

FOR RELEASE -- 2:30 p.m. Wednesday, March 1, 1972

HUMPHREY SAYS RISING PENNSYLVANIA TAXES DUE IN PART
TO TAX AVOIDANCE BY FAT CATS, SPECIAL INTERESTS

PITTSBURGH, March 2--Senator Hubert H. Humphrey said today that the growing tax burden in Pennsylvania, including ~~the~~ the first income tax in the history of the ~~the~~ state, is due in part to the fact that "too many fat cats, wealthy investors and special interests ~~escape~~ escape their fair share of taxes through gaping looph^oles in the Federal tax structure.

Humphrey told the AFL-CIO Constitutional Convention here that the annual ^o ~~Federal~~ tax loss from a series of major looph^oles is \$18 billion--"18 billion that could be reducing the tax load the working man is forced to shoulder."

"The working man of Pennsylvania is now paying a new income tax, a six per cent sales tax, local payroll taxes, occupational privilege taxes, school and property taxes. And still a lottery is required to help meet the state budget of more than \$5 billion.

"Local government in Pennsylvania now collects more than \$1.5 billion in property taxes. The interest on local debt in Pennsylvania is more than \$160 million every year.

"Those are some of the bench marks of the tax situation in Pennsylvania. And Pennsylvania mirrors the tax trend in the Nation.

"The time for ~~tax~~ tax reform is now--not tomorrow, not later, not ~~next~~ next year--but ~~now~~ now."

Humphrey said the Federal tax system "is rigged against the working man, rigged against the wage earner, rigged against the average family.

"Our tax system peanlizes~~the~~ the little man who works, and rewards wealthy investors who get checks from stocks, bonds and large dividends.

"The ti^cme 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."

"And under ~~the~~ Nixon Republicanism, the Treasury Department has become a lobbyist and advocate for special interests."

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

Humphrey ^{questioned} ~~asked~~ a series of tax loopholes which, he said, result in the annual loss to the Federal Treasury of some \$18 billion:

~~xxx~~ "Is ~~x~~ it fair that one giant oil company earning over \$2.8 billion a year is permitted to pay less than ten per cent of its total net income in taxes?

"Is it fair that big business got a \$9 ~~bill~~ billion tax break from Mr. Nixon in the Revenue Act of 1971 through super-fast machinery write-offs and phoney export devices?

"Is it fair to the family farmer who struggles to make a living and pays high ~~taxes~~ taxes that doctors and lawyers with big incomes ~~xxx~~ play weekend farmer by buying farm property and growing tax deductions?

"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?

"Is it ~~it~~ fair for ten per cent of our people to use all ~~sorts~~ sorts of tax dodges and tax shelters to avoid ~~doing~~ their fair share of taxes?

"I say no. ^{It} It is time to call a halt to the game of tax avoidance.

"America has become privately wealthy and publicly poor. We see public poverty all around us. ~~xx~~ Our streets need repair. Our ~~xxx~~ hospitals offer inadequate care. ^{Our} ~~Our~~ transit systems are 50 years out of date. Our airports are congested and unsafe.

"The ^{loopholes} ~~loopholes~~ I have suggested closing will bring in ~~more~~ more than \$18 billion to the treasury.

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

JACK: ATTACHED IS THE TAX SPEECH AND REMARKS ON THE PENNSYLVANIA TAX ANGLE
FOR HEALY. I think the best way to proceed is to begin with a
local lead and then get into our national theme.

Saying
what?

* Apr 1968

Pennsylvania AFL-CIO
March 1, 1972
Pittsburgh

Harry Boyer - ~~Harry Bloch~~
Mike Johnson (COPE) V.P.

* Bob McIntire

J.W. Abel

Sec. Treas

Walter Burk

V.P. Joe Maloney

13th
annual
AFL-CIO
convention

① Kenny O'Donnell - JFK - H.H.H

- Gov. Leader -

00199

Apr 15 - IRS - 92 million Tax Forms

①

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,

① If Loopholes closed - \$18 Billion
no value added tax -

②

BUT SOME FEW AMERICANS DON'T PAY THEIR FAIR SHARE

AND BECAUSE THEY ARE ALLOWED TO DO THIS, YOU PAY HIGHER TAXES.

L 29. Revenue 22%
LESS THAN TWO PERCENT OF THE PEOPLE RECEIVE 22 PERCENT

OF THE INCOME AND PAY LESS THAN 10 PERCENT OF THE TAXES.

Pay less than 10%

③

\$8 to \$15,000

L BUT THE WORKING MAN MAKING BETWEEN \$8,000 AND \$15,000--

26% People 20% of Income
THAT'S 26 PERCENT OF THE PEOPLE--MAKE 20 PERCENT OF THE TOTAL

Pay 36% Tax
NATIONAL INCOME BUT PAY 36 PERCENT OF THE TAXES.

I BELIEVE THIS SYSTEM IS UNFAIR.

