



The

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Clinton's Secret Plan to Tax the Middle Class

The most frequent refrain in Bill Clinton's speeches is his repeated assertion that he is going to sock it to the rich, whom he defines as those "over \$200,000." They are the whipping boys whom Clinton says he will tax in order to pay for his "investment" in the grandiose spending programs he has been promising.

Clinton's lead in the polls indicates that most people have inferred that "over \$200,000" doesn't apply to them personally. It must apply to some fat cats somewhere else, probably just those overpaid, over-perked corporation presidents.

But there are not enough fat cats in the country whose income is "over \$200,000" to finance any new program or make a dent in the federal deficit. So, how can we explain Clinton's game plan?

Clinton just hasn't told the whole truth about how he defines "over \$200,000." If he can get by with concealing the rest of the definition until after November 3, we will all be in for a January surprise.

You see, there is another meaning of "over \$200,000" which the liberal Democrats will unfold **after** the election. They are planning to have the Federal Government tax not just the income, but the lifetime savings of everyone in America who has accumulated "over \$200,000" in property of any kind: cash, bank accounts, investments, farm, or small business.

This plan is carefully hidden in companion bills (H.R. 4848 and S. 2571) pending this year in Congress, but which the Democratic majority decided to hold in committee and not bring up for a vote until after the election. This is clearly a Democratic leadership proposal, sponsored in the House by Majority Leader Richard Gephardt (D-MO) and in the Senate by Majority Leader George Mitchell (D-ME).

What these bills would do is reduce from \$600,000 to \$200,000 the amount of property any American can leave tax-free at death to the next generation. It's simple and straightforward: when you die, everything you own will be added up and the Clinton tax collector will take a big

bite (ranging from 32 to 55 percent) of everything "over \$200,000."

This drastic change in the federal estate (inheritance) tax will confiscate nearly half of the life savings of millions of middle-class Americans. It won't matter whether your life savings are in a home or a farm or a small business or a bank account, the Clinton tax collector is coming to get **you**.

Just think of the millions of Americans who have worked hard all their lives, been thrifty, bought and improved a residence, plowed their fields, built a little business that supports their family, and hope to leave a nest egg to their children — which surely is a major incentive to work hard, save and invest. In an era when the average home is priced at over \$100,000, those who have accumulated "over \$200,000" **after** paying income taxes are **not** "the rich," and they do not deserve to have their savings grabbed to finance Clinton's and Gore's extravagant spending programs.

Reducing the threshold for the federal estate (inheritance) tax to \$200,000 is only the first step planned by the liberal Democrats. According to a Brookings Institution study, this and several other increases in taxes paid at death by the parents of the Baby Boomers will net the Federal Government \$50 billion a year in new revenues. That's quite a windfall for the liberals to spend!

The way that this plan to confiscate the after-tax savings of hard-working middle Americans has been concealed from public scrutiny is a story unto itself. The Gephardt-Mitchell proposal is craftily concealed in 20 lines (Title II, Sec. 203) buried deep in a bill of 4,766 lines about another subject!

H.R. 4848 is called the "Long-Term Care Family Security Act of 1992." The stated purpose of this 233-page bill is: "To amend the Social Security Act to assure universal access to long-term care in the United States, and for other purposes." Who would guess that the "other purposes" are to grab half the life savings of all Americans who have "over \$200,000"?

This is just the kind of devious doubletalk that slick Willie is so good at. He can demagogue around to promote envy against people "over \$200,000," but he doesn't tell you that his definition of "over \$200,000" includes lifetime savings, **not** just annual income.

Bill Clinton has not endorsed this bill in his campaign speeches, and he will even try to disassociate himself with it when it is brought to his attention. But his mantra-like repetition of the "over \$200,000" phrase is the key to his attitude, and it is not believable that President Clinton would veto a major bill sponsored by his Democratic leadership in both the House and the Senate when it would provide billions of dollars to finance his and Al Gore's pet projects — everything from socialized medicine to cleaning up the environment of the whole world.

The veto power of President George Bush is the only thing that can protect us from the greedy fingers of the liberals who lust to spend our life savings.

Tax Rate Cuts Promote Prosperity

The "mother" of all dishonest television ads is the current Clinton spot which accuses George Bush of raising taxes, specifically citing the tax increase in the so-called "deficit reduction package" of October 1990. In fact, that 1990 tax increase was devised and demanded by the liberal Democrats in Congress, who dragged Bush into the "budget summit" and then conned him into signing the agreement.

