

Ralph Nader Radio Hour Ep 362 Transcript

Steve Skrovan: Welcome to the *Ralph Nader Rader Hour*. My name is Steve Skrovan along with my co-host, David Feldman. Hello there, David.

David Feldman: Hello, everybody.

Steve Skrovan: Good to have you here. As well as it's good to have the man of the hour, Ralph Nader. Hello, Ralph.

Ralph Nader: Hello, everybody. Get ready for the show that's going to get you active.

Steve Skrovan: That's absolutely right, Ralph. On today's show, we're going to welcome Erica Payne, who founded Patriotic Millionaires, a group leveraging their own financial and political capital to advocate for a living wage, voting equity, and a progressive tax code. As opposed to rich people using their wealth to fund particular charitable causes they've deemed worthy, her organization is proposing a more systemic change. Most rich people are loathe to mess with the system that made them rich. But Ms. Payne wrote a book entitled *Tax the Rich*, which is about bending the system towards equity. It's not about leveling off the tax code, so the rich and non-rich play ed by the same rules; she's advocating for a progressive tax rate that would take the not-at-all radical step of making our wealthiest citizens contribute to a society that in the long run will be better for all. That will be our sole interview today. If we have time after, Ralph will answer some of your listener questions. And as usual, somewhere in between, we'll take a break to check in with our corporate crime reporter, Russell Mokhiber. But first, let's tax the rich. David?

David Feldman: Erica Payne is the founder of Patriotic Millionaires, a group of high-net-worth individuals working to combat inequality in the capitalist democracy that is America. She is coauthor of the book *Tax the Rich*, which argues for a more equitable tax code. Welcome to the *Ralph Nader Rader Hour*, Erica Payne.

Erica Payne: Thank you so much for having me.

Ralph Nader: Erica, this group, Patriotic Millionaires, has always intrigued me. You have offices in Washington [DC]. You have close to 10 staff the last time I checked. And a lot of the citizen groups, until I pointed your group out, never heard of you even though you've gotten quite a bit of press, even the mainstream press here and around the world. Because it's pretty counterintuitive to have Patriotic Millionaires push for sharp tax increases for the super-rich and the corporations. They advocate sharply higher taxes for the super-rich and the multinational corporations. And the fact that the citizen groups aren't working with you all is something I want to explore, but let me just start with asking you a personal question. How did you conceive of starting this group Patriotic Millionaires? I understand you started it as a young woman.

Erica Payne: Well, I have been always young at heart. I don't know if I was that young. So, I mean, basically, it was 10 years ago of November that we just had; it was during the lame duck session of [US] Congress and it became clear that President [Barack] Obama was going to cave

to Republican demands to extend the [George W.] Bush tax cuts. I mean, it really just made me personally angry. And so I called a couple of millionaires I know, and we crafted a really short letter about three paragraphs that just basically said, "For the good of the country, raise my taxes." And we circulated it, asking for people with incomes of a million or assets of 5 million to sign onto the letter. We had about 45 people to sign it. We put it on a website and it absolutely exploded in the media. And that was 10 years ago. And we now actually have about 20 staff people. Our chairman quit his job at BlackRock[, Inc.] to work with us full time seven years ago. We have two other members who have just recently come to join us almost full time. They're working on the minimum wage issue, and we have offices in Los Angeles, Washington, New York, and now actually our first international office in the UK [United Kingdom].

Ralph Nader: Well, this is the best tax book I've read. I've read quite a few books on tax reform; this is the clearest. It's called *Tax the Rich: How Lies, Loopholes and Lobbyists Make the Rich Even Richer* by Morris Pearl and Erica Payne and the Patriotic Millionaires. It is about to be published. We're the first interview. It's going to be published by New Press in mid-April. It has about 30, 35 satiric, biting cartoons--each one of them conveying a message verbally as well as pictorially. And it has every potential to outrage you into doing something about it with the usual 535 members of Congress. Probably about a quarter to a third are already on the side of the Patriotic Millionaires, and the rest can be summoned to your district for town meetings that you create with your agenda working off this book. So I want to start, Erica Payne, by asking you why the financial transaction tax is not high on your list, because Wall Street has huge volume of financial transactions and it could raise \$200/300 billion a year with just a sales tax--a fraction of 1% sales tax. Is there a reason why you didn't highlight that?

Erica Payne: Yeah. We go through a process internally, Ralph, where we have a policy committee and we really try to get full buy-in from all of our members. I mean, they're all theoretically for raising taxes on the wealthy, but we really try to get very specific in our conversation with our members to make sure that when we're doing direct advocacy to lawmakers and doing media about these issues, that we're representing the views of the whole, and they are still looking at that issue. My guess would be that they'll come down in favor of some kind of financial transactions tax in the not too distant future, but it's not one that we've decided to lean into. I think it's a reasonable moneymaker. There are some parts of the tax code, Ralph, that I think are deserving of, maybe earlier attention than that one. Because one of our primary problems with the tax code, and we can talk about; let's just leave revenues aside for a second. The reason that we have the biggest problem with the tax code that we have is that the tax code is the mechanism through which the wealthy rig the economy in their favor. So it's not just a matter of, you know, how many revenues do you need coming into the federal government. It's really a more organic approach to the tax code, which is how does the tax code value what I do versus what other people do in different ways to really ultimately create a system that kind of definitionally creates outcomes that are not conducive to a stable, prosperous society.

