

Howard Jarvis And Gary Allen Discuss **YOUR TAXES**



■ HOWARD JARVIS and Gary Allen are two of California's most able and famous Conservative spokesmen: Jarvis as the father of Proposition 13, to cut taxes as a matter of law, and Allen as author of eight best-selling Conservative books and hundreds of serious articles and reports. The two are friends, and Howard Jarvis has written the Introduction to Gary Allen's

powerful new book *Tax Target: Washington*. So important is this major new exposé that *The Review Of The News* has arranged to make the \$8.95 hard-bound of *Tax Target: Washington* available as a free bonus for the recipient of each year's subscription or renewal mailed to us through April 15th.

The following conversation between Howard Jarvis and Gary Allen

was recently recorded for *The Review Of The News* at an informal meeting between the two Conservative leaders in California.

Gary Allen: Proposition 13 was the biggest thing to come out of California since Levis, Howard. It was certainly the biggest morale booster for Conservatives since Barry Goldwater received the Republican nomination in 1964. What kind of impact do you think it has had here in California?

Howard Jarvis: Prop 13 was a tremendous morale booster, but it was much more than that. It proved that people of every political persuasion will now support a move to cut the size and power of the government. In California, "Liberals" were afraid of being forced out of their homes by taxes as much as Conservatives.

For many years you had only 25 or 30 percent of the people voting in a statewide election. People had become very cynical and figured they would be given the shaft no matter who was elected. But, 76 percent turned out for the vote on Prop 13.

Allen: In the minds of most people, Thirteen was supported by Republicans and opposed by Democrats. How accurate is this?

Jarvis: The fact is that the Democrats passed Thirteen in California. We got about 60 percent of the Democrat votes despite the fact that Meany, Fitzsimmons, Woodcock, and all the other major labor leaders were screaming that Prop 13 would be worse than rat poison. A full 64 percent of union members voted for the Proposi-

tion. Meanwhile, Ralph Nader stuck his tin horn in, calling it a fraud, and Jerry Brown denounced it as a swindle. While a lot of Republican candidates for the state senate and assembly endorsed Thirteen, Republican gubernatorial candidate Evelle Younger didn't have the brains or the guts to take a stand.

Allen: I have seen the list of the major corporations which contributed to the anti-Thirteen campaign. Every major bank and financial institution, and virtually all major corporations, kicked in to the anti-Thirteen kitty. With both big business and big labor lined up against you, along with the vast education and welfare establishments, two-thirds of the voters still approved the measure to cut their property taxes in half. Apparently nobody was for Thirteen but the people.

Jarvis: Right. Nobody but the people. The people had finally discovered they could do something about taxes.

Three things really helped us. First, in the 15 years that I campaigned for this thing throughout California, we educated the people of our state about taxes. Second, I had made predictions that hardly anyone believed. I had said again and again that we would one day find our property taxes raised 100 percent in a single year. Well, we started to get 100, 200, and even 300 percent boosts in one year. People stopped thinking I was a crazy old man and realized I knew what I was talking about. The third factor in Prop 13 was Watergate. After Watergate, nobody believed a **** word the politicians

said. These three factors came together during the Thirteen drive.

Allen: And you took on the Big Government boys where they live. How did the candidates you endorsed during the California campaign fare at the polls?

Jarvis: As you know, we were in a fight for our lives. And we were not fighting with featherdusters, by ***! We were fighting with machetes! I didn't hesitate to do anything that would help put Thirteen across. For example, having become a symbol of the tax-cut fight I was asked to endorse about 150 municipal candidates for office in California for last June's election. These were city councilmen, mayors, *etc.*, and 90 percent of them got elected.

Allen: I know that between the June victory in California and the national election in early November you were as busy as anyone I ever saw. But you didn't have a national organization and you must have been spread thinner than a gnat's ankles. How successful were you in backing other tax-cut candidates around the country?

