

Editorials

Commentary

Graffiti

It is better to have loved and lost than to have put linoleum in your living room.

Is gentle Ben a laxative?

Mickey Mouse wears a Spiro Agnew watch.



LASSIE EATS CHICKENS

SACRED COWS MAKE GREAT HAMBURGER

Lawrence walk blows bubbles.

Will take the mail to Redrock?

GOD IS LOVE

LOVE IS BLIND

RAY CHARLES IS BLIND

RAY CHARLES IS GOD.

god depledged.



DEADLY TRICHIDICHINOSIS BACILLUS

Attempting to open loopholes . . .

Bankers to test tax reforms

by Rowland Evans and Robert Novak

Washington — The suddenly sprouting Congressional urge for tax reform will get an early test when the banking industry, which usually wins what it wants in Washington, attempts to pry open a recently closed tax loophole.

The closing came last fall in a quiet, clever maneuver by Stanley Surrey, winding up eight frustrating years as Assistant Secretary of the Treasury for Tax Policy. With a stroke of the pen Surrey boosted by an estimated \$100 million a year taxes paid by commercial banks.

AS SURREY was well aware, both the outgoing Johnson team and the incoming Nixon team at the Treasury had ties to the banking industry which made it all but impossible to overrule his regulation.

Thus, only Congress can restore the bankers' tax advantage — a preview of similar confrontations between tax reform sentiment and lobbying pressure in the coming tax reform struggle.

Like most big industries, the bankers enjoy a special tax privilege: a tax formula permitting them to take an automatic deduction equal to 2.4 percent of their outstanding loans as a so-called bad debt reserve.

SINCE ACTUAL bad debts are well under 1 percent of loans, this formula amounts to a bountiful gift from Uncle Sam. This was precisely the view of Stan Surrey.

Surrey, an ardent tax reformer, had tasted more failure than success at the Treasury and last fall was chagrined when President Johnson suppressed his tax reform proposals. As a valedictory, therefore, Surrey began rewriting tax regulations in his closing days — including the one on bank taxation.

Instead of reducing the 2.4 percent, Surrey ruled that the bad debt percentage could not be applied to absolutely safe loans — most notably loans to the U.S. government. Nobody knows exactly how much that will cost the bankers in 1969, but \$100 million is the educated guess. Accordingly, Surrey's stroke of the pen was an instant tax reform of major proportions.

Neither of Surrey's two superiors in the

Johnson Treasury — Secretary Henry H. (Joe) Fowler or Under Secretary Joseph Barr — cared for the change. One report circulating among lobbyists is that Fowler was restrained from killing Surrey's rule change only when Surrey threatened to resign with a blast against the Johnson tax policy — a report confirmed by some and denied by others.

Adept at bureaucratic maneuvering, Surrey issued the change in regulations last October while Fowler was in Geneva for a monetary conference. Surrey's action could have been overruled in the Johnson administration's closing days. But when Fowler resigned as Secretary in December, all hope expired for the bankers.

The reason: Barr, Fowler's successor as Secretary in those closing weeks, had accepted a post-government job with a leading Washington bank — the American Security & Trust Co. Barr rightly felt constrained from interfering with Surrey's handiwork and so informed the banking industry.

That was particularly glum news for the bankers, because Barr's successor as Secretary in the Nixon administration, David Kennedy, was coming to Washington from the Continental Illinois Bank in Chicago and was just as unwilling as Barr to bail out the banking industry at the risk of creating a conflict of interest.

Thus, bankers know their only hope is Congress. Legislation to overrule Surrey would take too long, but the Joint Committee on Internal Revenue could pass a resolution instructing that Surrey's regulation be revised.

However, leading House tax-writers are unsympathetic to the bankers' position. Indeed, there is some feeling in Congress that Surrey did not go far enough and should have limited the bad debt deduction to the actual amount of losses — running at less than 1 percent — for an industry enjoying unprecedented profits. Whether that Congressional feeling persists should provide an accurate barometer for general tax reform.

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Campus opinion . . .

