, "is what Engler wanted." Item 9 was labeled "Legislation to help contain K-12 operating costs."

Voters flushed down Proposal A on June 2, so now lawmakers have started over by repealing \$6 billion in school operating property taxes. Gov. John Engler's item 9 is very much alive. And the Michigan Education Association should be sweating.

Now, to understand collective bargaining, you need to grasp that there are three parties: management, the union and the workers. The union bargains not only for what workers want, but for what the union wants.

So it is with MEA. The school employees union bargains not just for health care benefits, but for the carrier. It insists the carrier be its subsidiary, MESSA, for Michigan Education Special Services Association.

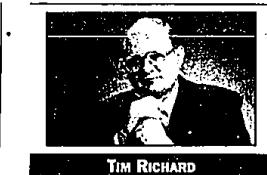
I don't comprehend all the details, but it seems MESSA, with a staff of 200-plus, markets Blues health care. Then MESSA buys \$8 million in computer services from another MEA subsidiary. (I draw this data from the famed June 7 Forbes magazine article.) MEA, MESSA and the data subsidiary share the same switchboard.

So you see that MEA staff jobs, not just teachers' issues, are at stake here.

Engler has promised to reduce property taxes along with a net reduction in the cost of government in Michigan. Therefore, he cannot agree to replacing all \$6 billion in lost property taxes with other taxes. There must be a net reduction for him to use the slogan "Promises Made, Promises Kept."

The first point under item 9, containing school operating costs, is "Requirements to bid out health care insurance for school employees."

Next point is to "Reform teacher tenure laws." Senate Republicans have pushed through those bills. They would 1) lengthen the probationary period, 2) require annual performance evaluations during probation, 3) require individual development plans for the teacher and 4) revise the hearing process in teacher tenure cases, shortening it to 300 days from nearly 1,600 days. In the last point, the goal is to keep school boards from "buying out" bad teachers in order to avoid the prolonged hearing process.



TIM RICHARD

**Gov. Engler cannot agree to replacing all \$6 billion in lost property taxes with other taxes. There must be a net reduction for him to use the slogan 'Promises Made, Promises Kept.'**

The third point is to require school districts to bid out such work as busing, maintenance, driver's education, nursing and social services rather than hire school employees (represented by MEA).

Fourth point is to penalize districts for 1/180th of their state aid for every day of a teachers' strike. As it is, MEA strikers are assured 180 days of work a year, unlike auto, steel and utilities workers.

Those are Engler's agenda points, not necessarily mine. If I were running the show, two other goals would emerge:

■ Reduce the number of school districts from 562 to maybe 200. The average school district in Michigan has 3,600 pupils and supports a superstructure of administrators and principals. A 200 district plan would save money and allow the offering of a more specialized high school curriculum.

■ Prohibit school district employees from serving on any board of education, college board or in the Legislature until 10 years after they have left the school payroll. We have too many school people sitting on both sides of the bargaining and budgeting tables.

Engler and the Legislature, by cutting school property taxes, have taken the most dramatic step in Michigan government since passage of the sales tax during the Great Depression. Even bigger changes are coming.

Tim Richard reports on the local implications of state and regional events. His office phone is (313) 349-1700.

## SCHOOL'S OUT, but the doctor is in

...at St. Mary Hospital Health Care Centers



So why wait until the last minute to have your child's back-to-school physical? From now through Labor Day, September 6, our physicians will be offering special-rate physical examinations required for school, camp or sports.

Our physical exams are personalized and thorough. St. Mary physicians take the time to learn about your child, and give a physical exam so complete that even Mom will be satisfied.

**FOR ONLY \$25**, your child will receive:

- A physical assessment by a personal physician.
- An evaluation of growth and development.
- A medical history (be sure to bring all immunization records).
- Vision screening
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St. Mary Hospital

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St. Mary Hospital Family Medical Center  
19335 Morrisman  
north of Seven Mile  
474-2910

St. Mary Health Care Center - Livonia  
9001 Middlebelt  
north of Joy  
421-1162

St. Mary Health Care Center - Northville  
42000 Six Mile  
west of Hagerly  
347-1070

St. Mary Hospital is affiliated with William Beaumont Hospital