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REMARKS BY SENATOR HUMPHREY
FEBRUARY 9, 1972
JACKSONVILLE SHIPYARDS INC.

⌈ IT IS TWO AND A HALF MONTHS BEFORE APRIL 15
—TAX DAY FOR THE AMERICAN PEOPLE.

⌈ ON THAT DAY THE INTERNAL REVENUE SERVICE WILL
PROCESS 92 MILLION TAX FORMS AND OUR TREASURY WILL
COLLECT \$125 BILLION.

⌈ IF ALL AMERICANS PAID THEIR FAIR SHARE THE
TREASURY COULD COLLECT \$18 BILLION MORE AND YOUR TAX
BURDEN WOULD BE LESS.

⌈ BUT SOME FEW AMERICANS DON'T PAY THEIR FAIR
SHARE AND BECAUSE THEY ARE ALLOWED TO DO THIS, YOU
PAY HIGHER TAXES.

⌈ TODAY I WANT TO TALK TO YOU ABOUT THE INEQUITIES
OF OUR TAX SYSTEM AND OUTLINE MY ACTION PROGRAM TO CHANGE
THIS SYSTEM.

L FEDERAL, STATE AND LOCAL GOVERNMENTS COLLECT
MORE THAN \$275 BILLION A YEAR IN TAXES.

L LESS THAN TWO PERCENT OF THE PEOPLE RECEIVE
22 PERCENT OF THE INCOME AND PAY LESS THAN 10 PERCENT
OF THE TAXES.

L BUT THE WORKING MAN MAKING BETWEEN \$8,000 AND
\$15,000--THAT'S 26 PERCENT OF THE PEOPLE--MAKE 20 PERCENT
OF THE TOTAL NATIONAL INCOME BUT PAY 36 PERCENT OF THE
TAXES.

L I BELIEVE THIS SYSTEM IS UNFAIR.

L THE FEDERAL TAX SYSTEM IS RIGGED AGAINST YOU--
THE WORKING MAN,

IT IS RIGGED AGAINST THE WAGE EARNER,

IT IS RIGGED AGAINST THE AVERAGE FAMILY,

TV

L AND, IT IS RIGGED IN FAVOR OF UNEARNED INCOME,

OUR TAX SYSTEM PENALIZES THE LITTLE MAN WHO
WORKS AND REWARDS WEALTHY INVESTORS WHO GET CHECKS
FROM STOCKS, BONDS AND LARGE DIVIDENDS.

L THE TIME HAS COME FOR TAX REFORM,

L THE TIME HAS COME FOR TAX JUSTICE--TAX JUSTICE
FOR THE AMERICAN WORKING FAMILY.

L THE TIME HAS COME FOR A TAX SYSTEM THAT SAYS
TO THE WEALTHY, TO THE SUPER-RICH, TO BIG BUSINESS,
TO THE BANKER--YOU MUST PAY YOUR FAIR SHARE.

L ALL OF US HAVE A STAKE IN THE GROWTH OF THIS NATION,

L ALL OF US WANT TO GET AHEAD--TO SAVE SOME MONEY,

L BUY A HOME AND PERHAPS SOME LAND, TO SEND OUR CHILDREN
TO COLLEGE AND HAVE A DECENT INCOME AND SECURITY WHEN
WE'RE OLDER,

∟ SOME MAY SAY THESE THINGS ARE PART OF THE AMERICAN
DREAM, BUT I SAY THEY'RE NOT JUST DREAMS, THEY'RE RIGHTS
--THEY BELONG TO YOU,

∟ BUT WHAT HAS HAPPENED?

∟ IT IS GETTING MORE AND MORE DIFFICULT TO HAVE
THESE GOOD THINGS IN AMERICA TODAY,

∟ IT IS MORE DIFFICULT TO EARN, MORE DIFFICULT
TO SAVE BECAUSE THE AMERICAN TAX SYSTEM TAKES A BIGGER
AND BIGGER BITE OUT OF YOUR POCKETS EVERY YEAR,

∟ WE HAVE A TAX SYSTEM THAT FEW CAN UNDERSTAND,
BUT THOSE FEW WHO DO, OFTEN USE IT TO THEIR OWN ADVANTAGE, !

