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*Comm. for Const. Gov't*

**Congress of the United States**  
**House of Representatives**  
**Washington, D. C.**

COMMITTEE:  
EDUCATION AND LABOR

DISTRICT OFFICE:  
POST OFFICE BUILDING  
YONKERS, NEW YORK

July, 1957.

Committee for Constitutional Government, Inc.  
205 East 42nd Street  
New York, 17, N. Y.

Gentlemen:

Now is the opportune time to begin the much needed, educational campaign on the Dirksen-Gwinn Amendment that fixes a top rate of 25%. Congress, however, has the power to fix, by three-fourths vote of all Members, a higher rate, provided that the highest rate does not exceed the lowest rate by more than 15 percentage points.

Our present federal tax policies have a deadening effect upon our economy. 84% of the revenue from the individual income tax is produced by the beginning rate of 20%, which, of course, includes industrial workers. Only about 3% of the total federal revenue, some \$2 billion, arises from individual income tax rates above 34%. On the other hand, increasing exemptions by only \$100, beyond the present \$600, will release millions from paying any taxes and will cost the Treasury \$2½ billion. This is the program urged by C. I. O. - A. F. L.

The only way to give relief to the small taxpayers is either (1) to reduce the need for revenue by cutting expenditures, or (2) to increase revenue through a sharp reduction of confiscatory upper bracket tax rates. This will increase capital accumulation, investment in productive enterprise and strengthen incentives. Thus, the total national income would be increased, and this is the base against which all taxes are levied, thereby actually increasing the total federal revenue. Our government's past experience under Secretary Mellon's tax rate cut proved this.

Our present confiscatory taxation hits physicians and dentists with selective severity. They spend in their training many years without earnings and must invest from \$20,000 to \$30,000. If then, after long delay, when they begin to earn, they are subjected to present tax rates, they suffer a great disadvantage. Of course, many others are likewise affected.

Many estates are being liquidated by our present, outrageous taxation. The Dirksen-Gwinn Amendment prevents federal taxation on estates, thus leaving that source of revenue for education and other state and local expenses.

The period from mid-July to mid-January, while Members are at home, is a time for effective education so that hearings may be held and a favorable climate created for the passage of the Dirksen-Gwinn Amendment when the new Congress opens in January, 1958.

Sincerely yours,

*Ralph W. Gwinn*  
Ralph W. Gwinn

(See Other Side)