

WESTERN TAX COUNCIL, INC.*A Not for Profit Corporation*38 SOUTH DEARBORN STREET FIRST NATIONAL BANK BUILDING
CHICAGO 3, ILLINOIS

October 24, 1950

EXECUTIVE COMMITTEE

F. E. PACKARD
EXEC. VICE PRESIDENT
GEORGE TAFT
TREASURER AND ASST. SEC'Y.
B. P. MOE
SECRETARY AND ASST. TREASURER

BOARD OF DIRECTORS

W. W. KIMBALL
PRESIDENT
KIMBALL PIANO COMPANY
CHARLES J. LYNN
VICE PRESIDENT
ELI LILLY AND COMPANY
JAMES D. MOONEY
CHAIRMAN OF BOARD
WILLIS OVERLAND COMPANY
C. R. SHEAFFER
PRESIDENT
W. A. SHEAFFER PEN CO.
H. H. SLINGERLAND
MANAGER
SLINGERLAND DRUM & BANJO CO.
JOHN R. THOMPSON, JR.
PRESIDENT
JOHN R. THOMPSON AND CO.
HARVEY B. GREENE
ASSISTANT TO PRESIDENT
NATIONAL AUTOMOTIVE FIBRES
HARRY W. OLSEN
NEW YORK LIFE INSURANCE CO.
HENRY C. BURGER
INT'L. REPRESENTATIVE
INT'L. BROTH. OF TEAMSTERS
A. F. OF L.
A. A. IMBERMAN
PRESIDENT
IMBERMAN AND DE FOREST
MERTON R. FISH
MANAGING DIRECTOR
INSURED INVESTMENTS ASSOC.
F. L. DAILY, ATTORNEY
DAILY, DINES, ROSS & O'KEEFE

Dear Mr. Eccles:

This is not a request for funds. Assuming you believe in attaining economy in Federal spending, we solicit your advice and help in bringing it to fruition by adding your State to the twenty shown on the map.

The WESTERN TAX COUNCIL, INC., is a non-partisan and non-profit organization, dedicated to repealing the 16th Amendment to our Constitution, which permits unlimited taxation. In its place, the Council offers a substitute amendment (authorized under Article V) limiting all Federal taxes to 25% of income, estate and gift and cutting all lesser income taxes in proportion.

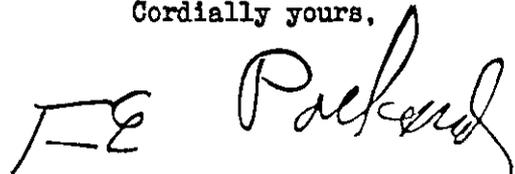
We would appreciate your contacting and convincing your State legislators that great benefits will accrue to their constituents and their State. Tax limitation is essential to National, State, County, City and Village economy. While the destruction of our Government by violent means will never happen, its destruction by unlimited taxation is well on its way.

Obviously, a limit on all Federal taxes in peacetime will leave larger sums of money in every State. All States will then be doing their own financing out of their own funds instead of getting back part of their own funds in Aids and Grants. States can then furnish the necessary funds to run the Federal Government. The enclosed chart and data show how our budget was balanced each year from 1920 through 1930 and a large surplus acquired out of which \$10,000,000,000 of the debt was paid.

Should you find you can assist us in this movement in your State we shall be pleased to have you advise us. If you would like additional maps and other literature, we shall be glad to send them to you.