It is fair game for those who voted for George Bush to criticize him for reneging on his "read my lips — no new taxes" promise. But it is dishonest and hypocritical for the Democrats to attack him for doing exactly what they demanded that he do in October 1990.

The liberal Democrats and their media sycophants are now engaged in a massive campaign to rewrite history to make the American public believe two falsehoods: (a) that Bush is the one responsible for the tax increases, and (b) that the cause of our current economic woes is the federal deficit, and that the deficit, in turn, was caused by the tax cuts of the Reagan Administration.

When Ronald Reagan took office, we were suffering the stagflation of the Jimmy Carter years — double digit inflation, double digit interest rates, and high unemployment. The real underlying problem was the skewed income tax system, which was methodically shutting down the world's greatest economic engine.

Liberals always like high tax rates because the very high rates on the rich (which produce almost no revenue) provide the political cover for high rates on the middle class. And the middle class is where most tax revenues come from.

As inflation soared in the late 1970s, wages did not keep pace with price increases, but bracket creep drove taxpayers into ever higher tax rates. Taxpayers began to try to hide their money in tax shelters, and ingenious

varieties of shelters were marketed to the middle class in general-circulation magazines and newspapers.

Businesses found that they didn't have enough capital to invest in new plant and equipment. Profits were exaggerated by inflation and by depreciation deductions that inflation made obsolete, and the government was gleefully taxing away these new "profits." Businesses and individuals began to make tax avoidance and tax sheltering their primary activity.

The Keynesian keepers of the status quo wouldn't admit that the tax system was stifling the economy. In their view, tax cuts would only worsen inflation and increase the deficit (which was already at \$60 billion when Carter left office).

The Reagan plan to pull America out of the Carter recession was tax **rate** reductions (not just tax cuts). The rate reductions were designed to restart the business investment process.

The Reagan plan worked! The result was the most stunning affirmation of conservative economic theory and common sense in this century. Careful econometric studies by Lawrence Lindsey of Harvard, Paul Craig Roberts, and others show that the rate reductions led to **more** taxes being paid by upper income Americans, and **more** revenues flowing into the U.S. Treasury.

How can it be that tax **rate cuts** produce **more** tax revenues? It's the human nature factor in the economic equation. People will do more income-producing work, and expose more of their income to taxation, when they perceive that tax rates are somewhat fair rather than confiscatory. When tax rates are too high, the talented and energetic expend their talents and energies in avoiding and sheltering their income instead of doing productive work.

The other outstanding feature of the 1980s recovery — the longest peacetime recovery since World War II — was the tremendous increase in business investment. In fact, as Lawrence Lindsey reports in his book *The Growth Experiment*, the rate of investment during the 1980s was twice that of the average recovery. Productivity increased, assisting dramatically in the fight against inflationary price increases. The people's faith in the tax system was restored, so that work and production, rather than tax avoidance, became the focus of economic activity.

These results did not surprise anyone familiar with U.S. economic history. Pretty much the same thing happened under Calvin Coolidge in the 1920s and under John F. Kennedy in the 1960s.

Other countries around the world, from Sweden to Singapore, are cutting tax rates and rewarding savings and investment. The result is more jobs and more revenue.

Yet, U.S. liberals are still demanding that we raise taxes and raise tax rates, the proven formula for failure. It would be a sad irony if America's great economic miracle of the 1980s is used in the 1990s only by our competitors, who learned the lesson from us, while our economy stagnates in a hopeless new experiment with Carter II.

Some Questions for Bill Clinton

At the end of an NBC's Meet the Press in September, all the panelists were asked to state a question they would like to ask a Presidential candidate. The rest of us can play the game too. Here are some questions I would like to ask Bill Clinton.

Why should we elect a man who has been on the payroll of the taxpayers for all of his adult life? Those whose income comes out of other people's pockets, and can spend money that is not their own, always seem to have a primary urge to increase their own power, pay and perks at any cost to the rest of us in the real world.

Is your vision of America's future based on higher taxes, bigger government, and the liberal elite running our lives? What is your answer to the assertion by one Washington editor that 39 of the 49 specific proposals in your national economic strategy are virtually identical to policies proposed by Michael Dukakis in 1988?

Since, in the 12 years you have been Governor of Arkansas you have raised taxes every year so that your state's budget and state taxes have doubled, will you continue the same pattern if you are in the White House?

Will Hillary Clinton have a say in selecting Federal judges appointed during your Administration similar to her role in passing on state judges while you were Governor of Arkansas?