Jarvis: The first place I went was Massachusetts, where they have one of the toughest political machines in the world — the Kennedy machine. We picked out a fellow by the name of Ed King, who was running seventh in the polls. We convinced him to endorse the Prop 13 concept for Massachusetts and he won the governorship. Then we went to Maryland and endorsed Hughes, who was way down about ninth in the polls. He wound up pull-

ing off a big upset. In Minnesota we endorsed two candidates for the Senate (one was to replace Hubert Humphrey) and a candidate for governor. They all won. In Texas, according to the polls, John Tower was about five percentage points behind in the Senatorial race and Bill Clements eight or nine points for the governorship. They both came out for our tax-cut program on a state and federal level and they both won.

Next, we sent out 950 wires to all of the candidates for the Congress and the Senate asking them to take what amounted to a litmus test. We asked these candidates if they would endorse a Thirteen-type law for the states and our H.R. 1000 tax and spending cut at the federal level. We told them that if the answer was not an unequivocal yes, don't answer our wire. We didn't want any "yes, buts" or "yes, ifs." As the father of the tax-cut fight I endorsed 136 candidates and 89 were elected.

In California we picked out the 15 biggest spenders in the legislature who were all being opposed by Republicans — most of them Conservative. I sent a letter of endorsement for the G.O.P. candidates to every voter in those 15 senatorial and assembly districts, and we won 11 of those races. Some of the men we retired had been in Sacramento virtually since the Year One and thought they were unbeatable. This was very important because Prop 13 required a two-thirds vote of both houses of the legislature to raise taxes. The Democratic Party had more than a two-thirds numerical advantage un-

til the election of the 11 we endorsed. That took away the two-thirds majority Jerry Brown and the Democrats in the legislature needed to raise taxes and neutered them as neatly as you please.

So the political impact was enormous, far more than I had ever dreamed possible.

Allen: That is really an incredible record, especially under circumstances where you really did not have a chance to help organize campaigns. But the issue was clear. People have had it with Big Government that taxes and spends 43.5 cents of every dollar we earn. Last year, as you know, government's take from the average family was \$9,607 in direct and hidden taxes. The *politicians* do that to us. What are your plans for the 1980 elections?

Jarvis: Because of our experience, we are basing our American Tax Reduction Movement on the realities of politics. Our goal is to raise \$20 million, and I think we are going to make it because we are having good success now. We are going to find a candidate for as many of the 435 Congressional Districts as we can. Where we can find a candidate, or develop one, or persuade one to run on the concept of Thirteen and H.R. 1000, we're going to furnish him (or her) with political education and public-relations expertise — and \$10,000 to launch the campaign. We hope to do this all over the country.

I realized a long time ago that the federal and state legislatures are not elected in Washington or Sacramento.

They are elected in the district that the Congressman or Assemblyman represents. And that is where we are strong and hot. We expect to use our influence to the utmost of our abilities. We are in earnest. We think that, since most politicians are basically cowards, we can get the fence-sitters to vote for an intelligent, workable, readable bill that will turn this country around. To do that we will put heat on in their district. A lot of heat. Enough heat to make all Hell envious.

We don't pretend that this can solve all the problems in the United States. There's still a big education job to do in other areas. But it can put a halt to our economic destruction through deficit spending and taxes. The bill we have (H.R. 1000) is probably as good as you can realistically and politically get.

Allen: Can you summarize H.R. 1000 for us?

Jarvis: H.R. 1000 mandates that the federal government cut expenditures by \$100 billion over the next four years. That's \$25 billion a year — only five percent of the Budget. I haven't had anybody in Congress tell me that you can't do that. H.R. 1000 would also force the federal government to cut income taxes \$50 billion in four years, a 25 percent cut. With that you would have a balanced Budget by virtue of a tax cut. And this is just to start. Once the people start watching the spenders through the *TRIM Bulletins* which report how their Congressman votes on appropriations bills, there is no limit to what can be done.