Thanking you, we are

Cordially yours,

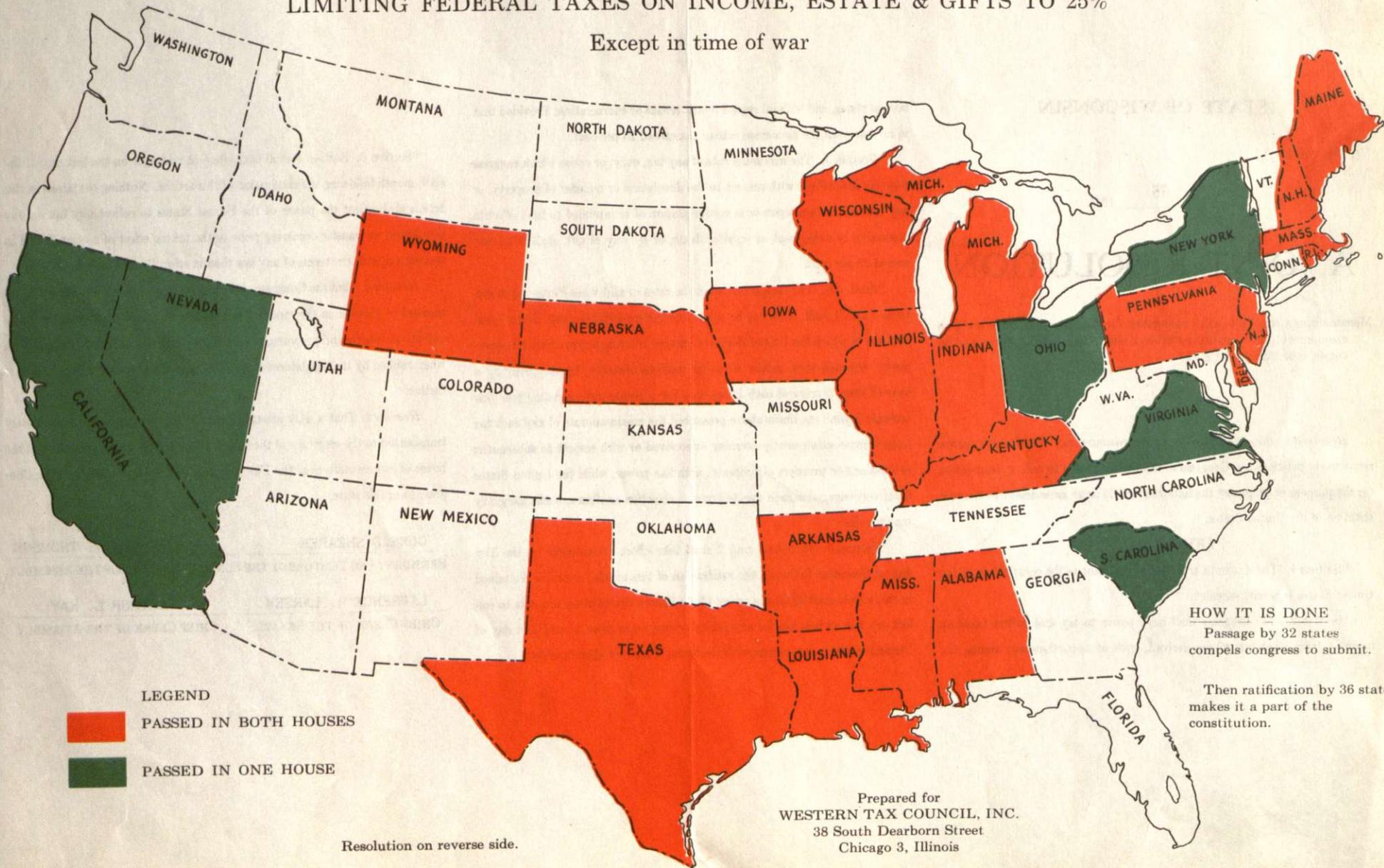


Encl.

PROPOSED AMENDMENT

LIMITING FEDERAL TAXES ON INCOME, ESTATE & GIFTS TO 25%

Except in time of war



LEGEND
 PASSED IN BOTH HOUSES
 PASSED IN ONE HOUSE

HOW IT IS DONE
 Passage by 32 states
 compels congress to submit.
 Then ratification by 36 states
 makes it a part of the
 constitution.

Resolution on reverse side.

Prepared for
WESTERN TAX COUNCIL, INC.
 38 South Dearborn Street
 Chicago 3, Illinois

STATE OF WISCONSIN

[Jt. Res. No. 55, A.]

No. 75, 1943.

A JOINT RESOLUTION

Memorializing Congress to call a convention for the purpose of considering an amendment to the Constitution of the United States relative to taxes on incomes, inheritances and gifts.

Resolved by the assembly, the senate concurring, That this legislature respectively petitions the Congress of the United States to call a convention for the purpose of proposing the following article as an amendment to the constitution of the United States.

ARTICLE

Section 1. The sixteenth article of amendment to the constitution of the United States is hereby repealed.

Section 2. The congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the

several states, and without regard to any census or enumeration; Provided that in no case shall the maximum rate of tax exceed 25 per cent.

Section 3. The maximum rate of any tax, duty, or excise which congress may lay and collect with respect to the devolution or transfer of property, or any interest therein, upon or in contemplation of or intended to take effect in possession or enjoyment at or after death, or by way of gift, shall in no case exceed 25 per cent.

