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KENNEDY REVEALS TAX BILL FAVORS

Says 2 Aircraft Concerns
Stand to Save Millions

WASHINGTON, Dec. 7 (UPI)—Senator Edward M. Kennedy, Democrat of Massachusetts, today that the Lockheed Aircraft corporation and McDonnell Douglas Inc., would save millions of dollars in taxes under special provisions inserted just for their benefit in the reform bill now before the Senate.

Other special provisions "generally hidden from the public view" in the 585-page tax bill were designed specifically to help seven foundations, two universities, 19 oil pipeline companies, a Massachusetts power company, companies making barges used in offshore oil drilling operations and four other companies—Litten Industries, the Transamerica corporation, Mobile corporation and Uniroyal Inc., the Senator said.

In a statement he planned to deliver on the Senate floor tomorrow, he said that similar special provisions written "for the benefit of a particular individual, a particular corporation or a particular industry" in the past had cost the government many millions of dollars because other persons or companies tailored their situations to meet the special requirements for the tax benefits.

Special provisions in tax bills never name the companies they aim to benefit. But they list narrow and precise requirements for the tax advantage in the hope that only the intended beneficiaries can make use of the provisions.

Savings Are Listed

Under provisions in the current tax bill, Mr. Kennedy said, Lockheed will save \$14-million and McDonnell Douglas \$6.5-million. Both are given special postponements from the bill's repeal of the 7 per cent investment tax credit, which allows companies to deduct from their taxes 7 per cent of the costs for new equipment.

Mobile Oil is permitted under the bill to take a tax credit on a \$180-million refinery it plans to build in Joliet, Ill., and Uniroyal to take a credit on a \$73-million plant to be built in Ardmore, Okla.

Litten Industries executives are given a tax break on stock options and the Transamerica conglomerate on real estate taxes.

Special provisions are frequently justified, Mr. Kennedy said, and he personally proposed the one giving the Western Massachusetts Electric Company a tax break by allowing it to change its depreciation system.

Because special provisions should not be enacted "in secrecy," he said, he decided to make the list public. "Undoubtedly, there are additional special provisions of which I'm not aware," he added.

The "aura of secrecy" under which these provisions are enacted, he said, "generates an impression that the provisions are hidden because their sponsors have something to hide" and undermines public confidence in the justice of the tax laws.

He said that a special provision enacted in 1951 saved Louis B. Mayer, former head of a movie company, \$2-million in taxes and one enacted in 1956 saved \$4-million for the estate of the widow of Gerard Swope, former president of General Electric Company.