∟ IT IS THE RESPONSIBILITY OF GOVERNMENT TO SEE THAT
TAXES ARE JUST AND THAT NO ONE GETS A SPECIAL DEAL

TV ∟ BUT UNDER NIXON REPUBLICANISM, THE TREASURY
DEPARTMENT OF THE UNITED STATES GOVERNMENT--THE TREASURY

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DEPARTMENT WHICH BELONGS TO YOU AND TO ME--HAS

BECOME A LOBBYIST AND ADVOCATE FOR SPECIAL INTEREST.

THE TREASURY DEPARTMENT IS NOW THE BLOCKING

BACK FOR BIG BUSINESS REPUBLICANISM, AND THE LITTLE

GUY HAS NO ONE RUNNING INTERFERENCE FOR HIM IN

WASHINGTON.

I WANT TO TELL YOU WHAT THE NIXON TREASURY HAS

DONE.

--IT PROPOSED LEGISLATION WHICH ALLOWS A FEW BIG

BUSINESSES TO SET UP TAX-FREE DUMMY CORPORATIONS TO

SELL THEIR GOODS OVERSEAS. I VOTED AGAINST SUCH LEGISLATION.

--IT HAS SPONSORED LEGISLATION TO PERMIT CORPORATE GIANTS

A SUPER-FAST WRITE-OFF ON THEIR MACHINERY SAVING THEM

OVER 5 BILLION A YEAR.

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IT FOUGHT AGAINST INCREASING THE AMOUNT OF MONEY
YOU CAN DEDUCT FOR YOURSELF, YOUR WIFE AND YOUR KIDS.

WHO WAS FIGHTING FOR YOU--NOT THE NIXON ADMINISTRATION.

AND MY FRIENDS, IN THE DARK MARBLE HALLS OF THE
TREASURY, FACELESS POLITICAL APPOINTEES QUIETLY SHOVED
ASIDE A 1969 PROVISION OF THE TAX LAW THAT SAYS EVERYONE
MUST PAY AT LEAST SOME MINIMUM TAX.

AND WHAT HAS BEEN THE RESULT?

TWO WEEKS AGO WE FOUND OUT THAT IN 1969 AND IN
1970 OVER 300 AMERICANS MAKING BETTER THAN \$200,000 A
YEAR PAID NO INCOME TAX AT ALL. COULD THIS HAPPEN TO
YOU? WHEN WAS THE LAST TIME YOU DIDN'T PAY ANY TAXES
ON THE INCOME YOU EARNED?

THE WORKING MAN DOESN'T HAVE ANY FRIENDS IN THE
NIXON ADMINISTRATION. HE DOESN'T HAVE A SPECIAL LINE

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ON HIS TAX FORM, BUT HE PAYS MORE TAXES THAN SOME
MILLIONAIRES,

Now, I'M NOT OUT TO DAMAGE AMERICAN CORPORATE
INTERESTS, I'M FOR A THRIVING FREE ENTERPRISE SYSTEM,

I'M FOR ECONOMIC EXPANSION BUT THAT GOAL IS BEST
SERVED BY EQUITY AND JUSTICE IN THE TAX SYSTEM,

My LEGISLATIVE PERFORMANCE ON TAX AND FISCAL
POLICY IS CLEAR--IT'S A MATTER OF PUBLIC RECORD, THE
AMERICAN TAX SYSTEM MUST STAND FOR FAIRNESS--NOT
SPECIAL PRIVILEGE, REGRETABLY THAT TAX SYSTEM IS NOW
RIDDLED WITH WHAT WE COMMONLY CALL TAX LOOPHOLES,

HERE ARE JUST A FEW THAT MUST BE CLOSED:

LoopHOLE No. 1: Is IT FAIR THAT ONE GIANT OIL
COMPANY EARNING OVER \$2.8 BILLION A YEAR IS PERMITTED

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not
L TO PAY LESS THAN 10 PERCENT OF ITS TOTAL INCOME IN
TAXES? WHILE AT THE SAME TIME A WORKING MAN WHO MAKES
ONLY \$8,000 A YEAR PAYS EXACTLY THE SAME PERCENTAGE RATE

L Is IT FAIR? I SAY NO.

