EXTENSIONS OF REMARKS

November 25, 1977

Another is the new, faster depreciation write-off for big corporations.

But many of the biggest loopholes in the tax code aren't slipped in by lobbyists or corporations. They are there by popular design. An example is the deduction for home mortgage interest. Ask any mortgage lender. Carter: Try to get the average interest. 

Are they stopped? Yes. But it is hard to end the break and you bring on an upswing.

Now momentum is building to add both another big tax break and one so widespread that it will be impossible to stop it. It is really a tax for parents for undergraduate college tuition expenses.

Some say it's only a matter of time before it becomes law.

The tax incentive proposal in the area has been a bill by Sen. William V. Roth (R-Del.). The measure would enable parents to reduce their federal tax bill by $350 to $500 for each child in their household who was attending a college or university.

And recently Sens. Daniel P. Moynihan (D-N.Y.) and Bob Packwood (R-Ore.) have introduced a bill to extend the writeoff to cover elementary and secondary schools as well. Their bill also will provide a tax credit for families toward tuition.

At first blush, the move seems a natural. As many parents can testify, college costs are a real drain on family finances. Everyone agrees that it is a worthy social goal. What role can it play to send your son or daughter to college? It's as American as apple pie.

But the issue becomes more muddled when one sees the bill is examined closely. For one thing, it's exceptionally expensive. The Roth bill alone would cost $1 billion in federal funds, with an additional billion plus by 1981. The Moynihan-Packwood plan would cost $4.7 billion.

(Per comparison, the deduction for home mortgage interest currently costs about $6 billion this year, rising to an estimated $5 billion in 1979. And government spending for student grants programs now totals only $3 billion.)

More important, however, the breaks would go mainly to the well-off. A study by the Congressional Budget Office shows 60 per cent of the benefits would go to families in the top 10 per cent. A research study by the Business Week, rising to over 20 per cent of the middle-income families—$25,000 a year or more—about the same as the top 10 per cent of the population.

Although the banks complain a lot, there's no evidence the aid actually is needed. While college costs have jumped 65 per cent in the past 3 years, and the median income of families in the $20,000 and-under bracket has soared by 80 per cent, the 1979 median income of families in the $20,000 and-under bracket has soared by 80 per cent. Is it enough to make up the difference?

Even critics question how much a $350 tax break means to an average-income family. Just a few dollars a year when college costs are running $4,700 a year or more. Sure, opponents contend, if you're sending a kid to college, $350 is a little bit really worth $4,700 a year?

As a result, some tax experts charge the proposal amounts to little more than an innocent-sounding program, such as the Social Security program. Indeed, perhaps the only reason why it is a costly and impractical aim mainly at the legislators with representation, a liberal group of Congressmen it has to be backed by,

Finally, some critics fear that the Moynihan-Packwood version, which would extend the tax break to elementary and secondary schools, could result in minor thorny issue--legal to provide certain aid to religious schools. A court ruling a few years ago barred such as aid in the forms.

To be sure, there are no strings to the compromises. A place to children's college costs-effective.

But the tax experts warn the Mikva plan would be difficult to administer. The Internal Revenue Service would have to keep tabs on the deferred payment of a portion of a parent's taxes for up to 10 years. And the "loan" still would be charged interest at a rate not round-about way of subsidizing anything.

Because of these problems, tax planners have tried to thwart the tuition credit. But Congress and administration officials have given up on the idea of making parents pay a 50 per cent of the education expenses and so they have dropped the idea of a state or national student loan program.

But the bill has garnered increasing majorities in the Senate in recent years—most conspicuously in last year's so-called Tax Reform Act that allowed families to give $1,000 of interest-free state education bonds to the next generation. The former bill was being debated in a House-Senate conference committee.

And congressional strategists say it's almost certain the measure will become law sometime in the next few years. Besides enjoying broad support from middle-income taxpayers who would be harder hit by the new tax climate, a battle won by the well-heeled education lobbyists, which has not yet been adapted in New York City as a form of increased aid.

Ironically, many of the people behind the credit are the same ones who are calling for elimination of it. In fact, for Egypt, they complain benefit the rich and the big corporations.

All in all, the tax plans put it, one man's loophole is another man's incentive. Or tuition credit.

Arthur W. Arundel

HON. JOSEPH L. FISHER
OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 25, 1977

Mr. FISHER. Mr. Speaker, for the past 15 years Arthur W. Arundel has been a leader in the provision of all-news broadcasting in the Washington metropolitan area and in the Nation.

Unfortunately for us all, he has decided to leave all-news broadcasting. I want to congratulate him on his last editorial broadcast over WAVA. His commentary will be missed:

A VIEW OF NEWS BROADCASTING

(By Arthur W. Arundel)

To people in Washington over the years it has probably always seemed that their own time had come to an end. They were the leaders and the burdens of power never greater. We journalists here, along with government leaders, have not always been immune from exaggerated notions of our self-importance and our own destiny.

But stone age man probably also thought that he bore in his hands the fate of all living things when he invented the hatchet, the gun, and the spear, and that he was the one that made the first nuts. He surely must have thought that he was the one who finally developed the ultimate weapon. And less than a century ago, leaders in Britain, then the world's leading power, were appalled at the burden of human survival they carried when Lord Kitchener first used the machine gun to mow down the Hordes of the Mad MadCAP.

SINCE VIETNAM

It has been different in Washington since Vietnam, perhaps our last ground war, and Watergate. In the quieter, laid back early months of President Jimmy Carter visible, the American people were more interested in the more on the way to being replaced by the weapons of nuclear warfare. In nuclear energy man is equally capable of either limitless good or limitless evil, from the improvement of civilization to a pile of dust and rubble.

So perhaps people in Washington today are indeed not just another generation consumed with its own egoism. We are politicians and journalists alike, possess human frailties. But our generation also possesses this capacity by the mere pressing of a button to change all of human destiny. It is not less than Armageddon, but there is more than Chicken Little seeing the sky falling after some 20 years here with CBS News and newspapers I could be said to am now selling all new WAVA to move on into new fields of journalism and public affairs. But from the experience I have a few thoughts on the shape of broadcasting and broadcast journalism.

THE VAST WASTELAND

Many will remember FCC Chairman Newton Minow's much publicized reference to television in 1954 years ago as a "vast wasteland". He was right about that then and, while he may not be the occasional rays of brilliance in broadcast news and specials he would be right about that today. Television programming continues to sink toward the common denominators of the public taste.

And even as television has replaced radio as the nation's principal live entertainment medium, radio has made the transition to become popular. Only the promotional loudspeaker of the record industry. Going across the radio dial today, from classical to rock music stations—modern rock radio—finally a true ear-pleasing receiver, with its jazzy jingles, saying out just so much news and public...