Ralph Nader: Yeah, we'll get to that. The reason why I raised it is because it's a rising issue in New York state with the state budget under COVID[-19]. The state of New York collects the tiny sales tax and rebates it electronically every day. Some estimates have taken this amount to about \$14-15 billion with a B a year. They collect, and then like a slingshot, they rebate it back to the brokers and it amounts to about 5 cents for every \$100 of sales. So you can see, it's just a tiny, tiny fraction of 1% in a state where people pay 8% sales tax in the stores to buy the necessities of life. Let's start with an encouraging point here. You cite polls that show that not

only Democrats, but a good chunk of Republicans want higher taxes on the rich. Can you give me those figures?

Erica Payne: Well, I mean, it's basically... the bad part is a majority of Americans are completely in line with what we have said needs to happen. There's no question that the overwhelming popular construct is that wealthy people should pay higher taxes. You know, they're paying lower taxes than they've ever paid. And last year, for the first time in history, billionaires paid a lower tax rate than ordinary working people. And so Republicans, the ordinary Republicans see it as much as ordinary Democrats or [American] Independents do; this is just nonsense. I mean, 71% of the American people think that the economy is rigged in favor of the rich. And I'm confused about what the other 29 think. Because if you take a two-second dive into the tax code, you can see that it's not just that wealthy people aren't paying their fair share, it's that the way they value different things... I mean, it's a scheme, and it's based on just an overwhelming pile of lies, which is the other part that gets to us the most.

Ralph Nader: Well, in your book on page 185, you say, “keep in mind that a bipartisan majority of Americans support doubling our current top income tax. 59% of registered voters support raising the top income tax rate to 70%.”

Erica Payne: Yep.

Ralph Nader: And then you say, “While Republican lawmakers virtually unanimously oppose tax increases on the rich...” Listen to this, listeners, “A whopping 45% of Republican voters support a 70% top rate.” So this is a great start. I mean, if you start your movement for change here with this kind of public opinion, even without the mainstream media propelling what's in this book regularly to even raise those public opinion percentages more, you've got a great start here and you begin your book. “It's not just rich people; it's rich corporations. And you begin the early part of your book with this amazing list of companies that don't pay any federal income tax in a particular year. Like you want to name some of them? Like Amazon [.com, Inc], IBM [International Business Machines Corporation], Chevron [Corporation] and Starbucks [Corporation] in 2018.

Ralph Nader: Yeah. I think it's 91 of the fortune 400 [Fortune 500] companies that paid zero taxes. I think that's the right figure. If you bought a movie from Netflix[, Inc.] last year, you paid more for your movie than Netflix paid in taxes. I mean, just get your head around that for a second. And I mean, and the way they do it, Ralph, I find particularly irritating. They basically pretend they do business somewhere other than where they do business. Because they have—I mean, part of the mechanism through which the companies and the individuals either hide their money, avoid their taxes, or go through all the machinations, they need to go through to get themselves more money in their pocket and screw everybody else, are pretty unbelievable.

Ralph Nader: Well, it reads like a Who's Who of American big business. In 2018, we're talking federal income tax: John Deere, Netflix, Whirlpool [Corporation], Starbucks, Salesforce[.com], MGM Resorts [International], IBM, Chevron, [Eli] Lilly [and Company], Halliburton [Company], GM [General Motors], Dow [Chemical Company], DuPont [de Nemours, Inc.], Amazon, as I mentioned, Activision [Publishing, Inc.], Blizzard [Entertainment, Inc.], Delta [Air Lines, Inc.], [and] FedEx [Corporation] [all paid] no federal income tax. They all made money. That's the point you make. They're not losing money. They spread it out around the world, [and]

take advantage of tax havens. But the one thing that caught my attention was how a CEO can get stock options, wait a few years, the stock zooms up like with Facebook [Inc.], exercise the stock options he got at 6 cents per share; he exercised it at \$38. Not only did he make a ton of money, but the difference between 6 cents and \$38, which amounts to billions of dollars, is deducted by Facebook to reduce his taxes. How does that happen?

Erica Payne: [laughter] Well, I mean, how it happens is that a lot of wealthy people pay off a lot of politicians to write a tax code that works for wealthy people. I mean, in my opinion, Ralph, like, as problematic as those are, I really start a little bit more basic than that with this idea of their money versus your sweat. Wealthy people, because of the differentiation between capital gains and ordinary income, which is basically for people who are not really versed in this. Depending on how you make your money, the federal government taxes it differently. So if you make your money on money that you already have; I call it lazy money. You sit in your house, you push click on an E-Trade [Financial Corporation] account. Say you sell \$100,000 worth of stock and you live on that for a year. And then someone else is working 40 hours a week, 50 weeks a year, also making a \$100. The person who is sitting on their ass on the beach, clicking on an E-Trade account, ends up the year about \$9,000 richer than somebody who is actually working full time.

That's the piece of this that begins to piss me off. And then you go into the inheritance income, where basically you're not only not selling your stock, you're literally like your activity that is making you money is sitting around and waiting for someone you know to die and leave it to you. If you get money that way, you pay even lower taxes than people who inherit and you pay substantially lower taxes than people who work. So two people, say one person made \$11 million working day in and day out. Somebody else made \$11 million by waiting for their great aunt to die. Well, the person who waited for their great aunt to die, with their \$11 million, they end the year several million dollars richer, about \$4 million richer than the people who actually worked.

So I'm not going to sing cry me a river for somebody making \$11 million a year, but the fact that they worked to make it, and they have a \$4 million deficit relative to the person who just sat around and inherited it from somebody, that makes me sick. And we wonder why we have people attacking the Capitol on January 6th and social unrest more than we've ever had in the history of the country.

Ralph Nader: Well, you know, this book, by the way, has 10 tricks that the rich use to escape taxation--each one very clearly described with graphics. And then they have 10 corporate tricks that corporations use to reduce their taxes. And just to give a flavor, we're talking with Erica Payne, the coauthor of *Tax the Rich: How Lies, Loopholes and Lobbyists Make the Rich Even Richer*. And I think the best flavor of the book is the way the ideology of these corporatists and superrich has evolved to fool people and the people they fooled most are on Capitol Hill in Congress, and in the White House. They also fund their campaigns.

