

Representatives doubt success of Ford tax plan

(Editor's note: Today, three Daily Nebraskan reporters examine the reactions of Nebraska Representatives McCollister, Smith and Thone, Senators Curtis and Hruska and Gov. Exon to President Gerald Ford's State of the Union message given Wednesday.)

By Dennis Onnen

Although both generally agreed with President Gerald Ford's economic and energy proposals presented in his State of the Union message, two of Nebraska's Republican representatives interviewed Thursday said they don't expect his suggestions to

pass through Congress intact.

Virginia Smith, Third District representative, said she is sure Congress will pass some form of a tax proposal. She said she agrees with Ford that such a cut will help bolster the economy and create more jobs by putting more money into circulation.

"Money in the hands of the people creates jobs," she said.

John Y. McCollister, Second District representative, said unemployment is being increased because employed people are reluctant to spend their money. Returning money to them might encourage increased spending, thus creating jobs by creating a demand, he said.

'Confidence essential'

"A return of consumer confidence is essential," McCollister said. "That tax cut has the opportunity of restoring people's confidence."

He added that Ford's proposed tax cut would help farmers by giving them a two-year tax credit on investments.

Smith expressed concern over Ford's proposed taxes on fuels which would raise the price of gasoline and home heating oil by an estimated 10 cents a gallon. She said such taxes would have an adverse effect on farmers, who are "some of the heaviest users of fuels in the nation." Fertilizer, which farmers must use, is made mostly from petroleum, she said.

If farmers are not exempted from the proposed fuel taxes, their increased costs of production would have to be passed on to consumers in the form of higher food prices, Smith said.

Taxes better than rationing

Both representatives said although fuel taxes have some shortcomings, they are better than rationing as a means to reduce consumption.

McCollister said a rationing system would cost billions of dollars to install, and an equal distribution of fuel would be hard to determine under such a system.

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Thone



McCollister



Smith

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Students divided on Ford talk

Twelve out of 19 UNL students interviewed by Daily Nebraskan reporters Thursday agreed with most of the proposals in President Ford's speech Wednesday.

Most students said they favored the tax cuts, but many said they think raising gas prices may not be an effective deterrent to driving.

Bog Hutchinson, a freshman architecture major from Omaha, said he thought the tax and federal spending cuts were good proposals.

"I think gas rationing would be more effective than price hikes," he said. "Maintaining the supply is important."

Gas rationing also was approved by Teresa Wright, a junior from Lincoln majoring in social welfare.

"The increased cost of gas will make me think about driving a lot more," she said.

Stress employment problems

Employment should have been stressed more than energy conservation and independence, according to Steve Johnson, a junior from Omaha majoring in business administration.

"I think he should have concentrated more on employment Johnson said. "We need to get the industry and economy back on their feet."

Joe Roh, a junior from Tekamah majoring in microbiology, said he disagreed with many of Ford's proposals.

"Raising the gas price will just make prices on a lot of other things go up," Roh said. "It won't slow down the people that have the money."

"We definitely need to cut federal spending. I just hope they don't waste time and money with some big commission trying to decide what to cut and what not to."

Spending habits a problem

More new programs besides those for energy need to be implemented, according to Wendy Viessman, a freshman human development major from Lincoln. She said people and their spending habits are more of a problem than the system itself.

Tom McGinnis, an anthropology graduate student from Lincoln, said Ford is attacking the immediate problem of recession while avoiding the future problem of inflation.

Connie Fleming, a junior from Morse Bluff majoring in interior design, agreed that the tax cuts may prove to be inflationary.

"A tax cut is good now because it should stabilize the economy," she said. "But inflation could still be a problem."

Temporary solution

Tax cuts are a temporary solution, according to Mike Chess, a junior from Omaha majoring in

finance. He said federal spending should not be cut drastically because it is a big part of the government's fiscal policy.

Mike O'Connor, a senior from Omaha majoring in ecology, said the tax cuts may be a step that Ford hopes will give the people more money. But he said he doubts that Congress will go along with all of Ford's proposals.

"I think the defense budget should be cut if any cuts are to be made in federal programs," he said.

The tax cuts are more difficult to figure out than the spending-cuts, according to Ruth Oscar, a freshman from Omaha.

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"It is a very difficult thing to try to work out," she said. "He had to fix two opposite things, inflation and recession. I don't see how he can stop inflation by a tax cut."

Honesty approved

Terry Thielen, a sophomore from Omaha majoring in education, said he approved of the President's honesty when addressing the people.

"I was glad to see he came out and said everything wasn't rosy," Thielen said. "A tax cut will be a start. He might be criticized, but at least he is trying."

A tax cut is good because it will put more money in circulation, but it won't help inflation, according to Rick Mueller, a junior political science major.

"I think the idea of cutting federal spending is good, but I doubt if Congress will approve it," he said.

Will help wrong people

Marv Andersen, a senior psychology major from Kennard, said the tax cuts will help the wrong people.

"I don't go along with it," he said. "Those whose incomes are so low that they don't pay taxes aren't going to get any back, so that isn't going to help them. Those who make the most money will get the most back, which they don't need."

A majority of the students first approached by the reporters knew nothing about the contents of Ford's speech or said they didn't have the time to read it.



Gov. J. James Exon commented Thursday on President Gerald Ford's state of the union message.

Exon: mixed feelings

By Paula Damke

Gov. J. James Exon expressed both pleasure and concern Thursday with President Gerald R. Ford's State of the Union address.

Exon said he was pleased that the President and Congress were taking constructive steps in the present economic situation.

But, he said, he was concerned with the effect higher fuel prices would have on the Nebraska agricultural economy.

Exon said at the present time he does not favor gas rationing. He said he believes every possible avenue should be explored before such a program is implemented.

He said he doubts Ford's program as it is could get through Congress, but that a reasonable compromise could be worked out between Congress and the President that would not cause a delay.

Exon, commenting on the tax rebate program, said he thinks the tax refund should be concentrated on middle and lower income individuals rather than those in higher income brackets.

Exon said of the 200 nuclear plants in the national program, Nebraska already has two nuclear plants. One is located in Brownville and is owned by the Nebraska Public Power Company. The other is at Ft. Calhoun and is owned by the Omaha Public Power District. He said there is a possibility of having more plants as the need increases.

Exon also said test drilling for oil is going on in Richardson County. Coal deposits have been found in the southeastern part of the state, south of Omaha by the Missouri River, but Exon said the coal is so far down it is generally assumed that it is not feasible to mine at this time.