We can win — mayor
U.P.
President

"We the People"

(X) Jobs back to America - Textiles, Glass, Steel, Clothing
Electronics, Shoes
 Need Someone in White House
 who will stand by you -
 not stick it to you! 18.3 million
 Hunt that Care - Tons Steel Imports
 - children }
 - Sick }
 - elderly } 100,000 jobs

thanks

1968 - Close - Rematch!

001201

IN 1968 YOU SUPPORTED ME AND WE ALMOST OVERCAME WHAT PROVED TO BE

INSURMOUNTABLE OBSTACLES. I AM BACK AGAIN LOOKING FOR YOUR HELP AND

THIS TIME WE ARE GOING TO WIN!

Brothers & Sisters

MY BROTHERS AND SISTERS OF THE LABOR MOVEMENT, YOU ARE THE GUTS OF

THE DEMOCRATIC PARTY, YOU ARE THE MAINSTREAM OF PROGRESS IN THIS COUNTRY.

YOU ARE MY KIND OF PEOPLE AND WITH YOUR HELP AND SUPPORT WE WILL GET

THIS COUNTRY MOVING AGAIN.

Let's Put America Back to Work!

WE MUST BRING JOBS BACK TO AMERICA... JOBS IN TEXTILES, GLASS, STEEL,
ELECTRONICS, LADIES AND MEN'S CLOTHING, SHOES... YOU NAME IT.

Jobs back to America

I HAVE SERVED MY APPRENTICESHIP. I HAVE THE SENORITY. I COME TO
 YOU TO ASK YOU --MY UNION REPRESENTATIVE-- FOR HELP SO THAT I MAY
 BECOME THE PRESIDENT OF THE UNITED STATES.

it is number one. 001202

Jobs - Down

---the stress: JOBS, HOW ARE YOU GOING TO PAY YOUR

BILLS, INCREASES IN WEEKLY GROCERY BILL,

cost of living up

--Keep it short: 20 minutes

--again: little guy, big guy theme; with little guy getting the short stick because of big business Republicanism

Dan
Bob
Vic

Things uppers Downers

(1) Cost of living up

(2) Jobs - Down -

(4) Unemployment up

(5) Income Down

(6) Budget Deficit up

(7) Tax on Big Business Down

(8) Imports - up

Exports - Down

(9) Interest rates up

(10) Investment Down

mortgages up

Payments Down

(11) - Welfare roles up

(12) Government Revenue down

TAXES ARE ON EVERY PENNSYLVANIAN'S MIND--YOU ARE NOW PAYING
A NEW INCOME TAX--THE FIRST IN THE HISTORY OF THE STATE--
A 6 PERCENT SALES TAX--LOCAL PAYROLL TAXES--SCHOOL AND
PROPERTY TAXES. YOU NOW HAVE A NEW LOTTERY SCHEDULED
TO BEGIN ON MARCH 7.

2

TAXES ARE BECOMING MORE THAN ONEROUS, THEY ARE BECOMING UNFAIR
AND BURDENSOME:

--LOCAL GOVERNMENT IN PENNSYLVANIA COLLECTS MORE THAN
A BILLION AND A HALF DOLLARS IN PROPERTY TAXES, AND SCHOOL
TAXES ARE A LARGE PART OF THIS COST.

3

--THE INTEREST ON LOCAL DEBT IN PENNSYLVANIA IS
OVER \$160 MILLION EVERY YEAR, ANOTHER REASON FOR HIGH
PROPERTY TAXES.

4

THE GROWING TAX BURDEN IN PENNSYLVANIA IS DUE IN PART TO
THE FACT THAT TOO MANY FAT CATS, WEALTHY INVESTORS AND SPECIAL
INTERESTS ESCAPE THEIR FAIR SHARE OF TAXES THROUGH GAPING
LOOPHOLES IN THE FEDERAL TAX STRUCTURE.

5

AND COSTS ARE INCREASING: THE STATE BUDGET IS RUNNING OVER
THE \$5 BILLION MARK--PUBLIC WELFARE COSTS IN PENNSYLVANIA
ARE OVER \$600 MILLION A YEAR--AND NATIONWIDE EXPENDITURES
ARE LIKELY TO HIT \$20 BILLION THIS YEAR.

6

THIS IS THE FISCAL CONDITION OF PENNSYLVANIA.
THIS IS THE FISCAL CONDITION OF OUR NATION AND THIS IS WHY
WE HAVE TO HAVE TAX REFORM--NOT LATER, NOT NEXT YEAR,
NOT TOMORROW BUT TODAY.

ON APRIL 15 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.

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.

OUR TAX SYSTEM PENALIZES THE LITTLE MAN 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.

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.

WHO WAS FIGHTING FOR YOU? NOT THE NIXON ADMINISTRATION.

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.

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.

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 NET INCOME IN TAXES? WHILE AT
THE SAME TIME A 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 THROUGH SUPER-FAST MACHINERY WRITE-OFFS AND PHONEY
EXPORT DEVICES?

I SAY NO.

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 MUST DO--PAY TAXES?

I SAY NO. THE TAX AVOIDANCE GAME IS OVER.

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?

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.

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."



Minnesota Historical Society

Copyright in this digital version belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.



www.mnhs.org