

WXPost
The Tax Bill Incentive

President Nixon's blunt statement that "there isn't a chance that a responsible tax bill" could be passed by "this Congress" to help stop runaway inflation amazed and angered influential economic and political leaders who have been quietly trying to help Mr. Nixon develop just such an anti-inflation tax plan.

From corporate board rooms through the halls of Congress down to the hospital room of recuperating Rep. Willbur Mills in Little Rock, Ark., the reaction was stunned disbelief.

That shock was starkly summed up by Dr. Pierre Rinfret, the New York-based private economic consultant who has worked closely with senior White House aides, and the President himself, ever since the 1968 presidential campaign. Rinfret, mincing no words, told us:

"The President's statement was the most serious economic mistake he has ever made."

Democrat Mills, chairman of the House Ways and Means Committee, Dr. Arthur Burns, chairman of the Federal Reserve Board, Rinfret and some

Treasury experts were all pushing hard to get the President to endorse a tax program with both anti-inflation and anti-recession implications. Its heart: a tax incentive for capacity-short basic industries designed to increase the production of goods (anti-inflationary) and absorb workers laid off by consumer industries when the economic downturn begins to bite in the next few months (anti-recessionary).

From his hospital bed, Mills told us the President's astonishingly abrupt rejection of his tax proposals—of any tax proposals—doomed the plan for this year. By next year, it may be too late for the tax-incentive plan to stem a recession which Mills fears could easily turn into full-fledged depression.

A footnote: Some high Treasury Department officials were claiming that Mr. Nixon really did not mean to slam the door on the Mills proposals. If so, the President himself will have to correct the record because his words left not a particle of doubt.

An informal but deadly serious pro-

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test to the Soviet Union by the U.S. points up the rising danger of anti-aircraft Palestinian terrorist threats based on use of the Soviet-made GRAIL.

The GRAIL is a heat-seeking, shoulder-fired bazooka-type launcher (similar to the U.S.-made Redeye) with a range sufficient to explode aircraft perhaps as high at 10,000 feet.

Discovery of this missile in the possession of Palestinian nationalists near the Rome, Italy, airport last week may have avoided an epic tragedy. But there is now reason to believe that the GRAIL is far more widely dispersed than to the Rome airport. The unofficial American protest to the Russians carried a somber warning that international terrorists, Arab or otherwise, could wreck havoc of unimaginable intensity with easy access to the GRAIL.

A footnote: The U.S. Redeye missile weighs only 18 pounds on an 11-pound launcher with less than one pound of lethal explosives.

Special Prosecutor Archibald Cox is quietly investigating possible wrongdoing in the ITT affair by one of the

Nixon administration's top economic policymakers, economic Under Secretary of State William J. Casey.

The investigation concerns Capitol Hill complaints that Casey, as chairman of the Securities and Exchange Commission (SEC) in 1971, kept documents concerning the International Telephone and Telegraph Corp. (ITT) away from congressional investigators. Soon after Cox took jurisdiction from the Justice Department in investigating whether ITT received special treatment from the Nixon administration in an antitrust case, his investigators began looking into Casey's role.

This by no means assures eventual legal action against Casey. However, friends believe the high-powered Casey may have to resign as the State Department's leading economics officer.

A footnote: Although Cox inherited a well advanced ITT investigation not too far from the indictment stage, he is giving top priority to getting indictments in the Watergate case itself. What's holding him up is the legal struggle over access to President Nixon's surreptitious tape recordings.

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