

the electric generating business would provide means of policing private public utilities by setting a standard against which private companies could be judged. If that can be claimed as valid reasoning, why not turn it around and use private postal companies as a standard for policing the postal service?

It is not difficult to deliver letters, and yet the federal government has made a mess of it. Our nation is itself

the finest example of the superiority of private enterprise and initiative. Operating, for the most part, under the principles of free enterprise, we produced goods and services at remarkably low prices. If we want our postal service to enter the twentieth century, let's permit it to operate freely under private enterprise. Then the postman may be ringing several times a day, and delivery will be prompt as it is now in most European cities and countries.



"A Gift to Titleholders"

From California, Florida and doubtless every other state, cries are going up from overburdened taxpayers. Meanwhile "tax reform or tax relief" is promised by legislators who usually mean they are looking for ways to find new ones. The fact that an ever increasing amount of property is untaxed makes many taxpayers weary.

A California state senator has prepared a "tax reform" bill which he says responds to this need. It would slash property tax by a "healthy 52 percent" by making the state assume all local education and county welfare costs, including general relief. It also limits property tax revenue to 1.5 percent of full cash value, and requires assessment at full cash value.

It "reforms" the sales tax base by reducing the state tax from 4 to 3 percent, eliminating all existing sales tax exemptions except food and gasoline, and taxing general and utility services. It exempts retailers, wholesalers and manufacturers from the sales and use tax and abolishes the inventory tax. This is to encourage business development.

It enacts a 50 percent surtax with 33 percent forgiveness on net personal income tax and increases the bank

and corporation tax rate from 7 to 10 percent. New taxes to be enacted would be a 1 cent tax on credit card transactions, 1 percent on all securities traded, manufacturing and wholesaling, contracting and real estate transfers, a 3 percent tax on agriculture and services, including utilities, and a 3 percent severance tax on oil, gas, mineral, fish and timber.

All this is designed to save homeowners an estimated \$2.6 billion in property taxes if adopted this year. Favorable reaction has been noted from private citizens and especially business groups who state that tax restrictions in California have caused many potential investors to settle in nearby states.

W. E. Pereira quickly challenged this bill and told the senator it was a gift to titleholders of land in California. In the "saving" of \$2.6 billion in "property taxes" he does not separate land values from other "property." The unseparated land values escaping taxation, capitalized at the going rate of interest, mean a vast increase in land prices. And how can anyone rationalize that vast increases in land prices are good for business, he asked.