

Hosts Meeting of European Taxpayers Association

NTU Helps Launch Worldwide Taxpayer Group

The National Taxpayers Union has joined forces with taxpayer groups in nine other countries to launch a worldwide taxpayer organization aimed at fighting high tax rates.

The formation of the Taxpayers Associations International (TAI) was announced Sept. 30 at the National Press Club by NTU Chairman James D. Davidson, Bjorn Tarras-Wahlberg, the newly elected president of the association, and European Taxpayer Association President Rolf von Hohenhausen, who was elected deputy president of the new group.

"Our respective organizations have spent many years researching tax rates and monitoring government spending in our countries and we now intend to cooperate across national boundaries

Tarras-Wahlberg said high tax rates are "ultimately self-defeating" because they discourage economic growth.



Eric Ritsstrom, right, national director of the Australian Taxpayers Association, carries on an animated conversation with James Clark, Jr., second from left, an NTU board member and a former president of the Maryland Senate, Lillian Clark, the senator's wife, and Sid Taylor, NTU's research director. The gathering took place at a reception before a dinner given by NTU as part of the annual meeting of the European Taxpayers Association.



William A. Niskanen, left, president of the CATO Institute, chatted with Jaakko Kari, managing director of the Finnish Taxpayers Association, during the reception. Finland has one of the lowest rates of taxation in Western Europe and has a constitutional provision requiring a two-thirds vote to increase taxes. Niskanen, the featured speaker, gave a talk titled U.S. Tax Reform of 1986: Lessons for the World. Martha R. Seger, left, a member of the Federal Reserve Board, addressed the conference the next day on world economic prospects.



to exchange information which we hope will help taxpayers in all nations," said Tarras-Wahlberg, managing director of the Swedish Taxpayers Association.

High Taxes "Self-Defeating"

Tarras-Wahlberg said high tax rates are "ultimately self-defeating" because they discourage economic growth. He told reporters at the news conference that between 1870 and 1960 Sweden was economically the second fastest growing country in the world, but that since taxes began climbing in 1960 the country's growth rate has dropped to 13th in the industrialized world.

Davidson said he believes the establishment of TAI "will encourage economic growth worldwide by demonstrating to governmental policymakers that there are superior alternatives to the anachronistic high-tax policies of the past."

Delegates to the organizing meetings of the TAI in Washington included representatives from organizations in West Germany, Sweden, Belgium, Norway, Finland, Portugal, Australia, Brazil, Japan and the United States. The group's headquarters will be in Stockholm.

In addition to the two top officers,

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Is Commission Stalking Horse for Tax Hikes?

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Brookes, whose column appears in *Dollars & Sense*, have warned that the commission is a stalking horse for higher taxes.

In his Aug. 14 column, Brookes quoted from a David Brinkley interview with New York Gov. Mario Cuomo.

"You are going to have to raise revenues. We have a device in place that

will give us an intelligent judgment on that subject—the National Economic Commission," Cuomo said. "People haven't paid attention to it yet, but they will. It was designed for a campaign which not much would be said realistically about the deficit, debt, and taxes."

Brookes went on to note that the weekly tax insiders' publication *Tax Notes* had reported that the NEC was

considering several ways to raise revenue, including a consumption tax, excise taxes, and an oil import fee.

Cuomo's analysis echoed comments made earlier in the year by Robert Strauss, the Democratic cochairman of the NEC and former chairman of the Democratic National Committee.

"We are going to help the president bite the kind of bullet he can't politically bite without bipartisan help," Strauss had said.

Strauss Comments Draw Fire

It was more recent comments by Strauss, however, that finally caused the NEC deliberations to hit the national news. In a speech before a conference on world economic issues reported by *The Washington Post*, Strauss said the NEC would have to consider recommending cuts in spending for defense and entitlement programs, including Social Security and Medicare.

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three persons were elected vice presidents of the new group: David Keating, NTU's executive vice president; Eric Risstrom, national director of the Australian Taxpayers Association, which was founded in 1919 and is the oldest taxpayer organization in the world; and Jean van der Taelen of the Belgian Taxpayers Association, who also serves as vice president of the European Taxpayers Association.

Risstrom told reporters at the news conference that his days at the Washington gathering "are among the best I can remember." He said the tax revolt in California in 1978 was the first indication his Australian group had seen that they were not the only people in the world actively protesting against high taxes.

NTU Hosts ETA Meeting

The TAI meetings were held to coincide with the annual meeting of the European association, which was hosted Sept. 28-30 by NTU at Washington's prestigious Hay-Adams Hotel.

Delegates were addressed by a number of economists, including Martha R. Seger, a member of the Federal Reserve Board, and William A. Niskanen, a former member of President Reagan's Council of Economic Advisors and the chairman of the Washington-based

CATO Institute, a public policy think tank.