L LOOPHOLE No. 2: IS IT FAIR THAT BIG BUSINESS
GOT A \$9 BILLION TAX BREAK FROM RICHARD NIXON IN THE
REVENUE ACT OF 1971 THROUGH SUPERFAST MACHINERY WRITE-OFFS
AND PHONEY EXPORT DEVICES.

L I SAY NO.

L LOOPHOLE No. 3: IS IT FAIR TO THE FAMILY FARMER WHO
STRUGGLES TO MAKE A LIVING AND PAYS HIGH TAXES WHILE DOING
IT THAT DOCTORS AND LAWYERS WITH BIG INCOMES PLAY WEEKEND
FARMER BY BUYING FARM PROPERTY AND GROWING TAX DEDUCTIONS?

L I SAY NO! IF YOU WANT TO DEDUCT YOUR FARM LOSSES

THEN GIVE UP THE COURTROOM, THE PANELED OFFICE AND GO
DRIVE A TRACTOR.

LOophOLE No. 4: Is IT FAIR AND WAS IT NECESSARY
FOR THE NIXON ADMINISTRATION TO PERMIT AND FORCE WORKING
FAMILIES TO PAY THE HIGHEST INTEREST RATES SINCE THE
CIVIL WAR?

I SAY IT'S NOT FAIR AND IT WASN'T NECESSARY.

LOophOLE No. 5: Is IT FAIR FOR 10 PERCENT OF OUR
PEOPLE TO USE ALL SORTS OF TAX DODGES AND TAX SHELTERS
TO AVOID DOING WHAT YOU ~~ARE~~ MUST DO--PAY TAXES?

I SAY NO. THE TAX AVOIDANCE GAME IS OVER,
THERE ARE MANY MORE,

AND I WANT TO ASK YOU NOW: IS IT FAIR KNOWING
THAT WE CAN RAISE OVER \$18 BILLION A YEAR BY CLOSING
LOophOLES FOR THE NIXON ADMINISTRATION TO PROPOSE A NEW
TAX BURDEN ON THE AMERICAN CONSUMER IN THE FORM OF A
GIANT-SIZED NATIONAL SALES TAX?

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I SAY NO. NO MATTER WHAT THE REPUBLICANS CALL IT, THE NEW VALUE ADDED TAX WILL ADD TO THE COST OF LIVING, WILL BE REGRESSIVE ON ALL OF US, WILL ERODE COMMUNITY TAX BASES AND ULTIMATELY IT WILL BE USED TO REDUCE THE TAXES OF THE WEALTHY.

TODAY AMERICA IS PRIVATELY WEALTHY AND PUBLICLY POOR. WE SEE PUBLIC POVERTY ALL AROUND US. OUR STREETS NEED FIXING, OUR HOSPITALS ARE INADEQUATE, OUR TRANSIT SYSTEM IS 50 YEARS OUT OF DATE, OUR AIRPORTS ARE CONGESTED AND UNSAFE AND WE HAVE TOO FEW SHIPS CARRYING OUR FLAG, WE NEED TO MODERNIZE OUR DOCKS, WE NEED JOBS FOR OUR PEOPLE, AND TOO MANY AMERICANS LIVE IN THE FEAR OF CRIME.

LET'S NOT KID OURSELVES, CORRECTING OUR PROBLEMS IS GOING TO TAKE MONEY.

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BUT CLOSING THE LOOPHOLES I HAVE SUGGESTED TODAY
WILL BRING OVER \$18 BILLION TO THE TREASURY.

THAT'S A START. THAT'S A DOWN-PAYMENT ON CLEAN
AND SAFE NEIGHBORHOODS, BETTER SCHOOLS, MORE GOOD HOUSING
AND LOWER PROPERTY TAXES.

OUR COUNTRY CAN SURVIVE ONLY IF ITS INSTITUTIONS
AND VALUES ARE SUPPORTED BY THE PEOPLE.

