

The election eye . . .

Tax initiative now dominates campaign

By BEN J. PLASTINO
Post-Register political editor

Idaho's gubernatorial contenders who were swapping blows on the muraids of state issues now find the momentous tax initiative proposal dominating the campaign.

As a result some of the gubernatorial contenders have shifted positions in what appears their apparent effort to win popular support.

The seven gubernatorial aspirants, Democrat Gov. John V. Evans and Republicans Vernon F. Ravencroft, Rep. Larry C. Jackson, C.L. "Butch" Otter; Rep. Allan F. Larsen, former Boise Mayor Jay Amyx and James Crowe, Coeur d' Alene, find themselves somewhat in a dilemma by this new threat.

It is still too early to detect the mood of the Idaho voters but there is little question the California passage of the tax initiative that would limit taxes to 1 percent of market value strikes a sympathetic response among large segments.

Evans expressed fear the Idaho voters will follow California's lead and approve the 1 percent tax limit.

He points out it would mean a cutback of \$141 million in local government services but the Idaho Tax commission estimates the loss at \$200 million

or nearly two-thirds of the state's general fund budget of \$325 million.

Evans points out it will increase the taxes of local taxpayers, noting California at least has local options taxes while Idaho does not.

Evans hasn't flatly said he opposes the initiative but his remarks would lead one to believe it is not exactly at the top of his popular list.

One of the most astute and courageous comments came from Jackson, who as chairman of the all powerful House Appropriation Committee, knows what he is talking about.

He noted "Idahoans should be cautious about using California solutions to property tax problems in Idaho. Californians have always had huge government. Their property incomes and sales taxes are some of the highest in the nation." (The National Tax Foundation places it third at \$940 compared with Idaho's 35th at \$590.)

Jackson points out Idaho is closer to local government and has more control, noting the Legislature can reduce spending and lower taxes without the broad approach used in California.

Larsen, the House speaker, has said he favored the tax ini-

tiative principle but advised that it be handled by the Legislature which has the final say, anyway. He points out that California, by contrast, is placing the tax initiative as part of the constitution which limits the legislative process.

However, Larsen moved from this original position after California passage, endorsed the Idaho Tax Initiative and even said his campaign offices will help in getting petition signatures to place it on the ballot.

Otter, a former state legislator, is perhaps the most forthright of all. He pointed out he was the only one of the gubernatorial contenders who had signed the petitions early, endorsed it without qualification, and admitted it does have constitutional objections but that these could be solved.

Ravencroft also has strongly favored the initiative concept but like Larsen feels the Legislature could handle an alternative comprehensive tax reform.

Crowe has said he favored the principle while Amyx had said little.

Hansen leads Capitol rally against withholding tax

By BEN J. PLASTINO
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About 200 credit union representatives, including two from Idaho, were on hand for a Tuesday morning rally on the steps of the U.S. Capitol protesting the 10 percent withholding tax on people's savings, dividends and interest.

U.S. Rep. George Hansen, R-Idaho, one of the rally's leaders, spoke briefly and urged repeal of the law, which is scheduled to go into effect July 1.

Among those from Idaho attending were Darrell Tanner, head of the Atomic Workers Credit Union in Idaho Falls, one of the main speakers; and Allen Cameron, Boise credit union officer.

Hansen said the impromptu rally in Washington was called by the nation's credit union officials in connection with its national convention there this week.

"We are getting increasing protests against this law," said Hansen in a telephone call to The Post-Register from his Washington office.

Hansen said there are more than 60 bills in the House and several more in the Senate call-

ing for repeal of the law. Hansen said his bill, HB 169, was the fourth one placed in the House hopper.

When told that both House Speaker Tip O'Neill, D-Mass., and Senate Majority Leader Howard Baker, R-Tenn., had predicted efforts to repeal would fail, Hansen said "they don't know how strong this movement is. It is gaining support throughout the nation."

Hansen said he organized three rallies in opposition to the bill last month, in Washington, Boise and Idaho Falls, where all financial institutions united in opposition, including banks, credit unions, savings associations and others.

Several representatives were on hand at the Washington rally, including Bill Dannemire, R-Calif.; Glen Anderson, D-Calif.; Sam Hall, D-Texas; Norman D'Amours, D-N.H., and others.

"We are finding even more support for this than the opposition to the Gun Control Act which I believe was the previous strongest movement," said Hansen.