Liberty Lobby Proposes Progressive Tax Reforms

8/27/68

By Frank C. Porter
Washington Post Staff Writer

Comes now Liberty Lobby with a soak-the-rich tax reform program that would curdle the blood of any God-fearing plutocrat.

Liberty Lobby, which describes itself as "the largest Conservative political action organization in the Nation," enjoys a reputation of radical rightism. But its tax program would delight old-time populists and new leftists alike.

It would:

- Exempt individuals with income of $8000 and a family of seven with $15,000 from any income tax at all.
- Tax all income over $50,000 at a flat 50 per cent.
- Subject capital gains to ordinary income rates.
- End the oil depletion allowance and the exclusion of business income of foundations. In fact, it would remove all deductions of any kind except 5 per cent for retirement funds.
- Gambling would be legalized to furnish a lush new revenue source.
- Personal exemptions would be tied to the cost of living.

The plan is the brainchild of Martin A. Larson, a board member of Liberty Lobby, who will publish it in book form next month as "The Great Tax Fraud." Liberty Lobby has distributed a condensation as a 12-page tabloid.

Although 56 million Americans would be wiped off the tax rolls under the plan, Larson claims that it would actually provide $20 billion more revenue than the present income tax code by plugging loopholes.

In essence, it would shift much of the tax burden off low- and middle-income taxpayers to wealthy individuals. Larson is as indignant as such members of the liberal establishment as former Sen. Paul H. Douglas (D-Ill.) that 35 persons with incomes in excess of $1 million paid no tax whatsoever in 1964.

"Liberty Lobby declares that the privileged, the powerful and the crafty who grow rich by tax avoidance should be required to pay a fair share," the tabloid proclaims.

Larson figures that those who make $1 million a year should be glad to get to keep half of it. "And they would at last perform a portion of their duty by contributing reasonably to the support of the country which has endowed them so magnificently," he writes.

Actually, the principle on which Larson bases his program is not new and it has eminently respectable antecedents.

Both Sen. Russell B. Long (D-La.), chairman of the tax-writing Senate Finance Committee, and Mortimer M. Caplin, former Commissioner of Internal Revenue, have suggested that if today's myriad deductions, allowances and credits could be reduced or eliminated, then the tax base would be greatly broadened and rates could be substantially reduced.