WHEN THREE MILLION OF OUR ELDERLY ARE FORCED TO
OVERPAY THEIR TAXES BECAUSE OF COMPLEX TAX FORMS, WHEN
THE WEALTHY CAN HIRE HIGH-PRICED TAX ADVISORS TO CUT
THEIR TAXES, AND WHEN BILLIONS ARE MADE FROM INVESTMENTS
AND TAXED AT HALF THE REGULAR RATE, THEN THE PEOPLE HAVE
A RIGHT TO BELIEVE OUR TAX SYSTEM IS UNFAIR. THAT SOME
ARE BENEFITING AT THE EXPENSE OF OTHERS. THAT THE TAX
SYSTEM IS RIGGED AGAINST THE WORKING MAN.

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~~HERE IN FLORIDA, GOVERNOR ASKEW LED THE BATTLE FOR
TAX JUSTICE AGAINST THE BIG CORPORATIONS. THE MESSAGE
OF ASKEW AND THE MESSAGE OF THE PEOPLE OF FLORIDA CAME
THROUGH LOUD AND CLEAR. WE WILL NOT TOLERATE AN UNFAIR
TAX SYSTEM,~~

ANY REFORM OF THE AMERICAN TAX SYSTEM WILL REQUIRE
THE COURAGEOUS AND PERSISTENT LEADERSHIP OF A PRESIDENT.

OVER 30 YEARS AGO FRANKLIN ROOSEVELT SAID: "THE
TEST OF PROGRESS IS NOT WHETHER WE ADD TO THE ABUNDANCE
OF THOSE WHO HAVE MUCH; IT IS WHETHER WE PROVIDE ENOUGH
FOR THOSE WHO HAVE TOO LITTLE."

THE TEST OF PROGRESS IS MUCH THE SAME TODAY.

WE CAN ONLY BEGIN TO MEET THAT TEST IF OUR TAX
SYSTEM IS FAIR AND IF GOVERNMENT FIGHTS AGAIN FOR THE
LITTLE GUY--FOR YOU AND ME AND FOR OUR FAMILIES.

^{state}
Total take 2.26 billi

755.3 mill for
property

116 - sales tax

460 - personal

101 - corporate

Waxman only gets 330 mill
back for Fed govt.

Waxman \$130.90 for every
\$1,000 to state

give 2% off Fed. revenues
get back 1.5%

Memo: Half of money collected
from property & sales tax will
be used

For Release - Noon EST, Wed., Feb. 9, 1972

Humphrey Proposes Tax Changes To Plug \$18 Billion in Loopholes for Wealthy

JACKSONVILLE, Fla., Feb. 9--Senator Hubert H. Humphrey today proposed comprehensive changes in the Federal tax structure that would close gaping loopholes ~~under which the wealthy pay no taxes~~ that result in an annual tax loss of ~~\$25~~^{\$18} billion.

Addressing workers at the Jacksonville Navy Yard here, Senator Humphrey called the Federal tax structure "rigged in favor of the wealthy few at the expense of the many, rigged in favor of unearned income, rigged against you-- the working man."

Insert A
~~"Americans whose annual income is more than \$50,000 a year earn _____ per cent of total U.S. income, but pay only _____ per cent of the tax bill.~~

~~"Meanwhile, those in the \$8,000-\$15,000 a year bracket, who account for _____ per cent of total income, must shoulder _____ per cent of the tax load.~~

"The time has come for tax justice--tax justice for the American working family.

"The time has come for a tax system that says to the wealthy, to the super rich, to big business, to the banker growing wealthy on sky-high interests rates that you ~~pay~~^{fair} must carry your share of the load.

"Our tax system is ~~simply riddled~~ full of inequities, ~~breaks for~~ breaks for the wealthy and special interests, and loopholes.

"The reason that your tax bill is too high is that the bill for ~~the~~ the favored few is too ~~low~~ low. Here are some examples:

--" The oil industry is permitted to ~~deduct~~^{deduct} more than 80 per cent of its entire income. I believe we must cut back this ~~allowance~~ allowance, ~~to bring~~ into the Federal Treasury some \$2 billion a year, that others must now pay.

--"Big business ~~got~~^{got} a \$9 billion tax break from the Nixon Administration in the Revenue Act of 1971. I say no more fast depreciation write-offs and

Insert A

Humphrey said "America has become a Nation that is privately rich,
but publicly poor."