So I'm just going to very quickly read these lies. And you'll see. You've heard some of these arguments by corporate conservatives. Here's lie number one: Corporate tax cuts create jobs. Lie number two: Private equity investors are job creators and deserve a special tax break. Lie number three: People who invest in the stock market are job creators and deserve a special tax break. Lie number four: Business owners are job creators. What you say is "it's consumer purchases,

consumer demand that are the job creators.” Lie number five: Taxing capital gains discourages investment. Lie number six: Rich people's charity does so much good in the world that if we tax them, they won't have enough money to help poor people. Do you ever blow that out of the water (laughter). Lie number—that's one of my favorite areas. Lie number seven: It's *their* money. Yeah? It's their money, and you take care of that even more eloquently than Warren Buffet does, like 40% of them inherited the money or so. Lie number eight: Politicians care just as much about their constituents as they do about their donors. Boy, that's a choking lie, if anyone has ever heard that one.

Erica Payne: We don't pull a lot of punches in the book, Ralph.

Ralph Nader: Yah. Lie number nine: Tax cuts for rich people will trickle down to regular people. Lie number 10: Rich people should be trusted. Now, this is where this book reaches a level of candor I have never seen before. On page 168, here's what you say, “No rich person, including any member of the Patriotic Millionaires, deserves to be taken at their word. Actions and money speak a lot louder than words. And that's how we should judge whether or not a rich person is actually on the right side of this fight. The next time a rich person claims they want to pay higher taxes; ask them how much money they're spending to accomplish that; ask them how many lawmakers they have personally called to demand higher taxes; ask them what percentage of their political funding goes to politicians committed to unrigging our economy; ask them how many lobbyists they have hired to fight for higher taxes. They know how the system works. If they wanted higher taxes, they would act like it.”

Now tell us very precisely. Have the Patriotic Millionaires summoned the members of Congress who are opposed to fair taxation back home for town meetings, inviting all kinds of people in the auditorium? And if not, do you think that would be a good idea to do it across the board, so you can eyeball them without any flacks between them in front of the press?

Erica Payne: So let me just say this. We will go to any town in America to talk to any group of people and any lawmaker about this obscene tax code. While we're still in COVID, we'll do them Zoom. We have created a 20-minute presentation with three of our members. You can see it at taxtherich.com. We can bring that 20 minutes of mind-blowing content, which basically takes everything we learned in the book and puts it in a quick and easy little presentation for people to really see in a very short period of time how skewed this tax code is. We will talk to any lawmaker. We've already hosted 20 of those road shows. We've done three with United States senators and the rest with [US] House [of Representatives] members. We will come to any group in any place in the country to share this presentation with you and facilitate a discussion with our members and a lawmaker with your community leaders. If you go to taxtherich.com or just email me at erica@patrioticmillionaires.org, we can arrange any of that. Our goal here is to share this message as widely as possible.

Ralph Nader: What an offer, listeners. What an offer! Takes any excuses off your table. Erica is spelled E-R-I-C-A. Give that slow website again.

Erica Payne: Sure. You can do it two ways. You can email me directly at erica, E-R-I-C-A @patrioticmillionaires.org. You can also go to the website taxtherich.com, and you can see a version of the 20-minute show there and make sure the content works for you. Our goal with this is to take this into every state and every community in the country.

Ralph Nader: Now, I'm most concerned in Congress by Congressman Richard [Richie] Neal. He comes from Western, Massachusetts.

Erica Payne: I know.

Ralph Nader: Pretty safe district. Chairman of the House Ways and Means Committee. When he became chairman, when the Democrats took back the house in 2018, one of the first things he said was he was not going to reopen the [Donald] Trump tax cut, which has been a disaster in all kinds of ways described in the book; that he's not going to reopen it; he's not going to try to repeal it. And to top it off, he hasn't funded—the way he should as a leader of the Ways and Means Committee—the IRS [Internal Revenue Service], which is not collecting anywhere from \$400-600 billion a year, because they've been strip-mined in terms of their auditors and other skilled people. And so the audit percentage for these big corporations is dropping to an all-time low. What is your strategy to turn this man around? I talked to Congressman Lloyd Doggett recently. He's the number two person. And, you know, he's very good on this. And he basically said, threw his hands up in the air and said, “you know, the reason you get on the House Ways and Means Committee is because you don't want to tax the rich; you don't want to tax corporations. You're carefully selected and funded by these tax escapees.” So what is your strategy to leverage the House Ways and Means Committee starting with Chairman Neal, who after all, doesn't come from Mississippi or Alabama; he comes from progressive Massachusetts.

Erica Payne: Well, so I've been at this fight for 10 years, Ralph, and you can take 50% of the political system off the table entirely, and that's the Republican Party. Because they are a party of rich people funded specifically in order to achieve tax breaks. Then you look at the Democratic Party as a whole. And so I would say that we are at about 50% of the Democratic Party would like to raise taxes substantially on rich people and unrig the economy. Another 50% of them have absolutely no interest in pissing off their donors, any more than the Republicans do. And they will come up with a bunch of noise and nonsense about why they refuse to do it. But the fact is that they are more in bed with their donors than they are with regular ordinary people. And so that needs to be addressed as a whole. I mean, I think Richie Neal is a single individual who has a fair amount of power in the structure of changing the tax code, but all of the Republican Party and about 50% of the Democratic Party is a problem. So I don't think the problem starts and ends with Richie Neal.

