

Martin Hoffenblum for Congress in 1978

Below is a copy of my third letter to the nation's Governors. The replies from the Governors have been encouraging, and it is my hope that this letter will bring about an exchange of dialogue between you and me.

The executive and legislative branches of our central government have been thoroughly indoctrinated with the idea that all social and economic problems can be solved, if only sufficient money is appropriated. I BELIEVE THAT IT IS PRIMARILY IDEAS, NOT MONEY, THAT WILL SOLVE OUR PROBLEMS, AND THAT THE CENTRAL GOVERNMENT IS PSYCHOLOGICALLY INCAPABLE OF ORIGINAL THOUGHT.

Ideas, adequately financed, will solve problems. However, there is only a finite sum of tax money available, and 50% of this is now being dissipated thru a grant-in-aid system that breeds waste and inefficiency. ADEQUATE FINANCING CANNOT BE OBTAINED UNLESS WE HAVE STRONG CENTRAL AND STATE GOVERNMENTS, INTELLECTUALLY AND FINANCIALLY EQUIPPED TO SOLVE ISSUES WITHIN THEIR RESPECTIVE CONSTITUTIONAL SPHERES OF AUTHORITY AND RESPONSIBILITY.

Good government is not possible when an entire nation, rich and poor, is on welfare.

Dear Governor Brown,

Reference is made to my first letter in which I discussed the federal grant-in-aid system. Since then there has been considerable media reports of the growing taxpayers "revolution" in California, and it seems to me that you have more problems than the Mayor of New York City. I think you will agree that whether the Jarvis Proposition does or does not pass is immaterial. California is going to experience substantial changes in its tax structure, accompanied by related changes in the social and economic structure.

I believe that the principle obstruction to change, in all of our States, is in the taxpayers firm conviction that his tax problems are vested in excessive property taxes. High property taxes are merely symptoms of the national disease known as the federal income tax. In other words, high federal taxes cause high local taxes!

As you know, the primary purpose of the federal law is to stimulate, or slow, the economy. As a by-product, it will produce about \$300 billion in revenue which, along with the excise and other taxes, is about \$50 billion short in financing a federal budget of \$500 billion.

You may not know, however, that the loss to the federal Treasury from special tax legislation is approximately \$150 billion, and rising rapidly. THE TOTAL ELIMINATION OF ALL SPECIAL TAX LEGISLATION WOULD PRODUCE THE NECESSARY REVENUE TO BALANCE THE FEDERAL BUDGET, ALONG WITH A \$100 BILLION CUT IN TAX RATES, AND WITHOUT A CUT IN SERVICES.

There is nothing miraculous about this. Every year, thousands of individuals ask for, and receive, approval of tax free status for income producing services and business that have little, if any, relationship to charity, education, or religion. It is my educated guess that tighter control of tax free foundations could produce sufficient revenue to balance the federal budget. All I propose is an equitable, broad based, distribution of the tax burden.

The present law provides that a family of four, earning \$10,000 per year, will pay a maximum tax of \$500 after computing a complicated series of deductions and credits. The same tax can be produced by simply assessing a 5% tax on gross income. The deductions and credits comprise a pure con game. The same principle can be applied to business. There is very little, if anything, that

special tax legislation can do for the businessman that a cut in tax rate, or an increase in the depreciation rate, can't do better.

Total elimination of special tax legislation would produce a balanced budget along with a \$100 billion tax cut. The elimination of the federal grant-in-aid system would reduce the federal budget to the point where the federal income tax would be a minor matter to all of our citizens.

RELIEF FROM EXCESSIVE FEDERAL TAXATION AND CONTROLS WOULD ENABLE YOU TO INITIATE EQUITABLE, BROAD BASED, TAX PROGRAMS AT THE STATE LEVEL TO PROVIDE REVENUE TO FINANCE NECESSARY SOLUTIONS TO LOCAL PROBLEMS, THAT WOULD BE ACCEPTABLE TO LOCAL TAXPAYERS.

At this point, however, both the federal and state governments face taxpayer revolutions, and neither can raise taxes. Both must cooperate to reduce the TOTAL tax burden, without a reduction in necessary services. Congress is psychologically incapable of initiating this type of cooperation and coordination. It must come from the National Governors Conference.

My election to Congress would be meaningless and frustrating without your support, and all of the State Governors. I seek your support and the opportunity to work with the National Governors Conference. GOOD GOVERNMENT IS A NON-PARTISAN ISSUE. I would appreciate your commentary, at your convenience.

Sincerely,
Martin Hoffenblum

Broadcasting

KVOV Radio will be broadcasting the two semi-final games of this year's NCAA Basketball tournament in St. Louis. (March 26th)
Game #1 will be at 11:00 A.M. (PST)
Game #2 will be at 1:00 P.M. (PST)

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I.R.S. Assistance

Free income tax preparation assistance will be available at the Clark County Community College (CCCC) from April 5 to 8 at the Cheyenne campus, 3200 East Cheyenne Ave., North Las Vegas.

CCCC accounting instructors and I.R.S. trained volunteers will be available from 5 to 8 p.m. Wednesday and Thursday, April 5 and 6 and from 9 a.m. to noon Friday and Saturday, April 7 and 8 to answer specific questions or to assist in the entire preparation of tax returns.

Anyone who will be attending this program is required to bring their W-2 or 1040 form. Additional information can be obtained by contacting Barbara Morgan at 643-6060, extension 275.

FOR RENT HOMES

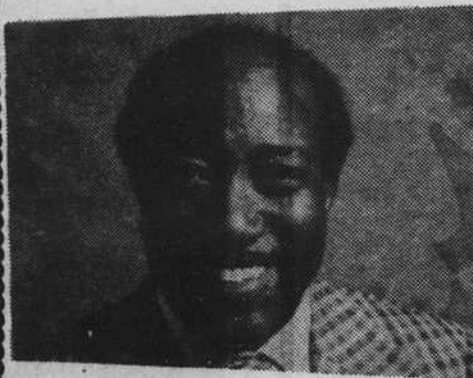
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