"The top two per cent in income in our Nation, earn 22 per cent of all
income, but pay less than 10 per cent of the total tax bill. *And two weeks ago, the Treasury Department told us that more than 100 Americans making more than \$200,000*
"Meanwhile, the ~~the~~ one-fourth of the population & earning \$8,000-\$14,000, who
~~xxxxxx~~ which also account for 22 per cent of total national income, must
shoulder 36 per cent of the total tax bill.

average per person income top 2%

no more phony export loopholes.

--"Week-end farmers--doctors, lawyers, businessmen and other professional people--are permitted to buy-up revenue-losing farm property ~~for tax deduction~~ and then use it as a tax deduction. ^{means loss} And that ~~means~~ the loss of some \$860 million a year.

--"Brokerage houses, bankers and wealthy investors are permitted to make millions of dollars absolutely tax free from municipal and state bonds.

"In other words, the millionaire who ~~he~~ invests \$2 million in these bonds gets \$100,000 a year without paying a nickel in taxes. That means \$2 billion that the rest of us have to make ~~up~~ up. ~~We can~~ ^{help the} eliminate this tax ~~avoidance~~ avoidance and find better ways to ~~stimulate~~ ^{help the} sales of these bonds by our cities and states.

--"The banking ~~industry~~ industry is reaping ~~the~~ huge profits from the sky-high interest rates that the borrower is forced to pay. I say we must ~~push~~ push those interest rates down.

--"Finally, ~~the~~ the American public is subsidizing the tax avoider who has found shelter in such devices as fast depreciation write-offs, gentlemen farm losses, vegetable roll-overs, special ^{amortization} ~~amortization~~ provisions and certain real estate transactions, to the tune of ^{\$7 to \$9} ~~\$1.5~~ billion a year.

"This is not a new fact of American life. But the ~~same~~ trend toward loopholes benefitting big business at the expense of the working man has ~~not~~ accelerated during this Administration.

"The Treasury Department has become the blocking back for big business Republicanism, and the little man has no one running interference for him in Washington.

~~"The Nixon Treasury Department has proposed legislation which allows a few big businesses to set up tax-free dummy corporations to sell their goods overseas.~~

~~"It has sponsored legislation to permit corporate giants a super-fast write-off on their machinery--saving them over \$5 billion a year.~~

~~"And it has fought against increasing the amount of money that the average~~

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~~Income tax payer can deduct for himself and his family.~~

"Let me make it clear that ~~the~~ I am not proposing to tax our free enterprise system out of existence. Businesses create jobs, and businesses ~~make~~ must earn a profit.

"I ~~mean~~ ^{simple} am talking about tax justice--about all elements of our society paying their fair share.

"The tax inequities I have proposed~~ing~~ changing would bring in some \$18 billion to the Federal ~~treasury~~ treasury--enought to make a substantial down-payment on some of our urgent domestic needs--~~a~~ decent neighborhoods, better schools, good housing and a ~~safe~~ ^{and clear} safe environment.

"More than 30 years ago, ~~the~~ Franklin Roosevelt said: 'The test of progress is not whether we add to the abundance of those who have much; it is whether we provide enough for those who have too little.'

"The test is the same today. And we can only ^{begin} to meet it if our tax system is fair, and if government fights ~~against~~ again for the little man--for you and me and for our families."

Keep Fond du lac 5:30 pm - Cnty dinner

JACKSONVILLE--NAVY YARD WORKERS--FEBRUARY 9

It is two and a half months before April 15--tax day for the American people.

On that day the Internal Revenue Service will process 92 million tax forms and our Treasury will collect \$125 billion.

If all Americans paid their fair share the Treasury could collect \$25 billion more and your tax burden would be less.

But ~~all~~ ^{some few} Americans don't pay their fair share and because they are allowed to do this, you pay higher taxes.

Today I want to talk to you about the inequities of our tax system and outline my action program to change this system.

Federal, state and local governments collect more than \$275 billion a year in taxes.

Less than two percent of the people receive 22 percent of the income and pay less than 10 percent of the taxes.

But the working man making between \$8,000 and \$15,000--that's 26 percent of the people--make 20 percent of the total national income but pay 36 percent of the taxes.

I believe this system is unfair.

The Federal tax system is rigged against you--the working man.

It is rigged against the wage earner.

It is rigged against the average family.

