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NEW ORLEANS

DREW PEARSON

Long Blasts Ted Over Tax Reform

WASHINGTON—Senate Finance Chairman Russell Long erupted like a gusher in his native Louisiana tidelands when he first learned about Sen. Ted Kennedy's plan to introduce a comprehensive tax reform program.

Ever since Kennedy dethroned him as Senate Democratic Whip, Long has bristled at even the mention of Kennedy's name. So when Long found that Kennedy was meddling with taxes he really blew his top. Taxes are the sole prerogative of the Senate Finance Committee.

Snoring fire, Long accosted Kennedy in the Senate Democratic cloakroom the other day. Breaking into a conversation between Kennedy and Iowa's Sen. Harold Hughes, Long informed Kennedy testily that his tax proposals would never get the approval of the finance committee.

In that event, replied Kennedy, he would bring them up on the Senate floor as amendments to the tax bill.

Long asked derisively how many times Kennedy had been able to override the appointed committees on the Senate floor.

"How many have you won?" demanded Long.

His language was too explosive to be printed here. The sparks quickly spread through the Senate's backrooms and a friend asked Long what he had said.

"I told Kennedy to go fly a kite," said the senator from Louisiana. Then he flashed the impish grin that has become a Long trademark and added: "But I used language that would be understood on the Louisiana wharves."

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MEANWHILE, the senator from Louisiana is trying to slow the pellmell rush for tax reforms. The House Ways and Means Committee acted so swiftly that the lobbyists for the special interests were caught by surprise.



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In the past, they had been able to count on powerful House friends to sidetrack reforms. Not until it was too late did they realize that a tax reform bill was heading down the main track, straight to the House floor.

They will be unable to sabotage the bill on the floor. Under the closed rule on tax measures, the House must accept or reject the entire reform bill. The outcry from middle-income Americans for tax reforms will make it dangerous for any congressman to vote against the bill.

As a result, the lobbyists are suddenly swarming like summer tourists on the senate side of Capitol Hill. Their only chance to head off reforms at this date is in the senate, where the bill can be adorned with obscure clauses that will save their tax benefits.

It is largely up to Long to protect the tax loopholes. The oil and gas industry in particular is counting upon him. Long is a big stockholder in the "win or lose oil company" whose shares sell for \$25,000. The oil boys were jolted by the 7½ per cent reduction voted by the House Ways and Means Committee, which previously had operated as a branch office of the oil industry. Long gave the Senate Democratic Policy Committee a preview of his strategy during a recent closed-door hassle over taxes. He argued at length that one congress' loopholes were another congress's reforms.

"While a great deal of attention is presently focused on the closing of loopholes," he said, "I can point to countless provisions of the tax law which prior congresses put there to close the loopholes of their time."

He made it clear that he intends to examine every reform carefully before he starts plugging loopholes. However, he is a populist in the image of his father, the late Huey "Kingfish" Long. Except for the oil industry,

Russell Long can't be depended upon to safeguard the tax privileges of all special interests.

He confided to the Democratic policymakers behind closed doors: "Certainly the rules governing the tax-exempt foundations are going to be tightened, and I am optimistic that a minimum income tax will be enacted to do something about the fellow who is financially able to juggle his income and deductions in a way as to avoid paying any federal income tax—or perhaps only a token tax.

"That sort of exploitation of the tax law is a direct consequence of wealth. It creates an unfair preference in favor of the man who is fortunate enough to make his money from the ownership of property as contrasted to people who earn their living with their hands."

LONG also wants to simplify the income tax returns.

"I'd like to offer every taxpayer," he told the Senate Democratic Policy Committee, "a simplified method of reporting his income and pay-

ing his tax."

Nor has Long given up his idea of letting the taxpayers, instead of the special interests, pay for presidential campaigns through a tax check-off system.

"Although the tax check-off was suspended a few months after it was enacted," he said, "it has focused the attention of the nation on a problem we are going to have to deal with, probably before the next presidential election in 1972."

Clearly, the struggle in the senate between the lobbyists and the reformers is going to be a classic. It will be interesting to see whether the special interests, with all their backroom lobbying and backdoor contributions, will be able to preserve their tax privileges.

Note—The tax lobby is banking upon Senate Republican Leader Everett Dirksen to save its tax exemptions in the final senate showdown. Dirksen has built his senate career upon championing the special interests, some of which are represented by his law firm back in Peoria.