

The national scene . . .

Spend-thrift federals now getting message

By BEN J. PLASTINO

Post-Register political editor

Perhaps the most important message the 1 percent tax initiative conveyed was the mood of people to stop that drastic upward spiral of taxes.

In the Idaho 1 percent tax limitation, they aimed at the wrong target, because state government — and especially the local government of cities, counties and school districts — run a pretty close-to-the-people operation. Some forgot that inflation also affects state and local government.

Yes, there may be some fat, such as what appears in many cases to be too many deputies in some county offices, too many of the wrong kind of counselors and principals in schools, and too many supervisors in cities, but it's picayunish, compared with what is happening on the federal level.

A column a week ago sought to show that most Idahoans got no tax relief in voting the 1 percent tax initiative. They will make it up by paying increased costs for many other services, such as override levies and increased extra-curricular fees in schools, higher fees on many services, such as park and recreation, sewer, water, light and garbage collections in cities; and perhaps extra charges for garbage collection, road improvements and law enforcement in counties.

In a nutshell, the people want lower taxes, yes, but they also want essential services. Those very same people who voted for the tax initiative don't want to pay new and higher costs for parks and recreation, water, sewer, garbage collections and other services.

In other words, the category which got the best breaks were the approximately 37 percent of the taxpayers — businesses, industries and utilities — which didn't need it. Their prices, you can bet, aren't going down but rather, up. It will help them meet cost of inflation.

For example, we know of one large store in Idaho Falls which has been paying a tax of about \$24,000 a year. It is assessed at about \$1 million and under the 1 percent it will now pay only \$10,000.

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That loss will be made up by the average taxpayer, meaning you and me, because virtually all governmental budgets are as high, and in most cases, a little higher, for fiscal 1980 than this year. For example, the state general fund budget for the current year ending June 30 is \$319 million and for the coming year, \$331 million.

It's then with pleasure taxpayers are now reading serious movements have been launched finally for a balanced federal budget in 1981. The federal government is the real culprit, not state and local units of government.

Most thoughtful taxpayers can't fault the U.S. Senate for last week rejecting a balanced budget in 1980 but approving such a measure for 1981.

The Senate last week voted overwhelmingly 67-23 to reject an amendment to restrict spending to the amount of revenues collected in fiscal 1980, the 12 months beginning next Oct. 1.

This was done on ground it might trigger the economy into a recession, coming on the heels of a report the nation's economy grew only 0.7 percent the last quarter.

This must be likened to the Idaho Legislature's wise move to delay implementing the 1 percent initiative to next Jan. 1, rather than this year, on grounds state, cities, counties and school districts were already well into their fiscal year budgets.

The Senate then, last Friday, took commendable action to at

least hold the line on federal spending in 1980 and pave the way for a balanced budget in 1981 and a \$55 billion tax cut in 1982.

In doing this, the senators accepted President Carter's challenge to fight inflation by holding down increases in federal spending and even went him one better. They then voted to limit spending to \$532.6 billion, \$6.7 billion below the president's recommendations.

This action also passed by an overwhelming margin, 64-20.

It's such tax limitation actions carried out in 37 states and prompted by California's Proposition 13 that has brought

this about.

We must remind again that Idaho's problems should not be compared with California. The Golden State had a \$7 billion surplus and Idaho had virtually none. California's property tax was highest in the nation; Idaho's is near the bottom.

The Senate-passed budget would allow a \$29 billion deficit in 1980, \$7.5 billion below that expected this year. Measured on the same basis, the 1980 budget is \$11.6 billion below the \$40.6 million deficit that would result from Carter's budget.

Getting the word to the feds is the initiative's most glowing success but it is playing havoc with innocent victims.