

McGovern Economic Program

The McGovern economic program calls for a balanced full-employment budget. By 1975 -- at full employment -- tax revenues would equal the cost of government programs. This would allow the new McGovern proposals (property tax relief, jobs, etc.) to be funded in a responsible and non-inflationary manner.

The McGovern program for 1975 would provide \$54 billion in revenues, 60% from cuts in the military budget, and 40% from tax reform. This is more than enough to finance the new proposals made by Senator McGovern to meet priority domestic needs.

The military budget would be cut by \$10 billion in each of the next three years without in any way reducing our nation's security. By 1975, the cuts would add up to \$30 billion. The tax reform proposals would raise an additional \$22 billion from corporations and from individuals of substantial wealth. No American whose income comes from wages and salaries would pay more in taxes.

Last Spring, Senator McGovern proposed a beefed-up minimum tax as a means of getting at loophole income, and making the tax system more equitable. Since then, Senator Mansfield and Chairman Mills have introduced legislation to review the whole range of special tax provisions. Therefore, it now appears that the most effective tax reform strategy is to press for the removal of certain specific tax loopholes.

The McGovern tax reform program would:

-- phase out the corporate tax provisions which no longer serve a useful purpose. This means repealing the accelerated depreciation allowance of 1971 and setting realistic depreciation guidelines. It means revising the investment credit to assure that after 1975 it will be designed to reward only increased investment that would not otherwise be made. It means disallowing special tax breaks to corporations merely because they earn their income overseas.

-- phase out the capital gains loopholes. At present, rich individuals can escape taxation on much of their increased wealth from the stock market and from property. They can avoid even more if they pass it on to their heirs at death. These

special tax preferences would be ended, while at the same time, more generous averaging provisions would be provided.

-- phase out the special preferences for the owners of oil, gas and other natural resources.

-- phase out loopholes for certain kinds of real estate development, as we phase in a system of direct assistance for needed housing construction.

--encourage states and municipalities to close the tax-exempt bonus loophole by offering a federal subsidy of 50% of the interest cost of taxable bonds.

--replace estate and gift taxes with a single accessions tax. There would be a progressive rate structure to prevent the increasing concentration of wealth in the hands of a few. At the time, this structure would protect the right of Americans to leave a fair share of their property to their heirs, and would allow exemptions for the inheritance of a spouse, and for wholly-owned family enterprises.

Finally, the McGovern program includes a reduction in the top bracket individual tax rates. Today, the tax rate for the top bracket is 70%, but this rate is a fiction. Because of tax loopholes, personal income taxes do not average more than 32% on even the very highest incomes. The McGovern program would phase in an effective maximum tax rate of 48% on both earned and unearned income as we phase in full taxation of capital gains.

The revenues saved through

cuts in the military budget and reform of the tax system would fund a long list of badly-needed programs, such as the McGovern property tax proposal, and the McGovern alternative to the present welfare system.

McGovern Administration would channel \$15 billion to local school systems, allowing quality education and property tax relief at the same time. In this way, the federal government would assume one third of the costs of public elementary and secondary education.

In earlier statements on the welfare problem, Senator McGovern set forth general principles for reform of the present welfare system, and discussed a number of alternative plans. Now, he is proposing the following specific steps, which would cut the welfare rolls by 30%: first, a million jobs in public service employment for heads of households who would otherwise have to apply for welfare; second, an expanded Social Security system to include 3 million aged, blind and disabled who would otherwise be on welfare, and an increase in the minimum Social Security benefit to \$150; and finally, for those remaining on welfare (largely women and children unable to work) an annual minimum of \$4,000 in cash and in food stamps for a family of four.

The McGovern program also calls for full federal financing and administration, lifting the burden of welfare off the backs of states and localities.

Black Cultural

Arts Center

by Evon Golphin

CHECK IT OUT! The B.C.A.C. is the Black Cultural Arts Center.

The B.C.A.C. has existed at Capitol Campus since 1970 but surprisingly few people are familiar with its purpose.

The Black Cultural Arts Center's purpose is to house information relating to the Black Experience be it political, sociological, religious, historical or cultural, or expressed through music, dance, speech, literature or arts forms.

Basically, the Cultural Committee of the Black Students Union has been responsible for the maintenance and development of the B.C.A.C.. However we welcome input from all of the Capitol Campus Community (Students, Faculty, and Staff). The B.S.U. invites you to think of it not only as a BLACK RESOURCE CENTER but a place where all students may develop new and perhaps different interpersonal relationships and where they may participate in forums, symposiums, lectures or cultural programs.

The B.C.A.C.

All are welcome.

Located at W-132

Open from 8:00 p.m. to

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Get Acquainted

Brunch

All area Jewish college students - from Bucknell, Dickinson, F & M, Gettysburg, HACC, Penn State and Shippensburg State are invited to a get together over bagels and lox.

The brunch will be held this Sunday, October 29 at 11:00 a.m. at the Jewish Community Center, Front and Vaughn Sts., Harrisburg. The cost will be 50 cents. If you need transportation, a group from Capitol will leave the front of the Main Building at 10:15. Pass the word along.

DRUG ANALYSIS SERVICE

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Five days later, call the Hot Line at 944-1033, describe your envelope and you will be advised of its contents. Those of the Head Shop wish that you take advantage of the offered service if and when you need it.

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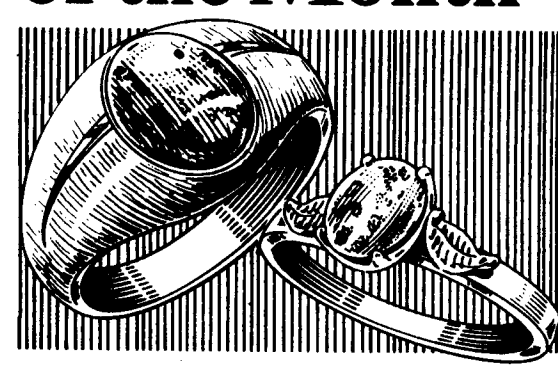
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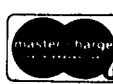
October ... The Opal Month

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