Section 4. The limitations upon the rates of said taxes contained in sections 2 and 3 shall, however, be subject to the qualification that in the event of a war in which the United States is engaged creating a grave national emergency requiring such action to avoid national disaster, the congress by a vote of three-fourths of each house may for a period not exceeding one year increase beyond the limits above prescribed the maximum rate of any such tax upon income subsequently accruing or received or with respect to subsequent devolutions or transfers of property, with like power, while the United States is actively engaged in such war, to repeat such action as often as such emergency may require.

Section 5. Sections 1 and 2 shall take effect at midnight on the 31st day of December following the ratification of this article. Nothing contained in this article shall affect the power of the United States after said date to collect any tax on incomes for any period ending on or prior to said 31st day of December laid in accordance with the terms of any law then in effect.

Section 6. Section 3 shall take effect at midnight on the last day of the sixth month following the ratification of this article. Nothing contained in this article shall affect the power of the United States to collect any tax on any devolution or transfer occurring prior to the taking effect of section 3, laid in accordance with the terms of any law then in effect." And be it further

Resolved, That the Congress of the United States be, and it hereby is, requested to provide as the mode of ratification that said amendment shall be valid to all intents and purposes, as part of the constitution of the United States, when ratified by the legislatures of three-fourths of the several states; and be it further

Resolved, That a duly attested copy of this resolution be immediately transmitted to the secretary of the senate of the United States, the clerk of the house of representatives of the United States and to each member of the Congress from this state.

CONRAD SHEARER PRESIDENT PRO TEMPORE OF THE SENATE. VERNON W. THOMSON SPEAKER OF THE ASSEMBLY.

LAWRENCE R. LARSEN CHIEF CLERK OF THE SENATE. ARTHUR L. MAY CHIEF CLERK OF THE ASSEMBLY.

The colored chart on the opposite side of this page shows the concurrence of lower tax rates and the excess of Federal revenue over expenditures from 1920 through 1930. Almost instant response was made to the repealing of the excess profits tax in 1945, by a surplus of \$754 million in 1947 and \$8 billion 419 million in 1948.

The reason for this seeming paradox of increased revenue with lowered tax rates is the more rapid flow of money, i.e., more people have the same dollar taxed during the same tax period.

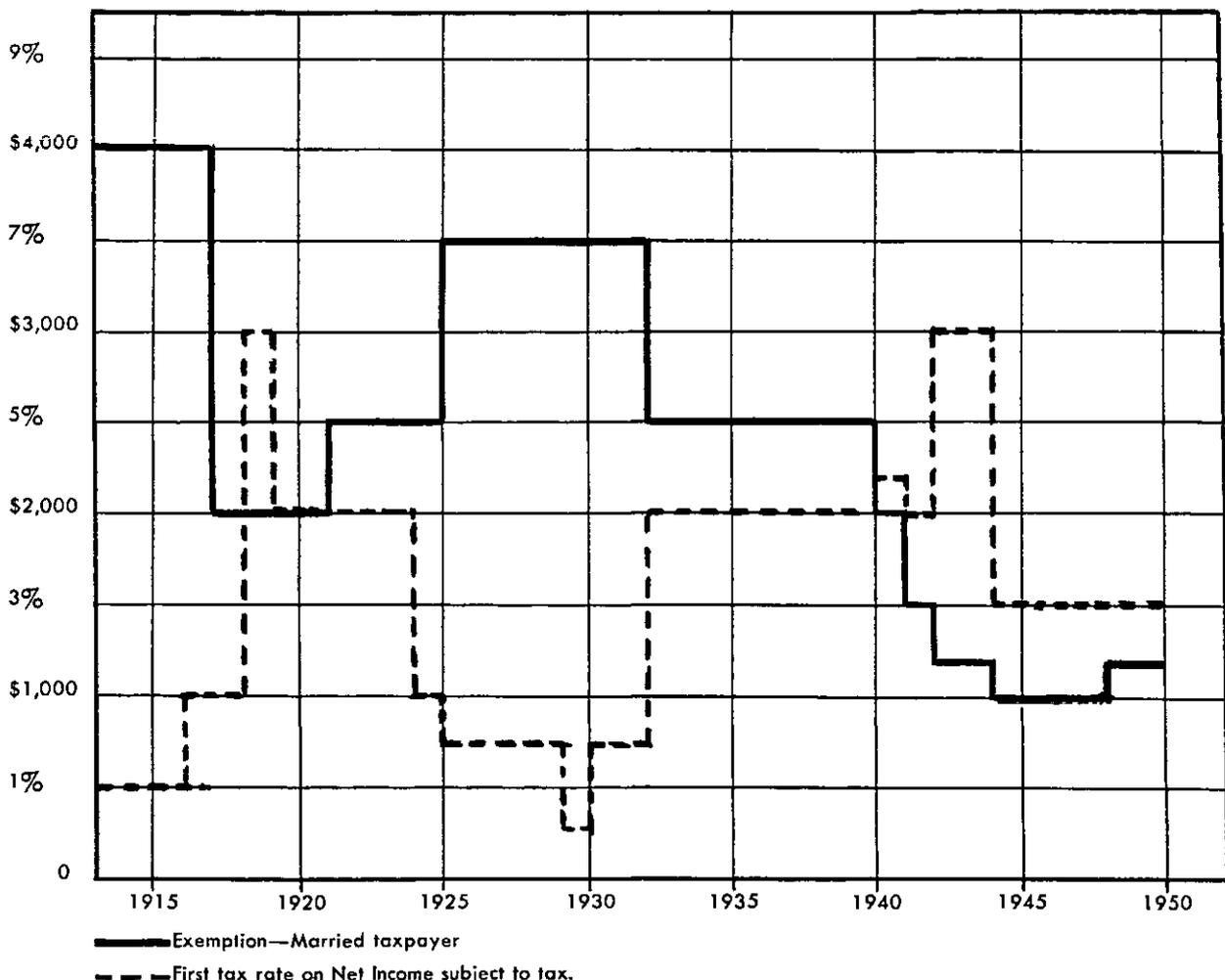
Of greater importance during this period is the fact, shown by the chart below, that the small taxpayer did not come into the taxpaying group until his income reached a much higher figure. When a higher figure was reached during this period the tax was at progressively lower tax rates. Married taxpayers' exemptions went from \$2,000 to \$3,500.

