

THE INVISIBLE TAX!

An Editorial

What does inflation mean to a Taxpayer and consumer of purchasable items? Naturally, increased prices putting the squeeze on his pocketbook and limiting his purchasing power.

But that's not all! Inflation not only means increased prices — but INCREASED EFFECTIVE TAX RATES TOO.

Let's see how this happens. Prices for consumer items are measured periodically by what is called the Consumer Price Index. As a matter of record, in 1968, prices increased 4.2%. Let's take John Q. Public, who is married and has two children, and earned \$10,000 in 1967. If he got a 4% raise at the beginning of 1968, John's increase in earnings for the year would just about equal the increase in his cost of living.

If prices increase by approximately the same amount as they did in 1968 for each of the next ten years, and John's income grown at the same rate, he should be earning approximately \$15,000 per year by the end of 1977 — a 50% increase. However, prices will also have risen 50% — so it looks as if the best that John and his family would be able to do is to hold their own.

BUT — THIS WILL NOT HAPPEN! NO! Actually he will have less and less take home pay!

Why? Because the progression in our federal income tax system will take a greater percentage of John's income as he moves into each succeeding higher tax bracket! So, when we look at his after-tax income for 1967 and 1977, using present tax rates and the standard deduction and disregarding the manipulation of the present surcharge — we find he doesn't stay even at all!

While his cost of living and his total income will increase by the same 50%, his federal income taxes, instead of going up by 50% — actually go up 95 per cent — from \$1,114 to \$2,172!

This extra increase in tax occurs because, by 1977, more of John's income will be taxed at higher brackets. So, instead of staying even, this extra tax — inflation's "invisible" tax — drives him back.

While John is falling behind, the government is receiving extra revenue. By employing tax rates established before the current price spiral, the government receives this extra revenue without having to make politically unpopular proposals for tax hikes through the legislative process.

If no changes are made in the current progressive rate structure, the average taxpayer will be obliged to pay more and more of his income in federal taxes. As inflation grows, its invisible tax grows at an ever-increasing rate.

Since the only thing we get out of inflation is higher prices and higher taxes, why do we tolerate it? This is a question to ask your Congressmen, Senators and Union Bosses!

Every time that the Union Bosses call their workers out on strike — it is actually costing each and every worker — more and more money — besides losing their pay while they are idle!

What is happening to the intelligence and backbone of our erst-while "red-blooded" Americans? Is the American public turning into a "pack of lemurs" that are going to follow their leaders "off the cliff" into the "sea of despair"?

THE ANDOVER NEWS

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NATIONAL NEWSPAPER



50 YEARS AGO

August 1, 1919

J. H. Backus, Publisher

Porter Richardson arrived in the USA from France recently and arrived at his home in this Village Sunday morning.

At a recent meeting of the Board of Directors Miss Esther C. Northrup was elected assistant cashier of the Andover State Bank.

Miss Myra Diffin of Andover was the week-end guest of her friend, Miss Anna Livermore of South Hill.

John P. Dean of South Hill visited the Conwell home in Bradford from Thursday to Friday night.

Miss Tressa Finn and Miss Elcise Hasbrook of Carbondale, Pa., are visiting Mrs. E. R. Crandall of Independence.

Mr. and Mrs. Chas Dean of Naples has been spending a few days with Mrs. Jennie O'Dell of Independence.

Mr. and Mrs. Carl Raymond and daughter, Mr. and Mrs. George Lewis of Port Allegany, are visiting at the home of R. A. Clarke in Independence.

Miss Helen Smith of Olean is visiting her grandfather, Mr. and Mrs. Dell Hann of Elm Valley.

Mrs. J. P. Smith and children accompanied her husband to Watrous, Pa., to pass the week.

Herbert Padden of Buffalo is visiting his brother, Michael at the Padden home on Chestnut St.

Miss Bets Stearns is visiting at the home of her uncle, Mr. Stearns of Port Allegany this week.

Mrs. Jennie Parker of Leeds, S. D., is visiting at the home of her son, Roy Parker and family.