Ralph Nader: Well, I'm thinking of him as a crowbar. You know, where basically you start turning this system around. Because let's face it, the Democrats have gone along with a lot of these tax cuts and these tax escapees. They don't exactly campaign in the ways that your book is recommending, number one, and they don't hold the kind of vigorous hearings that would build public opinion and shower condemnation from the people of this country, left/right on the Congress because left/right people are suffering in the same way, regardless of their political differences. You have 1% of the people owning 40% of the wealth. That's about the worst it's been in the last century. 1% of the people own more wealth than the bottom 90% of the people. 1% of the people are getting over 20% of the income. So it's never been worse. It's like a giant dam that starting to crack because you warn the people that [the 1%] are trying to get away more and more with their greed. Enough has never enough, as you point out in this book. Enough is never enough. There is going to be a revolt one day. In fact, you quote a passage from *Les Misérables*, pardon my French, where you say, “With all the anger in the land - how long before

the Judgment Day, before we cut the fat ones down to size? Before the barricades arise?" Your comment.

Erica Payne: Well, I mean, that's Morris's [Morris Pearl] opening chapter to the book and Morris is telling his fellow millionaires that this is not gonna end well for you either. And that historically, this has not turned out well for the wealthy when things get this unequal. And there was a *New Yorker* article a few years ago about wealthy people spending all of this money, building themselves these fancy little bunkers to ride out the revolution when they are the cause, the root cause of social unrest that is giving rise to the revolution.

Ralph Nader: This effort by you is not focusing on what these corporations do with their money and the damage they do. That's another subject that I hope maybe Patriotic Millionaires will get into more. You're already opening up the campaign finance reform as another one of your goals. But you do talk about the tax breaks that the Sackler family have gotten and the tremendous damage that these opioid drug pushers, through their corporation, have inflicted on the American people. Do you want to say a few words on that?

Erica Payne: I just want to say something. Look, we have this adulation of wealth in this country that has taken us down a really dark path. The Sackler family is one that we can pull out. We are currently in a situation where 2.5 million people are addicted to opioids. For the first time in history, life expectancy is going down for segments of our population. Deaths due to suicide, alcohol and drugs, which are known as deaths of despair [and] deaths of despair is at the highest point they've ever been in recorded history. The Sackler family has been right at the middle of that, along with a bunch of other families who have just piled wealth upon wealth upon wealth with actually no moral construct whatsoever to their business activities. They have destroyed the lives of millions upon millions of people, and we give them a tax break for doing it! It makes me sick. And it should make every American and every political party sick.

Ralph Nader: And the company that they owned was Purdue Pharma [L.P.]. So this is the Sackler family building this Purdue Pharma into a monster promotion machine to addict millions of people.

Erica Payne: But Ralph, part of it is that these huge corporate leaders also go on TV every single day and just bald face lie to the American people. Randall Stephenson, who is the CEO of AT&T [Inc.] was one of the biggest cheerleaders for corporate tax breaks. He went all across the country telling everyone who would listen to him that the correlation between tax cuts and jobs was very, very tight, insisting it was. Let me be clear. From 2008 to 2015, AT&T paid an effective corporate tax rate of 8%, which was substantially below the statutory rate at the time of 35%. During that period of time, they laid off 80,000 people. So he is actually—Randall, I don't know if he's confused; Morris [Pearl, co-author] is nicer than I am. He wants to allow for the idea that possibly Mr. Stephenson is confused when he's going out there and arguing for a tax cut and insisting it's going to create jobs. It's illogical on its face! Corporations pay taxes on their profits, which are determined after their expenses that include payroll. So even arguing that tax cuts are a job creator, or that the people who are promoting tax cuts are themselves job creators, is absurd on its face. And it's that lie that is at the center of the cancer that is eating apart this country.

Ralph Nader: Well, well said. And you know, people say, where did Trump learn how to commit so many lies and falsehoods? And I said, “Well, he came out of the corporate world; that's where he was.” These corporations, they get repatriate money overseas. It's parked overseas back here for a tremendous reduction in taxes saying, and I think 2004, they were going to put it in productive equipment and jobs, and they didn't do that at all. They put it in stock buybacks and dividends. And they did it again under Trump; they got repatriation, and they did it again. And they go to Capitol Hill and they call themselves job creators--give us more tax cuts to have more capital for investment, when they're spending \$8 trillion on stock buybacks in the last 10 years, indicating they didn't know what to do with the money they already had. But they wanted more. And they lied again in terms of what they did with the tax cut. Never mind Madison Avenue deceiving and lying to people in all kinds of ads on TV and elsewhere. Tell me—

Erica Payne: If you take the Koch brothers, right? So after they passed the 2017 tax cut, they sent Paul Ryan's PAC [political action committee] \$500,000, and then they pledged another \$20 million to sell this absurdity to the American people. The job creators bus tour was created, et cetera, et cetera. The Koch family is estimated to have saved \$1.5 billion in taxes. So, I mean, on some level, the politicians are taking an abysmally low dollar figure to sell out the country this badly. I mean, if Paul Ryan is going to sell out the country and hand \$1.5 billion to David Koch, I would expect him to get a little bit more out of it than \$500,000.

Ralph Nader: Well, you know, in terms of what to do about all this, I keep saying it's easier than we think, and I'm pleased to indicate that you say the same thing, you and Morris Pearl. It's a lot easier because the case is overwhelming, number one. I mean, never in the history of the world has there been such a disparity. People talk about inequality in America and they mostly are talking about gender and racial inequality. The real inequality that feeds gender and racial inequality is the inequality between giant multinational corporations and ordinary people. And the one institution that stands in the way, either way of enabling these big companies or enabling the people to recover fairness and fair play is the US Congress. And so the one criticism I would have of the book is in the chapter [where] you say, “here's how we do it.” And there's some very good points here [in] here's how we do it. You talk about the polling, so you have public opinion behind you. You talk about everybody wants to tax the rich as part of the public sentiment and you have figures to detail that. You talk about the president and the “Gang of Four”. You talk about “Vote the bastards out”; that's one of your chapter titles. You talk about not all litmus tests are bad. And then you end with a fairer America.

