



pool 8/30/71

Rowland Evans and Robert Novak



Mills Hints New Tax Break

WORKING QUIETLY back home in Kensett, Ark., Rep. Wilbur Mills, chairman of the tax-writing House Ways and Means Committee, has just about decided to push hard for a tax break for low-income families that could cost up to \$1 billion a year.

The plan being studied by the powerful, often inscrutable Mills would raise what is known as the minimum standard income tax deduction, now \$1,050 for a family, by \$100 or \$200 a year.

Such an increase would affect only the lowest income groups and would have an immediate impact on consumer spending. The reason: Families with incomes low enough to take the minimum standard deduction on their tax returns, instead of the percentage deduction (now 13 per cent), have virtually no savings. Accordingly, their tax savings from an increase in the minimum deduction would presumably go into immediate consumption, not into savings banks. Total cost to the Treasury of a \$100 increase: \$400 million; for a

\$200 increase, about \$1 billion a year.

Mills has made no final decision, but he advised President Nixon to explore a possible increase of the minimum deduction during White House talks Aug. 17 on Mr. Nixon's new tax program. The President promptly ordered Treasury Secretary John B. Connally, masterminding the President's New Economic Program, to look into it.

Mills is also toying with other changes in the Nixon program. He may support an immediate \$50 increase in exemptions, instead of waiting until Jan. 1, 1972, for the \$100 exemption increase in the President's plan. He also leans toward last April 1 as the effective date for the proposed 10 per cent investment tax credit, instead of August, as Mr. Nixon asked.

A footnote: Despite a rising demand by Democratic Party liberals and organized labor for an excess profits tax, Mills remains adamantly opposed. Such a tax, he tells aides, would siphon off profits at the top that otherwise

might go into new plant and equipment.

Hoover Lobby

THE CONTINUING popularity of FBI Director J. Edgar Hoover in the face of rising criticism that the old man (now 76) has abused his power and ought to quit is stunningly revealed in the fund drive by a pro-Hoover lobby called Friends of the FBI (FOF), Inc.

Organized only in late May, FOF has now received well over \$100,000 in cash gifts from a direct-mail campaign that has solicited contributions from backers of right-wing causes, and from what Lee Edwards, its public relations adviser, calls "Middle Americans." The Richard A. Viguerie Co., Inc., which handled fund-raising for the abortive 1970 Senate campaign of former federal judge G. Harrold Carswell in Florida, has carried a major load of the FOF fund drive.

But it has not been all a bed of roses. Originally claiming that contributions were tax-exempt as a result

of a legal link to the Chicago-based Commission for International Due Process of Law (a tax-exempt organization headed by Luis Kutner), FOF now has a petition of its own for tax-exemption before the Internal Revenue Service. The reason for that is that some of Kutner's liberal friends, including Democratic Rep. Abner Mikva of Chicago, protested bitterly at his connection with FOF.

Thus some contributors to FOF, who sent their checks on the promise of tax exemption in solicitation letters signed by television actor Efrem Zimbalist Jr. (star of "The FBI"), may now not be all that certain of getting it. Unless the IRS declares FOF a legitimate tax-exempt outfit, the pro-Hoover organization has lost its tax shelter.

A footnote: The \$100,000-plus collected by FOF will finance what is described as a blue-ribbon commission of lawyers and scholars to study the FBI's history and write a report titled: "The FBI: Its Record and Performance."