Miss Ruth DeRemer of Andover, has been engaged to teach in the Primary department of the High School at North Collins, N. Y.

Mrs. Ellen Donnelly and family and Mrs. Margaret Gilson of Toledo, Ohio, are guests of their parents, Mr. and Mrs. William McDonough.

Mr. and Mrs. M. T. Garvin, Mr. and Mrs. P. A. Dean and Mrs. E. Gallagher were in Bradford Monday and attended the funeral of John Conwell.

Prof. and Mrs. O. B. Trowbridge of Pulaski, who have been guests of his parents, Mr. and Mrs. Lee Trowbridge and other relatives and friends, returned to their home Friday.

Mr. and Mrs. John Vincent of New Rochelle have been guests at the home of her brother, E. D. Baker during the past week.

Postmaster and Mrs. W. F. O'Connell and children left Thursday for a few days motor trip to Chicago, Ill., where they will be guests of his sister and family, Mrs. M. G. Shannon.

40 YEARS AGO

August 2, 1929

J. H. Backus & Son, Publishers

Frank Dean is building a new barn on the site of the one which burned this spring at his farm home below Andover.

Russell Groves of Pelham, N. Y., is spending the summer vacation with his aunt, Miss Emily Barney.

Mr. and Mrs. Gordon Borden and daughter of Rochester, were week-end guests of Mrs. Borden's parents, Mr. and Mrs. C. L. Earley. Mr. and Mrs. Henry Stephens accompanied them home for a visit.

Miss Rose Ellen Casey returned to her duties as nurse at the Buffalo General Hospital Tuesday, after three weeks vacation at the home of her mother, Mrs. Ellen Casey.

Miss Ruby Hunt of Washington, D. C., is in Andover passing her vacation with her mother, Mrs. Della Hunt of Lake Street.

Miss Mabel Cassidy and niece of New York City, are guests at the home of Mrs. E. Gallagher this week.

Mr. and Mrs. James Goodrich of Illinois, have been visiting his brother-in-law, Al Brown this week.

Mrs. Harold Hardy and children are visiting at the home of her



by Alex Rankin

Some upstate Democratic county chairmen have reacted unfavorably to the recent announcement by Governor Samuel that he is backing John F. Lindsay for mayor of New York City.

Lindsay, who is the New York City primary of last year's Republican, is the Democratic nominee on the Rochester line to become Senator from the State of New York. New Lindsay is running on the Liberal party line and may run on another independent line as well.

Samuels over the years has been one of upstate's most attractive Democrats. In 1948 the Comstock Industrialist went out for the Democratic nomination for governor. He lost the war in the smoke-filled hotel rooms of Buffalo where the convention was held that year, but wound up as Lieutenant Governor candidate on what turned out to be a losing ticket.

"I told him I didn't think it was a wise decision," said John Fabrizio, Ontario County Democratic chairman and president of a group called the Upstate Rural Democratic Chairmen.

The wisdom or folly of Samuels' move won't be known until after the November elections in New York City.

The practical reason for Samuels' decision appears to be obvious. Samuels' goal is to become governor of the state.

Lindsay is no longer a Republican. If he wins in November he will have won with much of the Democratic vote in New York City — something anyone who wants to be governor of this state needs to be elected.

Thus Samuels could do very well when Lindsay's support next year when the race for Governor Rockefeller's office begins.

There are some very knowledgeable political experts, however, who say there is no way Lindsay can win because, among other

things, there are too many others in the race who will take the traditional Democratic vote away from him.

In that case it would appear Samuels hasn't lost too much anyway.

It seems apparent at this point that Samuels' move is to give a primary bid to the Democratic nomination for Governor anyway, no matter what Lindsay does. Samuels, for all his charm and obvious vote-getting, has never been the darling of the Democratic leader. He has in the past decided who is going to get what nomination.

Several other upstate Democratic leaders followed Fabrizio's lead.

"This endorsement is one way to annihilate the Democratic party in this state," said Monroe County Democratic chairman Thomas J. Conlon. "I always considered Samuels a regular Democrat."

John J. Knapp, Democratic chairman of Delaware County, cancelled an appearance by Samuels at a party dinner scheduled for October.