Also giving presentations were Keating; Rita Smith, NTU's administrative director; NTU lobbyist Jill Lancelot and Sheila Macdonald; Sid Taylor, NTU research director; Jim Stein of Iowans for Tax Relief; and Joel Fox of the California Tax Reduction Movement.

Other delegates to the ETA meeting included H. C. Paul Stefan of the Bavarian Taxpayers Union; Peter Eggen, director of ETA's Institute of Financial Science and Economics; Dieter Lau, president of the German Taxpayers Union.

And Jean Pierre de Clippele, president of the Belgian Taxpayers Association and vice president of the Belgian Senate; Erik Stenbeck, director of the Norwegian Taxpayers Association; Jaakko Kari, managing director of the Finnish Taxpayers Association.

Also Jose Manuel F. da Silva Pereira, president of the Portuguese Taxpayers Association; Jorge da Silva of the Brazilian Taxpayers Association; and Shigeru Aoki, president of the Zenkoku Salaryman Union, member of the Japanese Diet (Parliament), and founder of the Taxpayers Party, which received two million votes and won three seats in the Diet in the last election. **S**

Base-Closing Bill Passes

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then have a 45-day period to pass a resolution to stop the closings, but it couldn't modify the list. The resolution would be subject to a presidential veto.

If not rejected by Cartucci or Congress, the base closings would begin in 1990 and be completed by Sept. 30, 1995.

By making it a take-it-or-leave-it package deal, the law reduces the threat of congressional logrolling by lawmakers seeking to protect their home-

district bases from closure. Such political considerations have made base cutbacks or closings difficult in spite of Pentagon efforts to cut costs.

Sen. William V. Roth Jr. (R-Del.) quoted in *The Washington Post*, declared, "I'm glad to see this sacred cow is finally being put out to pasture. This legislation is good for national security, good for deficit reduction, and most important, it's good for the American taxpayer." **S**

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He also said that tax increases would have to be considered and suggested that Vice President George Bush's opposition to tax hikes may be softer than his rhetoric indicates.

"I take heart in one thing. I know George Bush, and I think he knows better," Strauss reportedly said. "I hope after Nov. 8 he will take a calmer look at it."

Strauss's remarks brought a howl of protest from Sen. Daniel Patrick Moynihan (D-N.Y.), another commission member, who is chairman of the Senate Finance subcommittee on Social Security. Moynihan declared that the commission would *not* recommend Social Security cuts.

Obviously, the federal deficit cannot be reduced without spending cuts, curbs on cost-of-living increases, a spending freeze, or tax hikes. NTU and COFIRE intend to lobby hard against including that last item in the final package. **S**

Balanced Budget Amendment

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In the House, the companion resolution (H.J.R. 321) drafted by Rep. Charles W. Stenholm (D-Tex.), Thomas R. Carper (D-Del.), Larry E. Craig (R-Idaho), and Rep. Robert F. Smith (R-Ore.) was kept bottled up in the House Judiciary Committee by the House Democratic leadership.

NTU's lobbying efforts helped to line up 239 cosponsors for the legislation, more than half of the House membership. But to bring legislation to the House floor over the objections of a committee chairman and the Speaker, a majority must sign a discharge petition.

Signing such a petition means outright defiance of the House leadership, so it was more difficult to get signatures on the discharge petition than to arrange cosponsors for the resolution. The initial drive produced 185 signatures, 33 short of the requisite number.

NTU Targets 65 Representatives

The key House proponents of the resolution asked NTU to lobby strongly for the needed signatures. NTU responded by targeting 65 House members considered most likely to be sympathetic, including 40 who cosponsored the resolution but didn't sign the discharge petition.

NTU members in those 65 congressional districts were asked to write to their representatives urging them to sign the discharge petition. The names of residents of those districts who signed

the balanced budget amendment petitions were sent to their representatives to emphasize the strong public support for such a measure.

NTU to Renew the Battle

NTU members who signed petitions can rest assured that NTU plans to press the issue at the outset of the next Congress and to lobby hard for the 218 signatures needed to bring the balanced budget amendment resolution to the House floor.

It won't be easy. With the advent of a new Congress a new discharge petition must be drawn up, and signatures must be solicited all over again.

One bright spot is the retirement of Rep. Peter Rodino (D-N.J.), who as chairman of the House Judiciary Committee has long been the chief bottleneck preventing the balanced budget amendment from reaching the House floor. NTU hopes the legislation will receive a more sympathetic ear from Rep. Jack Brooks (D-Tex.), who is expected to succeed Rodino as chairman.

"Everyone who signed balanced budget amendment petitions should know that we're grateful to them for their help," NTU lobbyist Sheila Macdonald said. "We'll be using them, along with the hundreds of thousands of additional petitions we hope to receive, to bolster our lobbying effort next year." **S**