And, it is rigged in favor of unearned income.

Our tax system ~~punishes~~ ^{penalizes} the little man ~~for working~~ ^{who works} and rewards wealthy investors who get checks from stocks, bonds and large dividends.

The time has come for tax reform.

The time has come for tax justice--tax justice for the American working family.

~~integrity and justice~~ ²

The time has come for a tax system that says to the wealthy, to the super-rich, to big business, to the banker--you ~~will~~ pay your fair share. *You must pay your fair share*
~~You must pay your fair share and I will see that you do.~~

All of us have a stake in the growth of this nation.

All of us want to get ahead--to save some money, buy a home and perhaps some land, to send our children to college and have a decent income and security when we're older.

Some may say these things are part of the American dream. But I say they're not just dreams, they're rights--they belong to you.

But what has happened?

It is getting more and more difficult to have these good things in America today.

It is more difficult to earn, more difficult to save because the American tax system takes a bigger and bigger bite out of your pockets every year.

We have a tax system that few can understand. But those few who do, often use it to their ~~selfish advantage~~ *our special advantage*

It is the responsibility of government ^{to see} that taxes are just and that no one gets a special deal. ^

But under Nixon Republicanism, the Treasury Department of the United States government--the Treasury Department which belongs to you and to me--has become a lobbyist and advocate for special interest.

The Treasury Department is now the blocking back for big business Republicanism, and the little guy has no one running interference for him in Washington.

I want to tell you what the Nixon Treasury has done.

--It proposed legislation which allows a few big businesses to set up tax-free dummy corporations to sell their goods overseas. I voted against such legislation.

--It has sponsored legislation to permit corporate giants a super-fast write-off on their machinery saving them over 5 billion a year.

It fought against increasing the amount of money you can deduct for yourself, your wife and your kids. Who was fighting for you-- not the Nixon administration.

And my friends, in the dark marble halls of the Treasury faceless political appointees quietly shoved aside a 1969 provision of the tax law that says everyone must pay at least some minimum tax.

And what has been the result?

Two weeks ago we found out that in 1969 and in 1970 over 300 Americans making better than \$200,000 a year paid no income tax at all. Could this happen to you? When was the last time you didn't pay any taxes on the income you earned?

The working man doesn't have any friends in the Nixon administration. He doesn't have a special line on his tax form. But he pays more taxes than some millionaires.

Now, I'm not out to damage American corporate interests. I'm for a thriving free enterprise system. I'm for economic expansion. But that goal is best served by equity and justice in the tax system.

My legislative performance on tax and fiscal policy is clear-- it's a matter of public record. The American tax system must stand for fairness--not special privilege. ~~There is no exemption for special privilege tax loophole~~ Regrettably that tax system is now riddled with ~~tax~~ what we commonly call tax loopholes.

Here are just a few that must be closed.

Loophole No. 1: Is it fair that one giant oil company earning over \$2.8 billion a year is permitted to pay less than 10 percent of its total income in taxes? While a ~~wxsk~~ working man who makes only \$8,000 a year pays exactly the same percentage rate.

Is it fair? I say no.

Loophole No. 2: Is it fair that big business got a \$9 billion tax break from Richard Nixon in the Revenue Act of 1971?

I say no.

Loophole No. 3: Is it fair to the family farmer who struggles to make a living and pays high while doing it that doctors and lawyers with big incomes play weekend farmer by buying farm property and growing tax deductions?

I say no. If you want to deduct your farm losses than give up

the courtroom, the paneled office and go drive a tractor.

Loophole No. 4: Is it fair and was it necessary for the Nixon administration to permit and force working families to pay the highest interest rates since the Civil War?

I say it's not fair and it wasn't necessary.

Loophole No. 5: Is it fair for 10 percent of our people use all sorts of tax dodges and tax shelters to avoid doing what you and I must do--pay taxes.?

I say no. ~~The American public is finished subsidizing generations of wealth~~ The tax avoidance game is over.

There are many more.

And I want to ask you ~~how~~: Is it fair knowing that we can raise over \$18 billion a year by closing loopholes ~~rather than~~ ~~beginning to~~ for the Nixon administration to propose a new and ~~giant-size~~ tax burden on the American consumer in the form of a ~~gax~~ giant-sized national sales tax?

