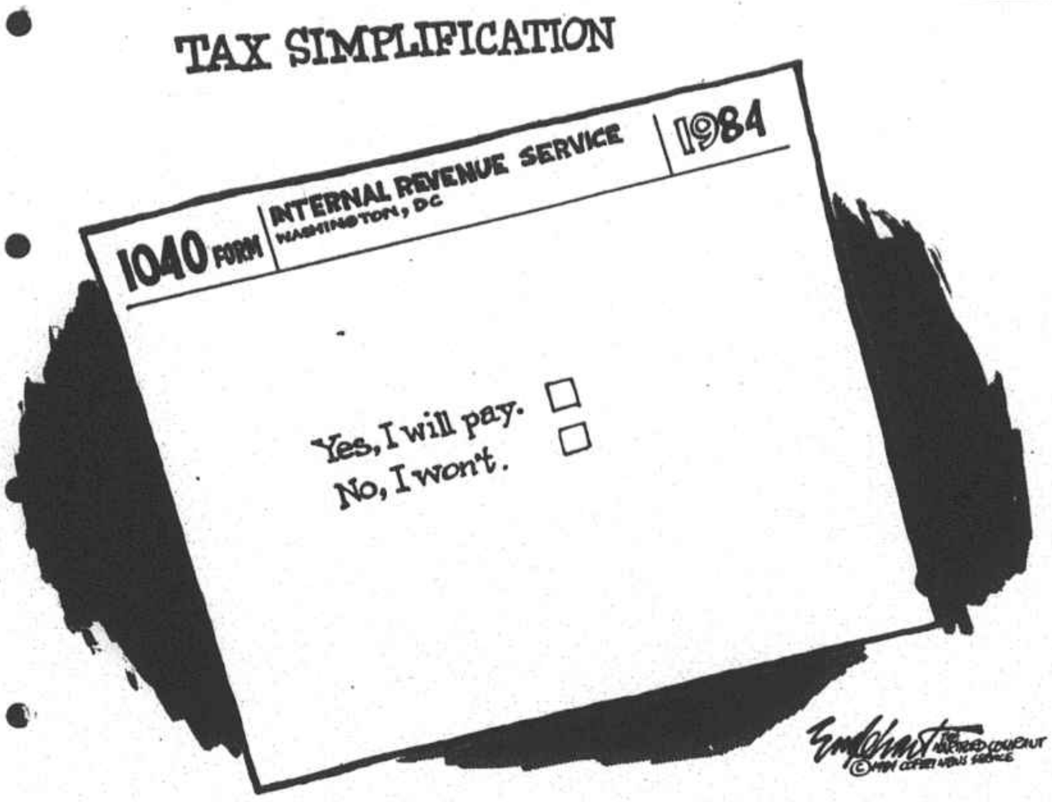
# Opinions




## Drug use has early history

*Cliff Blue*

People and Issues

We have just read an article on the front page of *The Wall Street Journal* by Meg Cox from which we quote:

"In 1776, English soldiers in Jamestown, Virginia, ate a plant they called Jamestown weed -- with startling effects. According to a history written not long after, one of those who ate the weed "would kiss and paw his companions," while another sat "stark naked ... in the corner like a monkey grinning."

"The frantic condition continued for 11 days, the history reported, and was altogether "a very pleasant comedy."

"There is no evidence that the soldiers went on to make a habit of the hallucinogenic greens (later called jimson weed), as local Indians did in puberty rites. But the incident illustrates that drugs have been part of the American scene since the nation's earliest days. Indeed, although the sheer variety is unparalleled in U.S. history, there has been a long tradition of experimentation as well as periods when the general population was comparable to the present.

SCHROEDER ... Last week William J. Schroeder was reported improving rapidly with his artificial heart, and could leave intensive care within a week, or sooner, said his doctor. The Human Heart Institute International team successfully tested a portable Helms power unit four times, temporarily freeing him from the 323-pound power drive.

HOSPITAL ROOMS ... We checked the six highest room rates in hospitals and the six lowest rates.

The six highest room rates were: District of Columbua, $280; California, $276; Alaska, $266; Pennsylvania, $258; Michigan, $255; Nevada, $235.