Now I think the compliment to this is setting up enough well-established little groups in congressional districts and educating the public to focus their indignation and their demands, not up in the ether with some march or rally. But if they're going to have marches and rallies, zero in on your two senators and representatives. Zero in on your two senators and representatives, [because] Congress is the institution that can turn it around. We all know their names. It's a small enough institution, 535 people. They want your votes more than they want campaign money. They want campaign money so they can intimidate primary and other opponents in the election. But the main thing they want [is] your votes. And that's where your leverage is. By summoning them to regular town meetings; have one on April 15th--regular town meetings, where you eyeball them; you ask them for their response. You give them a copy of this book. You tell them, you know all about tax escapes because you've been enabling them. And the ones that are on your side, you talk to them about tactics and strategies to change their colleagues' minds once

they go shoulder to shoulder with them on Capitol Hill in the committee hearing. So it's all pretty much boiler plate, personal lobbying, just the way the corporations do. I don't ever see corporations having marches and rallies for all their tax cuts. They just focus on personal, golf-playing, campaign money, personal relations with members of Congress and their key staff. So that's the one recommendation that I would make. I'm going to ask you something and feel free to say yes or no. We want our listeners to get involved. If they send you their name and address and any pithy remark they want to make, would you send a book in their name to their constituent senators and representatives?

Erica Payne: Oh my gosh, a thousand percent. But I'll do one better than that. If anybody sends us an email and wants to put 20 or 25 people together on a Zoom call, we will show you everything you need to know in 20 minutes. And then we will give you the tools you need to know, the tools you need to go talk to your lawmaker.

Ralph Nader: This is excellent, listeners.

Erica Payne: The tools are in the book anyway, Ralph. But I mean, what needs to happen here is people need to start having conversations with their lawmakers that begin with why are you valuing the incomes of people who already have money over the people who actually work for a living? Let's start there. Let me hear your intellectual justification for why people pay half the tax rate on investment income as people pay on [the] income they make from working. Start there and then watch your lawmaker turn bright red in the face and be incapable of answering that.

Ralph Nader: This is the one of the best parts of the book, where you have two fictional families. Why don't you tell us about that? One sweats it out every day, pays a higher rate for the same amount of income. Another is lolling on the beach in some island with investment income and pays a much lower rate.

Erica Payne: Yeah. We talked about two families, the Werkhardts and the Slumps. And as I said earlier in the program, just take those two families. If each of them made \$100,000 dollars, one by pushing click on an E-Trade account and one by working 40 hours a week, 50 weeks a year, the people who are working end the year about \$9,000 poorer than the people who were sitting on the beach tanning. If you take that up to 400,000 and they both made 400,000, if you look at the differentiation in what they're paying for taxes, the Slumps are paying around \$44,000 in taxes for not working while the people who are working are paying \$82,000. So if you think that you should work your ass off and pay twice the tax rate of people who are sitting on the beach, clicking on their E-Trade account keep the tax code we have. Don't say anything to your lawmakers. Let the whole thing go. If you think that that's a problem, it's time to engage with your Congress people.

Ralph Nader: And I don't think there are many right-wing Republican voters who would disagree with you on that point. And that's why that's the first way to start our conversation with conservatives in your neighborhood or back home. Just ask them that.

Erica Payne: Just ask them that. And then the second thing you should ask them Ralph, because some of this stuff, look, taxes are complicated, and they are boring. They are complicated on purpose so that you will not understand them, and they are boring because they are just boring, except that they aren't. Taxes are the sexiest part of the American public policy portfolio.

Everything happens in the tax code. And to understand it, it doesn't take as much effort as you think. This 20-minute presentation and this book, either one of those will tell you everything you need to know to be an effective advocate in the tax space.

Ralph Nader: What's interesting about this book is the more you read it, it's so clear, so graphic, so accurate. It's footnoted very well. As you read through it, you become more determined, I think, to speak out and to do something about it. And if you, the listeners, react that way when you get this book, you should focus that on your two senators and representatives. We're going to have a letter on our website, a letter suggesting what points you want to make to send to your two senators and representatives. And we're going to urge you to do that. If you agree with the letter, just sign it and send it. If you want to tweak it a little bit, it's up to you, but you'll be able to download it. And even more personally, if you send Erica Payne at that website—she's going to give you in a minute—your name and address and the two senators who are supposed to represent you and your representative, she'll make sure that she'll send a book to those two senators/representative in your name and make sure you say, “I want a detailed response in writing, senator/representative, after you read this book. I'm waiting for a detailed response in writing about what actions you're going to take.” That closes the loop, Erica.

Erica Payne: I love it. I love it. It's time. It's time for people to lean into this tax fight, Ralph. It is enough, enough. If you're not going to raise taxes on the wealthy in the middle of a global pandemic, when are you? It is time. The time is upon us. As you said, we're more unequal today than we have been in a hundred years, and what's more problematic than the fact that we are unequal is that we have created a political economy that guarantees we will become even more unequal, even more quickly over time. So if you think the social unrest you are seeing now is problematic, you give this four, five, or six more years and you see where we are. We're not going to have a country anymore. It's time for wealthy people to step up. It's time for average citizens to just climb a little bit into that tax code and start leaning into their representatives. This is absurd.