How do you reconcile your criticism of Clarence Thomas for having only one year of judicial experience with your short list of Supreme Court nominees — Mario Cuomo, Eleanor Holmes Norton, Marian Wright Edelman, Susan Estrich, and Anita Hill — none of whom has any judicial experience?

You were fulsomely endorsed by David Rockefeller Jr. in the *New York Times* of October 16. But since he is a major leader of the multinational corporations, and your father was the principal big-business sponsor of Jimmy Carter, what assurance can we have that his judgment about you is any better than David Rockefeller's was about Carter?

What was the real reason why you suddenly backed out from running for President in 1988?

Since you admitted the authenticity of the Jennifer Flowers' telephone tapes, why do you think the media have not questioned you about your tape-recorded statement telling her to lie if she was ever questioned about you?

Since the big teachers' union, the National Education Association (NEA), enthusiastically endorsed you at its 1992 national convention, do you endorse all the radical resolutions passed by the NEA at that same convention, including prohibiting all parents' choice about schools and curriculum, wiping out homeschooling unless parents are licensed by NEA-approved regulators, and forcing children to submit to NEA-selected courses on sex and lifestyles?

How do you rationalize your own unwillingness to serve in the military with your current support of the

assignment of women to military combat?

What kind of a Commander-in-Chief would you make when your record is that, in 1969 while brave young Americans were dying in Vietnam and you had a draft deferment to study at Oxford, you helped to organize antiwar demonstrations in a foreign country?

Do you think that the nickname "slick Willie" is typified by your series of devious responses to questions about your use of marijuana? Why did you tell the MTV (Music Television) audience of impressionable young people that, if you "had it to do over again," you would indeed inhale that mind-altering drug?

When exactly did you switch your position on abortion from 1986 (when you told the Arkansas Right to Life, "I am opposed to abortion and to government funding of abortions") to 1992 when you warmly endorsed the Freedom of Choice Act (which would codify *Roe v. Wade*, legalize abortion throughout nine months of pregnancy, and prohibit state regulations such as those contained in the Pennsylvania law upheld in the recent *Casey* decision)?

How much have you received in contributions from the trial lawyers? Do you agree with the fundraiser sent out by the former president of the American Trial Lawyers Association in your behalf that said, "I happen to know that Bill Clinton is against tort reform of any kind"? Do you agree with the fundraiser sent out by the president of the Arkansas Trial Lawyers Association which said, "I can never remember an occasion where he [Clinton] failed to do the right thing where we trial lawyers were concerned"?

Why did you select a phrase with strong religious connotations, "New Covenant," to describe your campaign's ideology? Is it a call to a new religion that exalts Big Government and rejects family values? How does your New Covenant religion interact with Al Gore's new Mother Earth religion to make the environment "the central organizing principle of civilization"?

Hillary Clinton's Paper Trail

When Hillary Clinton burst onto national television earlier this year, the pundits anointed her as the paramount exemplar of the modern wife who has her own career and makes more money than her husband. We were told that she represents the changing of the guard from old-generation wives like Barbara Bush, whose lifestyle is now presumably obsolete.

But when Hillary's opponents started to analyze her paper trail and subject her writings to scrutiny, most of the pundits closed ranks to defend her and to accuse Hillary's critics of "distortion" for daring to quote from her published articles.

There is absolutely no reason why Hillary should be protected from political criticism of her public writings and professional activities. She has made it clear that, if Clinton is elected, she will not be just First Lady, but will be First Woman or First Partner. As she put it, "If you vote for my husband, you get me; it's a two-for-one, blue

plate special.”

