

CRAWFORD  
BROADCASTING  
COMPANY



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## **ELECTION ISSUES 2008** **THE ECONOMY**

Barack Obama promises to raise taxes at all levels.

John McCain says he will not raise taxes, but also says that all options are viable in negotiations with Congress to solve economic problems. That seems to mean that, under the right circumstances, McCain like Obama will raise taxes. That of course includes tax increases for the ordinary income of American individuals and families.

Even as America continues to raise taxes, and want to do so even more, there is in many other parts of the world a tax revolution at work. Many nations the world over, especially Eastern Europe, have slashed marginal tax rates on individuals and corporations, resulting in strong growth and large revenue gains that keep budget deficits down. Unlike America. No matter the tax rate, there will always be unfairness at work. Some will pay more, and others less. Some will pay no taxes at all. All will receive the very same benefits of governments federal, state and local. The portion, equity and justice from a tax standpoint are virtually impossible to legislate.

Comes now, once again, the strong economic alternative of:

### **THE FLAT TAX**

It is in concept a tax theory inherently fair and unconditional. It prevents compromise and exception. It applies to all, individuals and corporations, the very same way. It eliminates unfair exemptions and deductions. It prevents manipulation for the benefit of some for the disadvantage of others. It gets government out of the taxing business once and for all. It simplifies. It eliminates virtually all of the incomprehensible and serpentine tax code. It saves time and money. It forces businesses and individuals to concentrate on the bottom line and not on tax manipulation. Sooner or later, and in some form, the day of the flat tax will come. It has to come.

Today, 25 nations, 25, have flat-rate income taxes. Our old nemesis Russia has a flat tax of 13%. Poland, for example, has enacted a 15% flat tax rate. The small but seriously growing nation of Macedonia has a rate of 10%, and Hong Kong, an incredible business center is at 15%! We the Americans by contrast have a top marginal tax rate of 35%. Obama proposes to raise that rate to 39.6%, an almost 15% increase. McCain pledges to

leave the tax rate the same, but at the same time promises to negotiate with Congress in order to solve economic problems and do whatever it takes. McCain himself may, in the clench, be willing to raise taxes.

It is a mystery indeed why America continues to think in terms of raising taxes while the rest of the world lowers them. The lower the tax rate, the less government interferes and controls, the more business grows. Those nations who develop these consistent and favorable tax climates attract capital, investment and economic involvement. They understand the effect of taxation, and especially increased taxation better it seems than we do. The more we tax, the more we encourage business elsewhere, including the migration of our own corporations and capital to other nations and parts of the world. Aggressive individuals and corporations will simply not sit back and allow a government to take earnings.

Congressman Paul D. Ryan of Wisconsin has proposed a tax alternative, a flat tax proposal with two rates. The first would be 10% and the second and highest would be 25%. Our tax code would be simplified, and deductions and exemptions essentially eliminated. The proposal is fair in every way, for it would give individuals the option, the alternative to pay taxes under a flat tax system or use the current system as the individual sees fit. That it seems is real fairness at work. That would be one great economic system that would allow America to continue to compete, produce and perform in a most competitive way with so much of the now-emerging world. It will allow us to energize our economy while at the same time raising new and additional tax monies for governmental purposes.

Virtually every right-thinking American who fully understands flat tax and the implications thereof agrees it is the right thing to do. It is the best and fairest tax system. No matter what the people think, politicians of all stripes and parties seem to be against the concept. No matter how often it may be proposed (such as the Ryan legislation), the concept goes nowhere in Congress. But it really is the right thing to do. It really is. Politicians may talk about fairness, and adjust the tax rates to suit their notion of fairness. But in reality, every adjustment provides benefit and advantage for some, and disadvantage and disincentive for others. Flat tax levels the playing field. It prevents manipulation and deceit at any level, whether governmental or individual. Why it goes nowhere politically is indeed a mystery.

We urge you to consider the flat tax concept. We urge you to understand the potential fairness implications and the economic benefits such a system would convey. Done right, it could in fact solve America's considerable economic problems.

We urge you to support those leaders, those politicians who would seriously entertain and eventually pass legislation which would allow us a viable and fair option of the:

### FLAT TAX