

For additional information: Bill Winter, Director of Communications ♦ (202) 333-0008 Ext. 226

Got crash jitters? Relax — it wasn't as costly as government policies, note Libertarians

Inflation and capital gains taxes are worse than "Black Monday"

WASHINGTON, DC — Don't worry about the stock market plummeting 554 points — it's *nothing* compared to the damage that the government inflicts on your money on a regular basis, the Libertarian Party said today.

"A 7% drop in the Dow Jones industrial average is chump change compared to the destructive power of inflation and the capital gains tax," said Steve Dasbach, the party's national chairman.

"Why? Because inflation — even at today's low levels — costs you the equivalent of a major stock market crash every few years, and capital gains taxes are like *three* stock market crashes when you make a profit or finally cash in your portfolio," he said.

Dasbach's comments came 48 hours after this year's "Black Monday" — when the stock market plunged a heart-stopping 554 points. However, the devastation government wreaks on the value of your money through inflation and taxes is much *worse*, said Dasbach — even if it doesn't generate the same media coverage.

"According to the Bureau of Labor Statistics, the cumulative inflation rate from 1995 to the present day has been 7.6%," he said. "That means that over the past several years, your money lost *more* in value from inflation than it lost from the stock market's 7.2% drop this week. In other words, inflation is a slow, silent, relentless financial crash that nobody seems to notice."

Equally destructive, he said, are capital gains taxes, which kick in when you sell your stocks or mutual funds.

"If you're in a higher tax bracket, 20% of the value of your investment is wiped out immediately by the capital gains tax. That's a financial loss equivalent to *three stock market crashes* — except your money disappears into the pockets of politicians. When it comes to money, a bearish stock market is just a cub compared to the federal government," he said.

And despite the crash on Monday, the stock market has produced an average annual return of about 10% over the past 70 years, he noted.

"Yes, the free market has its risks — but in the long run, it continues to generate *gains*, while the government continues to generate *losses*," he said. "That's why, for investors, playing the stock market can be like playing roulette — but relying on the government to protect your money is like playing *Russian roulette*."

#