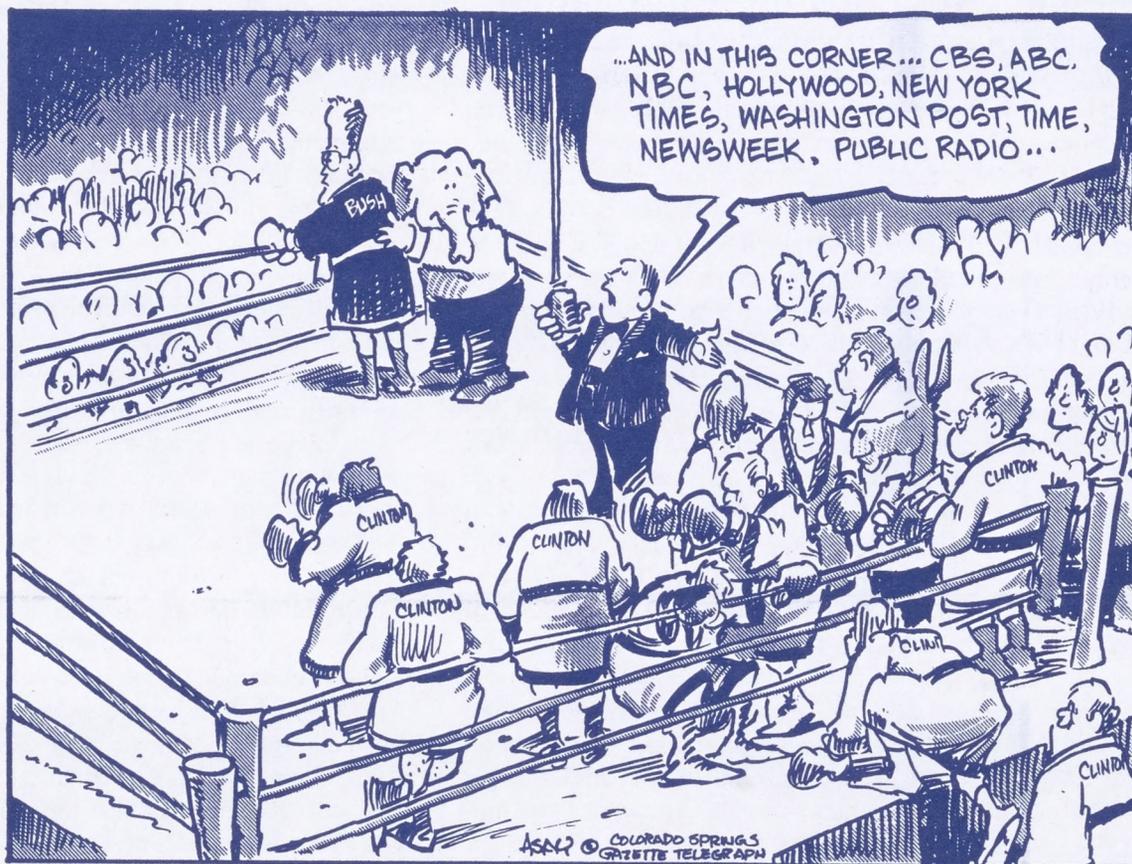
Both Bill and Hillary Clinton have made a big point of repeatedly touting her interest in children. Other people’s children, that is. She served for years as a director of the Children’s Defense Fund, the principal lobby for federally financed and regulated daycare — a goal so extreme that even the present liberal Congress refused to pass it.

Hillary comes out of the discredited “children’s rights” movement of the 1970s. She explicitly calls for our legal system to remove the presumption that children are minors subject to their parents’ care and decisions. In legal jargon, she would “emancipate” all minors in order to accord them the legal rights of an adult.

Hillary’s defenders have tried to drag a red herring across her paper trail by arguing that abused and neglected children need protection against their unfit parents. But her articles were by no means limited to such exceptional cases; she clearly urged a broad, new general rule of “enforceable rights” for **all** children.

Here is what Hillary actually said in her 1974 article, published in the *Harvard Educational Review*: “I want to be a voice for America’s children . . . advocating . . . the immediate abolition of the legal status of minority and the reversal of the legal presumption of the incompetence of minors in favor of presumption of competence; the extension to children of all procedural rights guaranteed to adults; the rejection of the legal presumption of the identity of interests between parents and their children, and permission for competent children to assert those independent interests in the courts.”

Then Hillary got more specific: “We are talking about everything from compulsory school attendance to driving privileges to nurturing requirements.” She added, “Decisions about motherhood and abortion, schooling, cosmetic surgery, treatment of venereal disease, or employment, and others where the decision or lack of one will significantly affect the children’s future should not be made unilaterally by parents.” (Teacher’s College Press, 1979)



Hillary’s views on marriage were spelled out in the *Harvard Educational Review* 43:4, 1974: “The basic rationale for depriving people of rights in a dependency relationship is that certain individuals are incapable or undeserving of the right to take care of themselves and consequently need social institutions specifically designed to safeguard their position. Along with the family, past and present examples of such arrangements include marriage, slavery, and the Indian reservation system.”

That is vintage 1970s feminism, an ideology which teaches that wives are second-class citizens, that marriage treats wives like servants bogged down in dirty diapers and dirty dishes, and that women need out-of-the-home careers to have real fulfillment.

Hillary’s defenders claim that her off-the-wall comments have been taken out of context. No such thing. The above quotations are fairly taken from articles that spell out this radical feminist ideology in wordy detail.

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