Allen: There is a big movement to

convene a Constitutional Convention to promote a Constitutional Amendment forcing the government to balance the federal Budget except in times of war. "Liberals" seem to be unanimously opposed to it and the Conservatives are divided. Many fear that something besides the anticipated Amendment would come out of the Convention — as happened when the Congress met to *revise* the Articles of Confederation and produced an entirely new document in the form of our Constitution. Of course, the "Liberals" are aghast at the very idea of a balanced Budget. How do you feel about this?

Jarvis: I'm not opposed to it for the reasons most people are. I'm opposed to it because a balanced Budget does not guarantee reduction of taxes by even a penny. All the politicians have to do is raise taxes to cover their spending — like they did last year with Social Security. They voted to raise workers' taxes by \$227 billion over the next 10 years. Expenditures go up, taxes go up. Look, Russia has a balanced Budget and they still tax the people to death.

Allen: But a balanced Budget would force the politicians to fleece the taxpayers in a more honest way, rather than collecting taxes by way of deficit spending that brings inflation into play. Raising taxes is not very popular politically and that would tend to keep spending under control.

Jarvis: That's all too cute, Gary. These people *will* raise taxes. Just as they did with Social Security. Besides,

it will take 10 years to get a Constitutional Amendment through the mill, back to Congress, *etc.*, and we just can't wait 10 years to get runaway spending and taxes under control. We want a bill this year or next at the latest. If we have to wait 10 years, we'll all be drowning in funny money. A cheap cigar will cost \$10.

Allen: What is the status of H.R. 1000 at this point?

Jarvis: The bill was introduced as H.R. 14234 during the last two weeks of the last session. It has been reintroduced by Robert Dornan of California and Thomas Luken of Ohio and is in the process of being assigned to a Committee. We are going to bring a **** of a lot of heat to get it onto the floor. Those Congressmen who try to sit on the bill and bottle it up in Committee will have well-financed opponents in next year's elections. With the ideological makeup of the Rules Committee, of course, we couldn't get that bill out before a snowstorm hit Hell unless we put a blow torch to these guys. In fact, we are considering making the blow torch a symbol of our effort.

Jerry Brown said to me one time, "I put the legislature's feet to the fire." I told him: "Well, Jerry, that's just not high enough."

See, as a result of our education campaign we've found we have political clout. We had a discussion with a top political pro in Washington last week who told us Prop 13 ran second all over the country as an issue about which people would listen to political

candidates. So it's politically hot. The Conservatives and the Republicans have been trying to reach the other side with reason for 50 years. I was in on the failure for 50 years, so I know what I'm talking about. Finally, we found that Prop 13 will reach the other side because it concerns a very important word to people: M-O-N-E-Y.

Allen: Money *does* get their attention, Howard. As you know, there are more people getting checks from Uncle Sam than are working in private industry. I think Proposition 13 was successful because, as an education campaign, it was simple and concrete. Everybody could understand it. The tax was not a hidden tax. Can we apply this same thing federally where taxation is so complicated?

Jarvis: Well, the first part of what you say is absolutely true. The Proposition was written in 359 words and in understandable English. Governor Reagan had a very good proposition a while back, and it was about four pages in six-point type. By the time the printer finished setting the type, the cause was lost. We had criticism of Thirteen during the campaign by politicians who said it was just too short, not comprehensive enough. So I said, "You think it's too short, huh?" They'd say, "Oh, yes. Absolutely." I'd answer, "How do you like *this* Amendment: 'Congress shall make no law . . . abridging the freedom of speech, or of the press.' Is that short enough for you?"

If you know your stuff, a politician is just a pigeon. They don't think, they

react. We've got to turn the blow torch on them.

Allen: Didn't they accuse you of using the meat-axe approach?

Jarvis: Sure. So I told the politicians that it was their meat and my axe.

To answer the second part of your question, yes, it will be tougher to deal with hidden taxes at the federal level than with local property taxes. But we can make our case simply and effectively. I get an average of 2,500 to 5,000 people at my speeches. At every speech, and on every telecast, I tell people that I bought a new Thunderbird this year for \$8,000. And I found out that the tax on it from the time they took the ore out of the ground to when I took delivery was \$4,550. Now, I've told that to 10 million people in the United States and they are beginning to understand what they've really been hit with.

