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High taxes impede growth: A&M study

Associated Press

AUSTIN — Income taxes significantly hinder a state's economic growth while states enjoying robust growth often have low income and property taxes, a Texas A&M study concluded Wednesday.

Melvin Greenhut, an A&M economics professor and author of the study, said, "High-growth states have had dramatically lower income and property taxes than low-growth states."

Greenhut said income taxes deter incentives for people to work harder and save money, thus reducing investment and a state's productive capacity.

The results of his study were released by the privately funded Center for Education and Research in Free Enterprise.

The study comes at a time when some Texas politicians have said the state may need to enact a corporate or individual income tax to offset losses in tax revenue from oil and gas. Texas never has had an income tax.

Greenhut said his study shows that when state governments find it necessary to raise revenue, the best results generally come from taxes on consumption.

Besides raising more money for the state, sales and luxury taxes also encourage savings as a way of avoiding additional taxes, Greenhut said.

In the long term, higher income taxes produce lower tax receipts for government than could otherwise be obtained, Greenhut said.

According to his study, only three of 37 states with "high" income taxes had above-average growth between 1969 and 1976.

Vermont, for example, is the third most heavily taxed state in the nation, but neighboring New Hampshire ranks 47th. Greenhut said a study of the two found that Vermont lags far behind New Hampshire in all measures of economic growth.

He also cited the case of Massachusetts, where the individual tax burden grew from 13 percent to 17.6 percent between 1970 and 1978, making it the fifth-highest tax state in the United States.

Greenhut said that as a result, per capita income fell from 10 percent above the national average to 3 percent below during that time.



Photo by MICHAEL A. SANCHEZ

Sneaking A Snack

Texas A&M students may want to take a good look at the Commons Snack Bar because some changes

will be made there at the end of this semester. The renovation is set to be completed in Fall 1986.

'Confusion comes with understanding issues'

SCONA speaker explains Mideast problem

By CRAIG RENFRO
Staff Writer

"If you are not confused by the issues of the Middle East, you don't understand it," William Stewart, a diplomatic correspondent for Time, said Wednesday.

Stewart outlined the historical and political developments that have made the Middle East a "myriad of challenges" in a keynote address, which kicked off the 31st Student Conference on National Affairs.

Stewart said the problems in the Middle East are important to the United States because of the large amount of oil imported from the area and because of the strategic position, which has access to China and the Soviet Union by way of the Indian and Pacific oceans.

The Arabs control several strategic locations — the Suez Canal, the



William Stewart

Straits of Gibraltar and the northern approaches to the Indian Ocean.

Stewart said it is the presence of the Jewish state of Israel on territory that was once Palestine that causes difficulties in the Middle East.

From 1948 to 1976 the Arabs refused to recognize that the state of

Israel had a right to exist, while the Israelis insisted that the Palestinian refugees had no right to a national state of their own, Stewart said.

Since 1960, he said, a few Middle East countries have controlled a large percentage of the world's oil.

Although Israel has highly educated, hard-working people and the active support of the American Jewish community, he said, it has neither oil nor strategic borders.

Popular use of the term "Middle East" can be traced back to World War II.

The Middle East includes the Arab-speaking states of the eastern Mediterranean seaboard, Israel, the Arabian peninsula, the valley of the Tigris-Euphrates, the Nile Valley and Libya.

Stewart said the area has long been synonymous with trouble, turmoil, terrorism, fanaticism and oil.



The United States also sees the area as the Holy Land, he said. Judaism, Christianity and Islam are the principal religions practiced in the Middle East.

Islam is an Arabic word meaning submission to God's will.

Those who submit are called Muslims and believe God, or Allah, is the ultimate sovereign of the state and all creation.

Stewart said the Arab oil embargo of 1973 made the West realize how dependent it was on the Muslim

world and served as a stimulus for Islamic revivalism.

During the latter half of the 1970's, Muslim politics saw the dramatic re-emergence of Islam, as the media reported political upheavals in Iran, Egypt, Saudi Arabia, Syria, Pakistan and Afghanistan.

Stewart, who served as Time magazine bureau chief in the Middle East, Tokyo and South Asia, said most people have distorted perceptions of the Middle East.

"It's beautiful country and you can have a wonderful time," Stewart said. "But you become fascinated with the decadence and when you get home you say that you had a good time, but you're glad you don't live there."