I say no. No matter what the Republicans call it, the new value added tax will add to the cost of living, will be regressive on all of us, will erode ~~the tax base of~~ community tax bases and ultimately it will be used to reduce the taxes of the wealthy.

~~There are better ways to reduce~~

Today America is privately wealthy and publicly poor. We see public poverty all around us. Our streets need fixing, our hospitals are inadequate, our ~~transit systems~~ transit system is 50 years out of date, our airports are congested and unsafe and we have too few ships carrying our flag.

We need to modernize our docks. We need jobs for our people. And too many Americans live in the fear of crime.

Let's not kid ourselves. Correcting our problems is going to take ~~our~~ money.

But closing the loopholes I have suggested today will bring over \$~~2~~³ billion to the Treasury.

That's a start. That's a down-payment on clean and safe neighborhoods, better schools, more good housing and lower property taxes.

Our country can survive only if its institutions and values are supported by the people.

When three million of our elderly are forced to overpay their taxes because of complex tax forms, when the wealthy can hire high-priced tax advisors to cut their taxes, and when billions are made from investments and taxed at half the regular rate, then the people have a right to believe our tax system is unfair. That some are benefiting at the expense of others. That the tax system is rigged against the working man.

Here in Florida, Governor Askew led the battle for tax justice against the big corporations. The message of Askew and the message of the people of Florida came through loud and clear. We will not tolerate an unfair tax system.

Insert

Over 30 years ago Franklin Roosevelt said: "The test of progress is not whether we add to the abundance of those who have much; it is whether we provide enough for those who have too little."

The test of progress is much the same today.

We can only begin to meet that test if our tax system is fair and if government fights again for the little guy--for you and me and for our families.

INSERT: Any reform of the American tax system will require the courageous and persistent leadership of a system.

"Meanwhile, the one-fourth of the population earning \$8,000-\$14,000, who also account for 22 per cent of total national income, must shoulder 36 per cent of the total tax bill.

"The time has come for tax justice--tax justice for the American working family.

"The time has come for a tax system that says to the wealthy, to the super rich, to big business, to the banker growing wealthy on sky-high interests rates that you must carry your fair share of the load.

"Our tax system is full of inequities, breaks for the wealthy and special interests, and loopholes.

"The reason that your tax bill is too high is that the bill for the favored few is too low. Here are some examples:

"Is it fair that one large oil company earns more than \$2.8 billion a year but pays less than 11 percent of its income in taxes, while a worker with a wife and two children earning \$8,000 a year pays about the same rate?

"I say no.

"Is it fair that big business got a \$9 billion tax break from the Nixon Administration in the Revenue Act of 1971? I say no--no more fast depreciation write-offs and no more phony export loopholes.

"Is it fair to the family farmer who struggles to make a living and pays high taxes that people with big incomes can play week-end farmer by buying revenue-losing farm property and grow tax deductions?

"I say no.

"Is it fair and was it necessary for the Administration to force families to pay the highest bank interest rates since the Civil War?

"I say no. We must push interest rates down, bring bank profits into line, and insist that the bankers pay their fair share.

"Is it fair that 10 percent of our people can take advantage of all kinds of tax dodges and tax shelters to avoid paying taxes?

"I say no. The American public is through subsidizing generations of wealth.

"The Treasury Department has become the blocking back for big business Republicanism, and the little man has no one running interference for him in Washington.

"This trend can be changed. But it will require courageous and persistent leadership by the President of the United States.

"Let me make it clear that I am not proposing to tax our free enterprise system out of existence. Businesses create jobs, and businesses must earn a profit.

"I am talking about simple tax justice--about all elements of our society paying their fair share.

"The tax inequities I have proposed changing would bring in some \$18 billion to the Federal treasury--enough to make a substantial down-payment on some of our urgent domestic needs--decent neighborhoods, better schools, good housing and a safe and clean environment.

"More than 30 years ago, Franklin Roosevelt said: 'The test of progress is not whether we add to the abundance of those who have much; it is whether we provide enough for those who have too little.'

"The test is the same today. And we can only begin to meet it if our tax system is fair, and if government fights again for the little man--for you and me and for our families."



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