PeSe to **the NEWS**

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THE TAX REVOLT

Watching the television newscasts about the fallout from California's Prop osition 13 makes one think that the state is about to collapse and fall into the Pacific Ocean. The impression conveyed is that California voters made a terrible mistake and, if they have any sense, must already regret their actions.

We have been treated to tear-jerking interviews with state employees and teachers who have been laid off, tenants who think they will not get their fair share of the prospective property tax cuts, and students on the streets because no suITTTier school is available. Californians are warned of cutbacks of essential services such as police and fire protection, the closing of schools and parks, and veiled threats of race riots caused by reductions in welfare.

Whether the public is buying these prophecies of gloom and doom is not yet clear. Certainly many of these same predictions were made before the vote and they fell on deaf ears. As Howard Jarvis, the author of Proposition 13, said, "the people don't believe a word the politicians said."

The effect of Proposition 13's overwhelming victory on the politicians, however, has been quite different. A politician has been described as a contortionist who can ride the fence at the same time that he keeps one ear to the ground. To mix a few other metaphors, the politicians who put out their fingers to see which way the wind is blowing have decided to jump on the bandwagon of tax reduction.

Whereas in previous campaign years candidates would often vie with each other in offering costly taxpayer-financed services to various pressure groups, in 1978 the candidates are bending over backwards to promise tax reduction. Illinois Senator Charles Percy and his challenger Alex Seith provide a case in point.

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The overwhelming victory of Proposition 13 increased the momentum for tax revolt, which began three months earlier when the people of Tennessee, by a 2-to-l majority, approved an amendment to limit the "rate of growth" of state spending to the "estimated rate of growth of the state's economy." Similar amendments

will be on the ballot in several other states this fall.

Even mo e remarkable than the victory of Proposition 13 was the victory on the same day of New Jersey Republican candidate Jeff Bell, who unseated incumbent Senator Clifford Case, considered a shoo-in for renomination and reelection. Bell's espousal of the Kemp-Roth tax reduction bill, which promises a 33 percent cut in everyone's tax rate, is considered a significant factor in his surprise upset victory.

Republicans have a splendid opportunity to seize a populist movement and run with the ball, if they grab the Kemp-Roth bill and make it a campaign issue. They have the opportunity of a century to shed the image of their party as the enclave of big business and substitute the image of a Defender of the People.

Proposition 13 shows how groups line up on the tax issue and which side the votes are on. On the side of trying to defeat Proposition 13 were most of the elected politicians, big business, the big newspapers, and the academic and civic groups. Favoring it were the big majority of the people, 60 percent of whom were Democrats.

Despite the news media's exaggerated emphasis on the alleged ill effects of Proposition 13, support for the tax revolt through state tax limitation proposals and the Kemp-Roth bill is growing rapidly. Middle-class Americans are fed up with giving government a blank check.

Like economist Milton Friedman, Middle AMericans have come to the conclusion that they will support any proposal that comes down the pike if it cuts taxes and raises obstacles to further increases in government spending.

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