

NATIONAL FEDERATION OF INDEPENDENT UNIONS

BY DON MAHON, EXECUTIVE SECRETARY

Speaking in behalf of the unions affiliated with the National Federation of Independent Unions our greatest concern is with regard to the impact of inflation and continually rising taxes on the future of American workers and our country.

Referring to the report filed by President Johnson on January 16, 1969, we note that the proposed budget calls for the extension of the income tax surcharge, at its current rate of 10 percent, for 1 year from July 1, 1969, to June 30, 1970. It is our position that this income tax surcharge should be eliminated as of its expiration date on June 30, 1969. We feel that this tax is most burdensome on those least able to pay; namely, workers and wage earners in the lower brackets who must use the major portion of their earnings for day-to-day family and living expenses.

The original intent of the surtax, as previously stated by the Johnson administration, was to curtail inflation. Actually, Government spending has increased since that time. Thereby, and as one direct result, inflation has also increased. In this respect the additional tax revenue has been self-defeating so far as controlling inflation was concerned.

We believe that the closing of many existing tax loopholes, that have permitted those in higher income brackets to evade or avoid their fair share of taxes, is most important. By shifting the tax burden more equally to those most able to pay it will also increase the buying power of workers. As a result middle and lower income families will be able to buy and consume more goods and thereby bring about the higher employment and maintain the greater productivity that is so essential to our country.

For the purpose of obtaining more economic stability we believe that encouraging more labor-management cooperation can result in greater benefits for all concerned and especially the general public. This cooperation will result in higher employment as well as greater price stability. The Government can enhance this positive program by endorsing progressive policies with regard to eliminating waste, duplication, and unfair competition. Also, the sponsorship of worker training programs. This will help close the gap between supply and demand for skilled workers. As a result, those displaced through automation and industrial changes, with regard to plant location and other economic factors, will be greatly assisted.

Referring to the international economy: We suggest a reappraisal of the present situation so as to protect American workers from competition resulting from the imminent flood of products of the so-called Iron Curtain countries.