Ralph Nader: Give me the website again.

Erica Payne: Sure. You can go to taxtherich.com, if you want to see a copy of the presentation, taxtherich.com. If you want to be in touch with me directly to host one of these town halls, you can email me at erica E-R-I-C-A @patrioticmillionaires.org.

Ralph Nader: Two quick points before we go to Steve and David, and we're running out of time, unfortunately. One is: you make a point that the loss of this tax revenue is strip mining America. It's keeping communities from rebuilding their public services, their schools, their public transit, their drinking water systems. Everything that makes a community function is crumbling. And it also is depriving people of their personal sustenance, a decent income, a decent pay. So this isn't just a matter of revising tax rate schedules and the amounts of taxes that are paid by the rich. It's what is done with the taxes. That's why you say, as far as our political economy goes, it starts with the tax system. So that's one point, that's very clear. You take it right down to the local community and the deprivations as a result of this massive complex tax escapism of multinational corporations and the super, super rich. But tell people when you talk about millionaire, most people think, well, that's a person who is worth a million dollars. But you have a little higher bar there. How do you define a millionaire for purposes of Patriotic Millionaire?

Erica Payne: Yes. The only people that we want to touch, Ralph, are people who have \$1 million of income or \$5 million of assets. And we would like to tax only that group of people. So for example, [Joe] Biden came out in his plan and said that he felt like people who made \$400,000 a year should pay higher taxes. I don't personally care. I make a little bit less than that, but I wouldn't care if I personally paid higher taxes. The organization is only focused on taxing people at \$1 million or \$5 million of assets. So we want to get the tax revenue from those people exclusively. If you don't have \$1 million of income and you don't have \$5 million in assets, meaning a \$5 million house that is paid off, not one that you owe money on, we have no interest in raising your taxes.

Ralph Nader: And also, you want a wealth tax. You support a wealth tax, not just a federal income tax increase.

Erica Payne: Oh, absolutely. A wealth tax is probably one of the most important pieces that we can implement. Now, there's a wealth tax of somebody who still has their wealth, and then there's a wealth transfer tax, which can be an inheritance or an estate tax. The estate tax has been branded the death tax for so long [that] I think that's a losing argument. So we'd like to see the people that—we'd like to see the House Ways and Means [Committee] and the [US] Senate Finance Committee [Committee on Finance] turn the estate tax into an inheritance tax. And we'd like to see that income tax at ordinary incomes. We do not believe that there should be any differentiation between kinds of income. If you work, if you inherit, or if you make money on your investments, those should all be taxed at ordinary income levels.

Ralph Nader: You also have a graphic where only 1.4% of all estates in any given year are taxed at all. What's the exemption?

Erica Payne: Well, the exemption for an individual is 11 million, and for a couple, it's 22 million. So just to go back to the early example, the Werkhardts and the Slumps. If the Werkhardts made \$11 million last year, they would pay around \$4 million in taxes. If the Slumps inherited \$11 million, they would pay zero in taxes.

Ralph Nader: Well, let's go to Steve and David just for a minute or two.

Steve Skrovan: Yeah. Erica, I have a question from a slightly different angle. It's a little more personal. And I was wondering, you're so articulate and charismatic about all of this. I'm talking with my associate producer, Hannah, about pulling quotes for the website, and you're a quote machine. We can't keep up. [Erica chuckles] But what is it, or was it, in your background or upbringing or education that made *this* your cause?

Erica Payne: I mean, I don't even know. Here, I have an MBA from Wharton. So I guess I have some sort of fancy degree, but I don't think that really has anything to do with it. I just cannot stand bullshit and lies. I cannot stand it. And the economic conversation in this country is just awash with bullshit lies. And I'm so sick of seeing the effects of that bullshit and lies on the country that I love. I have a five-and-a-half-year old daughter. She is going to grow up in a country that is a shadow of what it could have been. And the reason it is a shadow of what it could have been is because of the few really disgusting human beings who refuse to operate in any sort of intellectually credible framework for financing a society of 350 million people. And I

just, I got my backup about it. And then I learned enough to hopefully be a good advocate for change.

Ralph Nader: Well, you know, Jamie Dimon of JPMorgan Chase [& Co.] was quoted in *the New York Times* a few days ago saying how “totally disgusted” he is with his colleagues when they are meeting as to how totally tone deaf they are to limiting their own greed. Well, I mean, look, who's talking. But did you know that Robert Rubin of Citigroup[, Inc.], the former Secretary of the Treasury for Bill Clinton, who led the fight to deregulate Wall Street, came out in an op-ed a few months ago in *the New York Times*, favoring among other reforms, a financial transaction tax?

Erica Payne: Okay, good, good for Bobby Rubin. Okay? I work on the Hill with lawmakers every single day. Bob Rubin hadn't hired a single lobbyist. He hasn't hired a team of lobbyists. He hasn't hired researchers to go do studies on what should be done. He has done nothing except for put out a little pissant statement and ask for a bunch of public accolades for stating the unbelievably obvious idea that people in his class should put a little more into the public coffer. I know what he does. Does he want some praise from me after he wrecked the whole economy? The first project I worked on, before I started working on taxes, was Wall Street Reform. And we wouldn't have had to do Wall Street Reform if Bob Rubin and his little minions hadn't decided to pull the goalie.

Ralph Nader: Well, David?

David Feldman: Yeah, this is great. And thank you for doing this. Do you think all money is clean in terms of millionaires? Do you think. would you accept any millionaire, or do you question how they made their money, how they made their fortune?

Erica Payne: See, that's so interesting. I mean, I'll tell you this. We attract a particular kind of millionaire maybe in some way. I mean, I would say, by and large, most of our members really strike me as incredibly normal people who happen to have made a lot of money.