Uphill, tough, harder? Yes. No question. But we've got momentum going for us. The timing has never been better. And that is why we didn't just sit around after passing Thirteen and let it drop. We've got things going. I never had any idea that this would take off like it has. Never. Nor had I any conception of the tremendous nationwide and worldwide effect of Prop 13. I've done broadcasts on this in 14 countries including Japan, England, Canada, France, Holland, Belgium, Norway, Denmark, Sweden, Italy, Argentina — it's all over the **** world.

Allen: The Fabian Socialists in

this country have been very clever in dividing the people under every conceivable pressure group, and making promises to each group. We're getting Socialism via Santa Claus rather than by Simon Legree. As a result, everybody resents the other guy's handouts, but is afraid of losing his own.

Jarvis: No question. But what is bigger than that, Gary, is that there is a hard drive in the federal government to put together a mixture of part-free government and part-socialist government on the absolutely stupid contention that it will work. It will not work. Federally, we have created a gigantic bulldozer that nobody can control. The President can't control it. The Congress can't control it. Nobody can control the ***** thing.

I can picture it: The bulldozer with a robot on board driving around a football stadium running over a ***** of a lot of people. These clowns (the politicians and bureaucrats) pretend not to understand what the ***** they've created or what the ***** to do with it. Maybe they don't — we have so many clowns, low-I.Q. boobs, elected to political office. But the only way I can see to knock out that bulldozer is to cut off half of its tax fuel so the ***** thing has to stop somewhere. Then it can't kill a mile of people; only half a mile.

The frustrating thing about it is the Congress seldom talks in public about the government being out of control. And the press *never* talks about it.

Allen: I know. Researching my new book I discovered that government

agencies print 10 billion forms a year to be completed by U.S. business — enough to fill about 4 *million* cubic feet of space. We spend \$40 billion to complete that paperwork and are taxed another \$15 billion to process and file it. A single company operating three TV stations filed 45 pounds of forms with its license-renewal application. This kind of thing is insane. And it is the rule, not the exception. When you went to Washington after the Prop 13 victory, did you talk to any politicians who really knew the score?

Jarvis: One Senator I think is pretty smart is Russell Long, Chairman of the Senate Finance Committee. He told me, and this is a direct quote: "This country is completely and totally out of control. We don't know what we are doing here in Congress. We have no conception of the long-term deficiencies we have created. We don't even know what our financial condition is from day to day or week to week. Nor do we know what the agencies, bureaus, and commissions of this government are doing. And unless we get a handle on this soon, we are going to have a major disaster in the United States."

Allen: I believe that it was Senator Orrin Hatch who commented that there are so many bills before the Senate that an officeholder has an average of something like 10 minutes to make a decision on each bill. Under these circumstances you can't help but have a colossal waste. Even "Liberals" should be able to see that the government is trying to do too much.

Jarvis: Last year there were 8,000 bills introduced into Congress. When a guy introduces a bill to grant Ph.D.s to all snail darters he'll get coverage in his local paper and 12 seconds on the tube. That's what he gets out of it. If he doesn't do such things to please the Big Government boys in the media he thinks he won't get the coverage.

Last year they had 4,200 bills introduced into the California legislature. They passed 1,004. We already had 275,000 laws in this **** state. So I had a friend in the legislature send me 10 of the bills at random. I guarantee I couldn't understand one of them. I also guarantee there is not one legislator out of a hundred that could understand them. And I guarantee there is not one person out of a thousand in this country who could read those bills and know what the **** they say.

Allen: Yet ignorance of the law is no excuse.

Jarvis: That's right. I had a judge in traffic court tell me that one time. I said, "Well, that sounds good, Judge. But, if that's so, please explain to me why five members of the U.S. Supreme Court have to teach the other four what the law is." He said: "Case dismissed." That reminds me, we've got more stupid judges than we've got garbage cans.

