EFFECTS OF THE 'BIG LIE'

This drive, obviously designed to gain political and economic power for certain interests in Michigan, has actually produced another significant, and perhaps unlooked-for, result. The "big lie" about the industrial climate in Michigan has actually made more difficult the problem of attracting new industry to the state, since many manufacturers who might otherwise have located here have surely been scared away by the shrill voices of disaster.

This has been attested to by William B. Sloan, coordinator of Detroit's industrial and commercial development committee. Widespread publication of what Mr. Sloan called the "big lie" about Michigan's economic climate, has, as he put it, hurt the state "unjustifiably and given the worst sort of ammunition to the more than 6,000 industrial developing groups through the country."

He cited a story printed in a Wisconsin paper which placed the blame for the recession on Detroit. This, he asserted, "is ridiculous. Detroit and Michigan are in the center of the greatest investment market of the nation and it's time we exploited that fact instead of tearing ourselves down."

SOME EXAMPLES OF THE SMEAR CAMPAIGN

Three striking examples of the smear-Michigan campaign that has been carried on can be found in the situations dealing with state taxes, the recent ruling by the Supreme Court of Michigan that gave unemployment compensation benefits to workers idled by reason of a strike in another state, and the distorted currency given Michigan's financial plight around the country.

Michigan, as is true of 33 other states in the Union, is in dire need of additional revenues. Present estimates place the present deficit for the state at more than $100 million. The reasons for this are perfectly clear to everyone. The state has witnessed an unprecedented population expansion since the end of World War II. In fact, Michigan--next to California--is the fastest growing industrial state in the nation. In addition, the shrinkage in the automobile market with its consequences of widespread unemployment, lowered production and lessened business activity generally, has served to worsen the problem. These facts, as I have said, are well known.

The governor of Michigan, recognizing the needs of the state, has proposed the initiation of personal and corporate income taxes as the most equitable method of increasing revenues. In this, the governor was adopting the major recommendations advanced by a special Citizens Advisory Committee on Michigan Taxes, a group composed predominantly of representatives of business. The governor's proposals were greeted with howls of protest, carefully contrived by the forces of reaction to leave the impression that such well recognized tax remedies were formulated by Karl Marx.

Never--or almost never--does a citizen of Michigan read that 28 states have a graduated personal income tax or that 35 states have a corporate profits tax--and at rates comparable to those recommended for Michigan. In short, Governor Williams' tax proposals, which represent an attempt by Michigan to catch up with the rest of the industrial parade, have been scorned, distorted and derided as the work of subversive Marxian forces bent on undermining our system of free enterprise.