David Feldman: Is there such thing as dirty money?

Erica Payne: Of course there is such thing as dirty money. I just don't know that that many of our members have that much of it, you know? I mean, but it's one of the things that we put in the book, like don't trust a bunch of rich people. You know, they've always got an angle. There was a millionaire in California who was getting all these public accolades for standing next to the Governor Jerry Brown at the time and insisting that he wanted to pay higher taxes. Well, he was funneling a million dollars through a shell political operation in Arizona to fight the same thing he was trying to get the accolades for pushing, you know. So, I mean, I would say the members that I engage with regularly, our members seem incredibly sincere in their desire to address this injustice.

David Feldman: My last question, and this is just a cocktail party question. There's an old expression, “Behind every great fortune there is a crime.”

Erica Payne: Yeah.

David Feldman: You subscribe to that?

Erica Payne: Not really. I mean, I think some nice people have made some pretty decent money and that's okay. And it shouldn't be personal. I mean, this is, I take this stuff very personally, but our chairman really continues to urge me to not be, to not take it so personally. I mean, this is math, right? We've got a structure that is rigged in an economy that's creating a less equal society and it's destabilizing the entire exercise. It just has to be addressed. On some level, I've got to quit being so mad about it so I can be more effective.

Ralph Nader: It's not like some nefarious billionaires are knocking on your door to join your group. You have, out of all the millionaires in this country, thousands and thousands of them. How many do you have as members?

Erica Payne: Yeah, they're about—depending on who you count, it's about 500,000 people in the country who make more than \$1 million a year and we have 200 members. So we either have some recruiting to do or a huge percentage of millionaires in the country.

David Feldman: Something like, I was just reading, 8% of adults in America, are worth at least \$1 million dollars.

Erica Payne: Well, our definition, though, remember, is \$1 million dollars of income as opposed to being worth a million dollars. So when you look at the income, if you pull the IRS data, the number of people making \$1 million a year in income is about 500,000.

Ralph Nader: Well, we're out of time. We've been talking with Erica Payne, coauthor with Morris Pearl and the Patriotic Millionaires of this book. It's coming out in mid-April. *Tax the Rich: How Lies, Loopholes and Lobbyists Make the Rich Even Richer*. You can have a free copy sent to your two senators and representative by going to the website and convey a message and demand a response in writing to you from your two senators and representative. You can't do better than that in terms of audience reaction opportunity, listeners. So go for it and thank you very much, Erica, for your work. And I hope this book becomes a rolling bestseller, outselling anything Grover Norquist has printed (Erica laughs), who has gotten far more publicity for attacking any kind of taxation out of his group in Washington, although he favors a large military budget. Thank you very much, Erica.

Erica Payne: Thank you so much, Ralph. I appreciate it.

Steve Skrovan: We've been speaking with Erica Payne of Patriotic Millionaires. We will link to *Tax the Rich* at ralphnaderradiohour.com. Let's take a short break. Let's check in with our corporate crime reporter, Russell Mokhiber.

Russell Mokhiber: From the National Press Building in Washington DC, this is your *Corporate Crime Reporter*, “Morning Minute” for Friday, February 5, 2021. I'm Russell Mokhiber. In the past two years, Joe Biden's pick to be Treasury Secretary, Janet Yellen, has raked in more than \$7.2 million in speaking fees from Wall Street and large corporations including Citibank, Goldman Sachs [Group, Inc.], Google [LLC], City National Bank, UBS [Group AG], Citidel [LLC], Barclays [plc], Credit Suisse [Group AG], Salesforce and more. That's according to a report in Politico. Yellen, the former chair of the [US] Federal Reserve, brought in nearly \$1

million giving nine speeches to Citi alone. She earned more than \$800,000 speaking to Citadel, a hedge fund founded by the Republican megadonor Ken [Kenneth] Griffin. She also spoke to the law and lobbying firm Pillsbury Winthrop [Shaw Pittman]. For the *Corporate Crime Reporter*, I'm Russell Mokhiber.

Steve Skrovan: Thank you, Russell. Welcome back to the *Ralph Nader Radio Hour*. I'm Steve Skrovan along with David Feldman and Ralph. Let's do some listener questions. David?

David Feldman: This first one comes to us from Diane Birmingham. She writes, "Ralph, I tried to send that great letter on corporate crime to my Senator Michael Bennett, and it was so well-written, I submitted it. But I was 196 words over the size limit for sending letters to his website. This is really a great irony now, isn't it? The site is limiting our input."

Ralph Nader: They never stopped trying to close out the people, some of these senators and representatives. Send it by mail. Send it to him by mail, put personal on the envelope and register your objection by email telling him to open up the portal more so you can send the letter by email. So register your objection.

Steve Skrovan: Yeah. It's not like the letter was a copy of *War and Peace*. It was, you know, it's about a page. And you've always said, Ralph, that snail mail letters actually are more effective than email anyway.

Ralph Nader: Yes, because they're overwhelmed by email, they don't distinguish serious ones from non-serious ones, and they filter out. Letters are now rare. Print letters through the post office. So send it that way. You can also call the local office of the senator and ask for an explanation and a waiver, so they'll let your letter in with its full composition of words. It's only a one-page letter. But do object to this limit and ask them if they'll lift the limit for serious letters.

David Feldman: Lift the word ceiling. We have the debt ceiling lifted.