Concern over LB 8

Dear editor:

I am a native Nebraskan, a registered voter there and a 1968 graduate of the University of Nebraska. I am currently a Vista Volunteer (Volunteer in Service to America) in Wheeling, W. Va. I want to come back to Nebraska someday and I want it to be a good, just state to live in.

I have been following with deep concern reports in the Daily Nebraskan of the progress of LB 8 (the marijuana bill). Let it be clear that I do not live in great fear of marijuana as many Nebraskans do. But I do have an open mind about the demerits and merits of marijuana. My overwhelming concern, however, is with the role Nebraskans, through their legislature, think they can take in legislating what they perceive to be morality.

MY CONCERN is with the power this legislature thinks it has to prescribe penalties which lap over into public institutions which have no cause-effect one to one relation with the crime. Until you can tell me that the smoking of pot and the successful completion of college are negatively related or related at all, then I fail to see what is going to stop the legislature from preventing other law violators from getting their right to an education.

My concern is with Sen. Carpenter, sponsor of the bill. I've had my bellyful of his hypocrisy. What makes an 18-year-old more capable of making a decision about drinking alcohol than making one about smoking marijuana or voting for the politician who will represent him in making the foregoing decisions? Carpenter obviously has a lot more to gain from selling liquor to 19-year-olds than he does from giving them the vote, which he so eloquently spoke against last November.

WAKE UP NEBRASKANS. Singling out students for punishments additional to that of other violators of the same law is cruel and unusual punishment and clearly unconstitutional. But why let the legislature think it can pull off this breach of "law and order?"

Sincerely,
Dan Dickmeyer

The lonely crowd

... by Dave Buntain

Of what value is the Centennial? From the widespread response which followed TLC's look at the Centennial Convocation, one thing became very apparent: for most people at NU, the 100th year is not much different from the 99th.

True, students and faculty may be more aware of the Cornhuskers' glorious tradition, thanks to a variety of "Centennial editions." True, others may enjoy one of the several Centennial concerts and lectureships planned for this year. But one wonders what of lasting value (other than the Centennial Time Capsule) will remain as a result of the Centennial celebration.

IN THEIR CONCERN for commemorating the past and celebrating the present, University leaders have largely overlooked the most important question which thus becomes, "Where should the University go in the next 100 years?"

If the school were to answer this question thoughtfully and completely, it would leave a valuable legacy to those students and faculty who will follow.

In undertaking such a venture, the University would profit from studying the work of one of its Big Eight cohorts, the University of Oklahoma. This week Oklahoma will begin publication of "The Future of the University," the summary report of a study conducted by 22 panels in all areas of Sooner campus life.

THE PROJECT WAS initiated by Dr. J. Herbert Holloman, Oklahoma president in 1967, when he appointed the panels and an executive Planning Committee to make a detailed study of the university, its mission, organization and resources.

Nearly 600 persons, drawn from the student body, the faculty and staff, business, the professions and the public served on the planning panels. They were asked to make detailed studies of every aspect of the University community from such practical matters as parking and living facilities to the academic and spiritual life on the campus.

The reports which emerged from these committees have been synthesized into book form for publication throughout the state. Already, many of their recommendations are finding their way into university policy.

As Dr. Holloman says of the report, "It indicates a general direction for the university."

IN THIS CENTENNIAL year it seems reasonable that NU, too, should be concerned about "The Future of the University." The 100th birthday celebration affords an excellent opportunity to review past accomplishments with an eye toward future growth.

Such comprehensive planning has been done in the areas of campus expansion and facility construction already. But these are only minor determinants of the quality of campus life. Few have pondered the tremendous effects which the coming years will have on such diverse areas as classroom curricula, post-graduate programs, Greek living, student activities, and intramural facilities.

ALL OF THESE factors and many more will condition student life in the 1970's and beyond. Decisions affecting them should be given a "general direction" in the same way that the Comprehensive Campus Plan guides the school's physical expansion.

Developing such a comprehensive plan would not be an easy task. It would require tremendous organization, diligence and ingenuity. But the effort would be repaid in full if the result were a University which kept abreast with the future.

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