We also checked the lowest hospital room rates in the United States, and note the following: Mississippi, $110; Tennessee, $139; North Carolina, $141; North Dakota, $159; Alabama, $171; South Carolina, $133.

## Average American would suffer under proposed Regan tax plan

*Richard A. Viguerie*

The so-called "flat" tax proposed by Treasury Secretary Donald Regan would strip away the deductions and exemptions that protect most Americans from ultra-high taxes, and make it much easier for Congress to raise taxes in the future. No matter what they call the Regan plan, it ain't tax reform.

As the great economist Milton Friedman points out, the simplest tax would have two lines: "1) What was your income last year? 2) Send it in." A "simple" tax like that may, appeal to a Walter Mondale or a Bob Dole -- that is, to members of the Washington establishment regardless of party. But people who work for a living know instinctively that a tax increase now would doom the recovery. It would throw people out of work, reducing government revenue and increasing expenditures and causing explosive growth in the deficit.

The American people are clamoring for real tax reform, that is, for a genuine simplification of the current tax system so that they don't have to spend $60 billion a year to hire people to fill out their returns, and so that they don't have to worry about an honest mistake costing them a fortune or landing them in jail. Any simplification plan, though, must ensure that taxes will go **down,** not up, and that's the problem with the Regan plan.

It would cut the number of tax brackets from 16 to three. It would cut the highest rate from 50 percent to 35 percent. It would reduce corporate rates from 46% to 40%. So far so good.

But it would also eliminate deductions such as state and local taxes, charitable contributions below two percent of adjusted income, and mortgage interest for houses other than the taxpayers' main residence. Fringe benefits like employer-paid health insurance premiums and employer contributions to pension funds would be included as income. And businesses would no longer receive the tax write-offs for new equipment that enabled them to modernize, increase productivity, and hire new workers.

Secretary Regan claims that the average taxpayer would pay less under his plan, and there is no reason to doubt him, other than the fact that the predictions of the "experts" at the Treasury Department are usually about as accurate as predictions made by flipping a coin. Even if one believes the "experts," it is clear that the Regan plan would put the American taxpayer in the position of depending more than ever on the good intentions of members of Congress.

A little history lesson is in order. The so-called progressive income tax -- "progressive" in its sense of "increasing," not in its sense of "favoring reform" -- began in Prussia in 1891, with tax rates ranging from less than one percent to four percent. Within a few decades, however, the progressive tax spread to other countries, and tax rates skyrocketed to as high as 91% in the United States and 97.5% in Britain.

In the U.S., Abraham Lincoln imposed a (non-progressive) income tax to finance the War Between the States, but the Supreme Court wisely struck it down. In 1913, tax-hungry politicians amended the Constitution to reverse the court's decision, and a two-level tax was imposed: a 1% tax on income between $3,000 and $20,000 and a 7% tax on income over $20,000.

Once the principle of "progressivity" is established, the sky's the limit. Only five years after the tax was adopted, the rates had risen to a minimum of 6% and a maximum of 77%! The rich were paying much higher taxes --although the creation of new tax loopholes eventually eased their burden -- but working people were the real victims of the tax increases.

In 1920 the income tax affected only the richest 12% of the adult population. By 1940, the richest 24% paid income taxes. The figure increased to 57% in 1950 and 67% in 1960. The income tax, intended to hit only the wealthiest Americans, now hits four out of five.

Instead of the Treasury Department's complicated tax scheme, how about a tax that is simple, fair, and low? Congressman Mark Siljander (R-Michigan) and Senator Don Nickles (R-Oklahoma) have proposed a 10% flat tax with a $2,000 exemption per family member, retaining the deductions that affect middle-income Americans. It would cut taxes on workers and eliminate loopholes available only to a few. It would establish a 10% rate, analagous to the Biblical tithe, that would be far easier to maintain than a three-tier system such as Regan proposes. Once the principle of "tithing," paying one-tenth, is established, it would be more difficult for Congress to hike taxes.

Under the Regan plan, working people would lose many of their deductions and exclusions. The Secretary says that would be more than offset by a cut in tax rates, but he is wrong: Congress would simly wait till the coast is clear and then raise the rates right back up to where they were originally. The burden on the average American would be greater than ever before, and the Secretary would be proven correct in his one-time characterization of the flat-tax concept: "a snare and a delusion."