Steve Skrovan: Lift the word ceiling, yeah. Okay. This next couple of questions, Ralph, are in response to what in the podcast version was the Force the Vote question. It caused a bit of a stir in our comment section on the website, and I've copied two examples, and it might be worth a general discussion about when strategy and principle seem to clash. So I'll just kind of quickly go through a couple of these. This first one is from Mark Hughes. He says, "I was baffled as to how Force the Vote on Medicare for All would be a 'setback,' - which is how you termed it that it could have been a setback - he says, "While I had little hope it would actually be approved, had there been an actual vote it would have been incredibly useful to citizens, because it would have exposed every single representative as to which side they're on. That, to me, was what I was looking for. But alas, they didn't do it because they want to keep their real motives as veiled as possible. There was zero downside to Force the Vote tactically, strategically, or otherwise," according to Mark, "plus many progressive reps campaigned on challenging the status quo. AOC [Alexandria Ocasio Cortez] herself at one point said she "supported forcing votes." Now they've all proven they're sellouts, unless you look at their progressive sounding tweets. [It's] back to business as usual in Washington."

That was one. The next one is from a listener John Puma. And he says, “I couldn’t be more disappointed with Ralph’s response to the question on Force the Vote. Medical for All polls as high as 80% of the American public. To say a vote on it can’t be taped because Congress seems to be 80% against it, is hardly the attitude that got us passage of worker and union rights and civil rights legislation, for example. That those rights have been severely eroded is due in significant part to this self-defeating attitude of “We can’t propose to defend anything unless we’re absolutely sure the GOP, and even more reprehensible, corporate Dems agree with us.” So how would you respond to that?

Ralph Nader: Those are fair positions, but I already know who is against single-payer. It’s all the members of the Congress who don’t sign on to the single-payer legislation, such as the one that was put in as the gold standard by Congresswoman [Pramila] Jayapal. So, you know, why are you looking for something you already know? You assume if they don’t support single-payer by putting their signature on this legislation in the House and the Senate, they’re opposed to it. The point is that we need to have great hearings, public hearings, to rouse the public, so they pour in on members of Congress, and then you might want to have a vote. But why you vote when the mainstream media, the corporate media, is not discussing all the benefits and the life-saving and economic saving consequences of single-payer day after day? They’re talking about nibbling away at Obamacare or expanding a little bit here with Obamacare. Why would you want to have a vote in that vacuum when you can have a vote later? Besides, you already know who is against single-payer and who’s for single-payer.

Steve Skrovan: And I think this is mainly aimed at the Democrats, not—you know, the Republicans, of course, that I guess they’re assuming, but I guess they’re trying to call out the Democrats who were against it.

Ralph Nader: But you already know it. There are about 80-85 Democrats in the House who were against it. 130 or 135 signed on the dotted line publicly for everybody to know that they were for the Jayapal bill.

Steve Skrovan: All right. Well, there you go.

David Feldman: This next question comes to us from Don Harris. He’s the founder of One Demand. “How about a follow-up on the rapid testing episode from August 29th, 2020. If we’re going to find out that using the rapid testing could have worked in reducing the infections, and this would have led to less of a rush to get the vaccines into distribution so it wouldn’t require immunity for the companies making the vaccines, that is something we should know one way or the other, sooner rather than later. Could the rapid test still be used in correlation with the vaccines? I would rather have that addressed than updates on impeachment that we can get anywhere.”

Ralph Nader: Well, rapid testing is designed to find out who is infectious and who is testing for positive in terms of the linkage between people. I don’t think the vaccine manufacturer should get any immunity. They have some limited immunity from a law that Congress passed a number of years ago. But it’s one of the only things that tells these companies, you better be careful from your work in the lab all the way to your distribution. And what’s on the label is a fear of litigation, which they fear far more than members of Congress.

Steve Skrovan: All right. This next—listeners, actually, it's not a question, but I want to read it anyway. It's from Zack Davis says, “Hi, Mr. Nader. I hope this message finds you well. I'm a 26-year-old student from Oregon, hoping to teach history to high school students one day. I just wanted to reach out to you and remind you how much of an influence you have been on both my politics and advocacy growing up. I think the consumer protections as well as the environmental protections you've championed are direly needed and are very scarce currently. Thanks for what you continue to do. Loyal fan, Zack Davis.”

Ralph Nader: Well, thank you, Zack. I hope you can read this little paperback, *Breaking Through Power: It's Easier Than We Think*, that I wrote three, four years ago. People find that a tremendous motivator and it does reprint the summons to members of Congress to come back to town meetings, which I call closing the loop of democracy.

Steve Skrovan: Thank you all for your questions. I want to thank our guest again, Erica Payne. For those of you listening on the radio, that's our show. For you, podcasts listeners, stay tuned for some bonus material we call “The Wrap Up”. A transcript of this show will appear on the *Ralph Nader Rader Hour* website soon after the episode is posted.

David Feldman: Subscribe to us on our *Ralph Nader Rader Hour* YouTube channel. And for Ralph's weekly column, it's free, go to nader.org. For more from Russell Mokhiber, go to corporatecrimereporter.com.

Steve Skrovan: To support the The American Museum of Tort Law, check their online shop at store.tortmuseum.org. They have autographed books, “Flaming Pinto” coffee mugs, and other unique gifts for all you, lawyers, law, students, paralegals and tort fans out there.

David Feldman: The producers of the *Ralph Nader Rader Hour* are Jimmy Lee Wirt and Matthew Marran. Our executive producer is Alan Minsky.

Steve Skrovan: Our theme music “Stand Up, Rise Up” was written and performed by Kemp Harris. Our proofreader is Elisabeth Solomon. Our associate producer is Hannah Feldman.

David Feldman: Join us next week on the *Ralph Nader Rader Hour* when we're joined by progressive radio host, Thom Hartmann. Thank you, Ralph.

Ralph Nader: Thank you, everybody. Listeners, take advantage of those opportunities on this show. You'll have a real impact on Congress.

[57:52]

[Audio Ends]