Stewart said in the Middle East, terrorism is seen not as cruel, but as a useful political device.

Health Department seeking to help B-CS

By BRIAN PEARSON
Senior Staff Writer

If the neighbors have rat problems, a septic tank needs inspecting or someone's stomach is tied in knots from the restaurant food he just ate, the Brazos County Health Department wants to know about it.

Department inspectors, called "registered sanitarians," may sometimes have the reputation of being clipboard-wielding hot heads who look for reasons to close down an establishment, but a spokesman said the department's purpose is not to close restaurants down but to keep them open and operating safely.

David Jefferson, a registered sanitarian at the department, says the five inspectors at the department have several duties.

Jefferson says the duties include inspecting septic tanks, regularly inspecting food and drinking establishments, following up complaints and making follow-up inspections.

If a person has a complaint about a neighbor's pile of junk that attracts rats, a health inspector will call the owner of the property and make him aware of the situation.

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Family homes must register with state

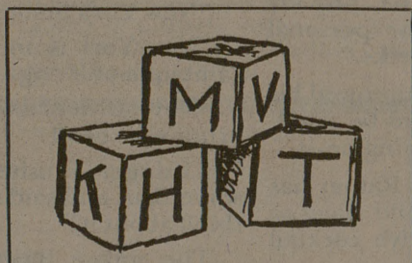
By JEANNE ISENBERG
Staff Writer

Editor's note: This is the first story in a two part series on day care and home care centers.

Tammy Larsen used to have a career in Colorado, where she lived with her husband and two children. Her mother had a licensed family home where Tammy and other women left their children while they worked.

When the Larsens moved to Bryan so Tammy's husband could attend Texas A&M, Tammy discovered she didn't earn as much as she had in Colorado. But because her husband was attending school, Tammy's reduced income was needed even more.

And Tammy also worried about where she could leave her children



during the work day since she didn't know anyone here.

Her solution — to follow in her mother's footsteps and start a registered family home.

This is a pretty common story among the directors of registered homes, says Carol Eubanks, a day care licensing representative with the Texas Department of Human Resources.

The Human Resources Department defines a registered family home as a facility that takes in up to six children under the age of 14 on a regular basis for less than 24 hours a day.

People who plan to watch unrelated children in their homes on a regular basis must, by law, be registered with the department, Eubanks says.

The process of applying for registration is not difficult, she says. While the operation of a licensed day care center requires a detailed inspection and stricter standards, registered family homes need apply only on paper, she says.

The application is a 10-page packet with questions concerning the home and the background of the caregiver or anyone who will be in contact with the children during care. It includes questions about

mental stability, criminal background and physical health.

Mary Jane Hutto of the Human Resources Department says that, after the application is received, the department conducts its own internal check on the applicant's criminal history and previous record with child welfare — whether any complaints have ever arisen about the applicant, whether he's been registered before or been denied approval.

Also on the application is a section for the applicant to estimate the number of children he plans to care for and their ages. This way, Hutto says, the department can make sure the applicant is aware of the requirements regarding ages and amount.

Within the standards is a list of how many children of each age group may be cared for at a time.

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Inspection uncovers flaws in Texas nuclear plant

Associated Press

HOUSTON — A federal inspection of the South Texas Nuclear Project has found "significant deficiencies" in hardware and design control that could mean fines or other enforcement actions against Houston Lighting & Power Co., officials said.

The Nuclear Regulatory Commission noted HL&P already had acted to correct some of the problems. But it said tardiness in taking other corrective actions could delay completion of the nuclear power plant.

The problems stemmed mainly from weaknesses in the plant's construction program, according to an NRC inspection report released Tuesday by HL&P, the managing partner in the project.

Jerry Goldberg, HL&P's nuclear group vice president, said in a prepared statement that several of the problem areas cited by the NRC had

been identified by the project management's consultants.

"The NRC's review, however, uncovered additional areas which require increased project attention, and corrective actions in these areas have been initiated," he said.

But James M. Taylor, director of

NRC's office of inspection and enforcement, wrote to HL&P saying the agency is concerned with the timeliness of some of HL&P's planned corrective actions.

Among the problems cited in the inspection report was one involving

the design control of motor-operated valves.

NRC inspectors, however, said electrical work, reinforced concrete construction, welding and structural steel installation at the project were generally adequate.