Allen: Frankly, Howard, I think a lot of them know *exactly* what they are doing and are out to fasten Big Government on our backs permanently. It serves their purpose to be *thought* stupid. They're stupid like a fox. During the Prop 13 campaign, your oppo-

nents made all kinds of wild, Chicken Little claims that passage would mean the end of police and fire services and that the economy would collapse, turning California into a vast wasteland. I don't think they were stupid, I think they were lying. What has happened?

Jarvis: Nothing has happened because, as you suggest, it was all just compost from the beginning. It was strictly fertilizer that the politicians tried to spread around the country. As a matter of fact, I got a call from Jerry Brown who said that since Thirteen was approved by the Supreme Court on September 22nd, employment in California has increased by 60,000 jobs and unemployment has gone down by 40,000. California is now also one percent *behind* the rest of the country in the rate of the rise in the cost of living.

I'm not an economist or a statistician, but I said for years that Prop 13 would improve the economy of California by about a million dollars a year. There is a recent report by the H.C. Wainright Company, a 100-year-old firm in Boston, that states Proposition 13 will increase the personal income of the people of California by \$110 billion in the next 10 years. I was so excited after reading that report I about jumped through the roof.

You know, I was on a plane recently and two guys sitting in front of me introduced themselves. One was a vice president of U.S. Plywood and the other was a vice president of Johns-Manville. They told me that they were doubling their inventories in Cal-

ifornia. Now, *that's the bottom line.*

Allen: Americanists have maintained for a long time that when the tide started flowing our way the political opportunists would start riding our issues. I think most of us view this as a mixed blessing. We don't like many of these people and don't trust them, but from the standpoint of practical politics we need all the help we can get. It is a hopeful sign when "Liberals" or middle-roaders come over to our side on the major issues. Of course not all of them will be sincere, and Conservatives will have to keep their blow torches lit to prevent reversion to form.

Jerry Brown is a prime example of someone who has done a major about-face on this issue. During the campaign, he labelled Prop 13 as a fraud and then seemed to undergo a conversion on election eve as the polls began reporting the landslide. In his race for Governor in November, "Liberals" started deriding him as Jerry Jarvis. Do you think the guy is for real?

Jarvis: I think he is sincere on the *tax-cut issue*. Brown proved that to me in his "State of the State" speech. He put a cap on state salaries, he reduced the budget \$1 billion, and I called him up and convinced him to reduce it another billion. The man is a consummate politician. He's bright; a shrewd guy. He put his finger up, and he found out where the wind was blowing, and he went with it.

Allen: Considering his ideological background, do you think that Brown is smart enough to see that cutting taxes actually stimulates the economy?

Jarvis: Yes, I do. Jerry is a very strange guy. He is totally unpredictable. He comes to my house once in a while and doesn't even tell me he's coming, just shows up and knocks on the door, even if it's 11 o'clock at night. Last time he came, he showed up on a Saturday morning in Levis and a tee-shirt, accompanied by two of his financial people. I made him sit there and read the Wainright report aloud to me. That is when I got him to agree to put a cap on the state salaries and reduce the budget by \$1 billion. And then I convinced him to say in his "State of the State" message that any increase in the amount of taxes the government collects must be less than the increase in inflation.

You see, bills are being introduced all over the country that purport to offer a tax cut. But they have an escape clause that says increases in taxes must be limited to the rate of increase in the cost of living.

Allen: That is a formula for a perpetual tax increase. It means that at today's rate of increase in the cost of living they can raise taxes 10 or 15 percent per year.

Jarvis: That's right. What you have is this: You have a gasoline tank that is burning at the top. And you have a pump at the bottom pumping in the same amount of gasoline that burns off the top. You have to watch these politicians. They are slipperier than a penful of greased pigs.

Allen: That's true. But Howard Jarvis has been chasing those pigs into a corner. Keep it up, Howard. ■ ■