Conlon's statement must be tempered by noting that State Democratic Chairman John Burns comes from Binghamton. Burns has endorsed the winner of the Democratic primary in New York City, Mario Fracaccino.

"Democrats support Democrats, that's why they are enrolled as Democrats," observed Monroe County Democratic chairman Robert J. Quigley.

Cortland County Democratic chairman Victor Bahou had this to say: "Exceedingly poor judgment."

One question remains unanswered in all of this:

Why does Lindsay need Samuels' endorsement?

One answer might be the Lindsay just plain needs anything he can get at this point.

father, D. E. Livermore of Independence this week.

Mr. and Mrs. Frank Stevens of Elm St., are spending the week at Conesus Lake in company with W. W. Sheldon, son and daughter of Alfred.

A. O. Kemp and son, Oliver accompanied by I. H. Gilfillan, left Sunday by automobile for St. Albans, Vt., to visit the home office and factory of the King Evaporator, manufactured by G. H. Soule Co., of that city.

Mrs. James Guinn Sr., left Friday for Johnstown, Pa., for two weeks visit at the home of her sister, Mrs. D. Murphy.

Mrs. Ronalds and three children returned to their home in New York City Thursday, after two weeks vacation at the home of her aunt, Mrs. Elmer Bixby and family of Dyke St.

Miss Ellen and Charles Barrett of Buffalo are guests of Mr. and Mrs. John Joyce for a few days.

Mrs. Ella Shimwell and daughter, Argene, spent the week-end with Mr. and Mrs. Lloyd Hills and James Shimwell of Rochester.

Mrs. Reva Thompson who has been visiting her mother, Mrs. Ila Clarke, returned to her home at Canisteo Tuesday. Mrs. Clarke accompanied her to Hornell.

Mrs. A. O. Kemp and Marian have been visiting relatives in Hornell for a few days.

30 YEARS AGO

August 4, 1939

J. H. Backus & Son, Publishers

Miss Mabel Alben Perkins of Voorhees Hill and Wayne Hallett of North East, Pa., were united in marriage July 31st.

Mrs. Elizabeth I. Orimes, sister of Mrs. Frank Dean of Andover, died Sunday, July 30th.

Plans were made at the meeting of Andover Rod & Gun Club Tuesday evening to sponsor a Vermilion Hunt, this Sunday.

Mrs. Harry Sarna entertained

a party of friends Friday in honor of the birthdays of Miss Dexia Scott, Mrs. Emma Gray and John Elster.

Miss Doris Church has resigned her position at Alfred Station and will teach in the Jasper Central School this coming year.

Ramon Lewis of Rexville spent the week-end with his uncle, James Lewis and family.

Doris Atwell of Elm Valley, is passing a few days with her cousin Vera Jean Krusen in Greenwood.

Carl V. Clarke of Independence was in Hamburg over the week-end, where he was attending the Herd Improvement exhibit and sale. He showed two bulls in the exhibit.

Messrs. Earl Riffle and Claude Drew of Independence, started for Oregon, Wednesday, called there by the serious illness of Mr. Riffle's father.

Florence Clarke of Independence is in Belmont this week getting instructions for checking farms in the Soil Conservation Program.

Charles and Norbert Lynch are attending the New York World's Fair this week.

Mrs. Earl Bassett of Buffalo is the guest of Mrs. R. O. Snyder this week.

Mr. and Mrs. William Childs left Sunday by motor for a vacation in the New England States and the Thousand Islands.

Mr. and Mrs. Pat Hyland and Mr. and Mrs. Earl Hyland and three children were guests of Mr. and Mrs. Clark Fulkerson at Akron, Ohio, over the week-end.

J. V. Stearns of Hartsville, spent from Thursday until Sunday with his parents, Mr. and Mrs. E. F. Stearns.

P. W. Kane of Beulah Michigan spent from Thursday until Monday with his sister, Mrs. Anne McDonough.

Prof. and Mrs. Leon Cook of Rawleigh, N. C. arrived Monday for their summer vacation at their cottage in Andover.