

Tax Reform News on Upswing

"The art of taxation consists in so plucking the goose as to obtain the largest possible amount of feathers while provoking the smallest possible amount of hissing." That was said by someone identified as Colbert in the first issue of the reconstituted *Property Tax Newsletter*, Ralph Nader's outlet for tax administration scandal and reform efforts.

The new publication is called *People and Taxes*. The declared policy of the paper is to cover a wide range of tax issues without sacrificing the attention paid the property tax that made the original *Newsletter* famous.

People and Taxes features an article by Nader Himself titled "How to Fight for Tax Justice." Here he exposes the "Great Myth of Progressive Taxation" by showing that the corporate tax burden has withered away by 8% since 1960, so that corporate taxes now take third place (behind individual and payroll taxes) as Treasury money-makers.

Brookings Institution economist Joseph Pechman is quoted as saying that income tax rates could be reduced by at least one-third if all the loopholes were closed. There follows a blow-by-blow account of which special interest groups and individuals brought pressure to bear on which legislators in which committees

to obtain tax breaks—and which legislators tried to block the loophole production process. Nader does not fail to note that "The complexity of the tax code does more than enable Congressmen to slip in such special gifts for their favorite constituents. It makes most taxpayers unable to figure out their own taxes."

As for "How to Fight for Tax Justice," Nader recommends keeping informed (and he lists a few books and periodicals) and writing your Congressmen.

Another article along the same lines describes how the cigar industry was defeated recently in its attempt to get a favorable tax change out of the House Ways and Means Committee. Aside from the naming of names—Wilbur Mills emerges as a bad guy and Wright Patman (among others) as a good guy—this story outlines the legislative mechanism whereby tax gifts to special interest groups can be bestowed. It all has to do with closed sessions of the Committee and something called the "consent calendar" in the House, apparently a euphemism for rubber-stamping.

The case of the taxpayers of Cook County (Chicago) versus the assessor is detailed in a third article. The taxpayers want the assessor removed from office for failure to perform his duties, payment of

a penalty equal to twice the revenues lost through his mismanagement, and reassessment of all property. It is alleged that the assessor used his office to discriminate on the low side in assessing the property of political supporters—and again, the details are given.

One of the more interesting pieces of information comes under the heading "Here Come the Corporations"—about 150 major corporations now have real estate investments averaging \$14.4 million apiece. Another 50 are about to diversify into real estate to grab the "surplus" generated by land holdings.

Other articles in *People and Taxes* deal with Nixon's property tax "reform" (meaning VAT), the "loophole of the month" (oil depletion allowances), and Alabama Governor George Wallace's tax position (he'd lower the oil depletion allowance and tax the commercial properties of foundations and churches, but doesn't have "any figures in mind").

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