In a sound, healthy economy where capital is not depleted by excessive taxation, balancing the budget through lower taxes for all classes is a demonstrable fact.

As further proof Canada, by lowering taxes, has balanced her budget for the past four years and has paid off a substantial portion of her debt.

EXEMPTIONS FOR MARRIED TAXPAYERS AND FIRST NET INCOME SUBJECT TO TAX 1913-1948 1949-1950 ESTIMATED

Note: Time scale corresponds with that used on graph on reverse side.



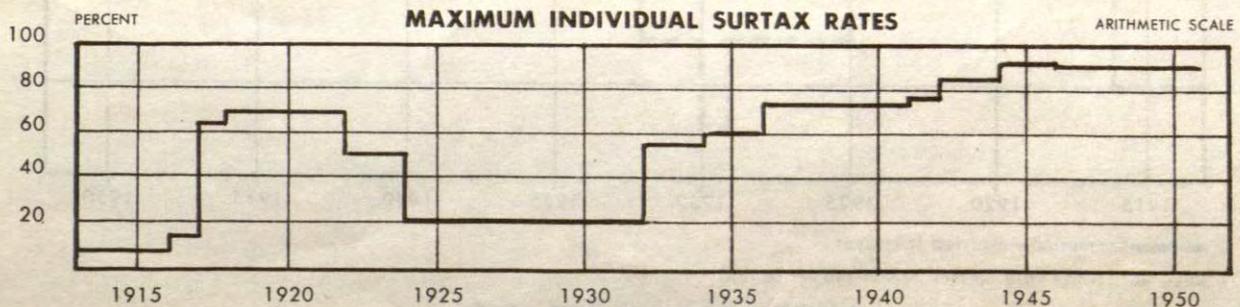
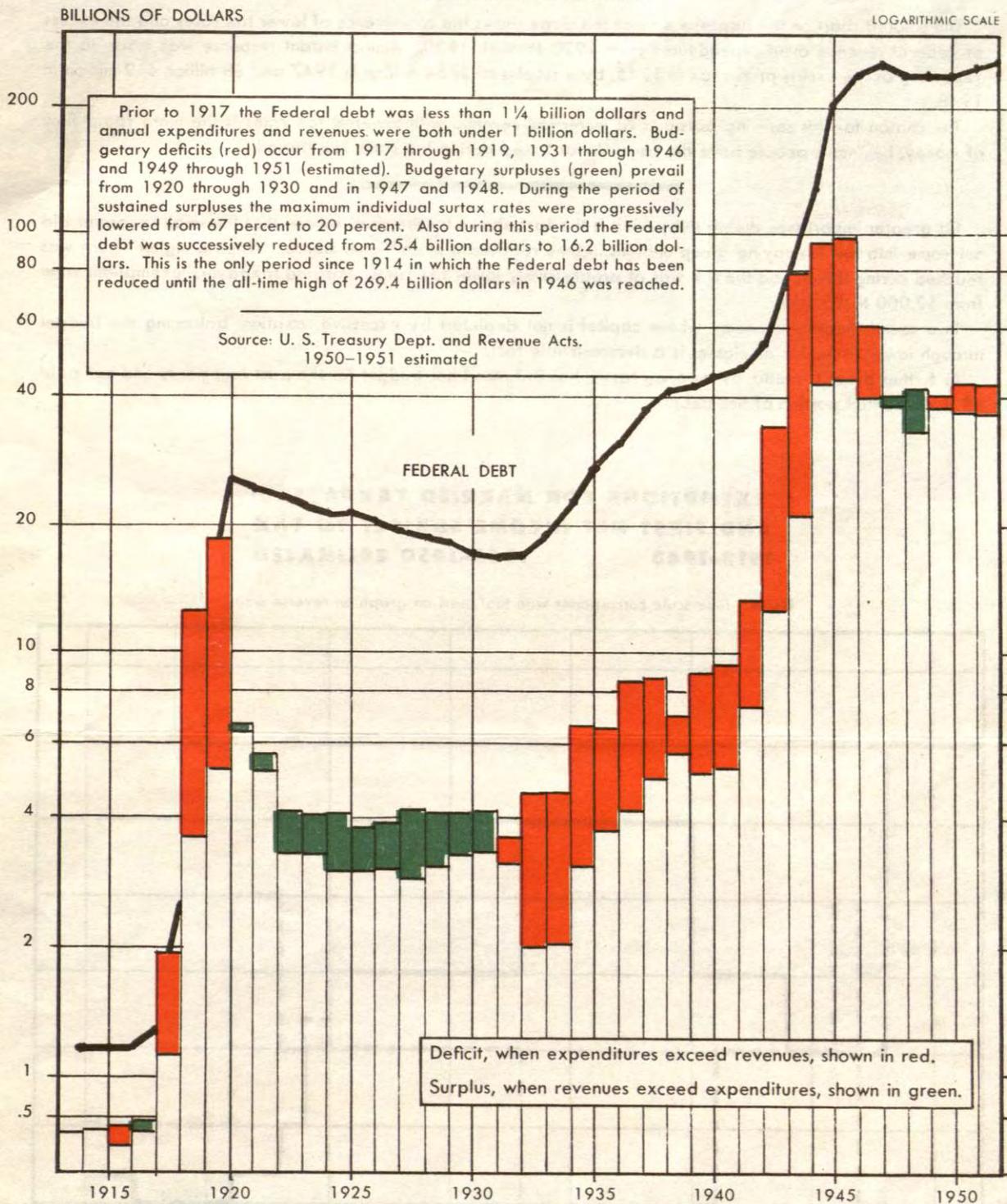
WESTERN TAX COUNCIL, INC.

CHICAGO, ILLINOIS

1950

UNITED STATES FEDERAL DEBT, REVENUES AND EXPENDITURES

Fiscal Years 1913-1951



WESTERN TAX COUNCIL, INC.

CHICAGO, ILLINOIS

1950

December 1, 1950.

Mr. F. E. Packard,
Executive Vice President,
Western Tax Council, Inc.,
38 South Dearborn Street,
Chicago 3, Illinois.

Dear Mr. Packard:

Your circular letter of October 24, addressed to me, was received in my office while I was on an extended stay in the West.

The amendment, which your Association proposes and, for which you have sought my support, seems to me to be very uneconomic and unsound for the reason that you have great debtor states and great creditor states as related to the economy of the country as a whole, and Federal taxation expenditure is the only way you can get anything like equitable distribution of the national income.

I made a speech on October 14, 1941, before the National Tax Association in Minneapolis, which points out the overall problem of economic stability. I am enclosing a copy of that statement which will give you some insight into the reason for my objection to your proposed amendment.

Sincerely yours,

M. S. Eccles.

Enclosure.

VE:dls