

Sandhills Libertarian Gazette

A NEWSLETTER FOR LIBERTARIANS IN THE SOUTH CAROLINA MIDLANDS

Legislative Update

CITY-COUNTY TAX BILL

Despite formidable support from the S.C. Municipal Association (led by Columbia Mayor T. Patton Adams), the S.C. Association of Counties, the Greater Columbia Chamber of Commerce, S.C.N.B. President Robert McCoy, THE STATE, and THE COLUMBIA RECORD, the House whittled down the Local Government Finance Act until only the local sales tax was left. The bill had originally included income taxes, occupation taxes, motor vehicle registration taxes, and other types of ridiculous taxes. The Ways and Means Committee had attached a provision for a mandatory referendum before a city or county could impose a sales tax, but this was changed to an advisory referendum, which is meaningless ("We're gonna tax you anyway, but first we'll ask you whether you like it or not").

There was almost no support for the bill among the citizens of South Carolina, and the Libertarian Party had little trouble finding over 3000 persons to sign a petition against the bill (other petitions floating around make it likely that almost 5000 persons actually signed the petition). These were shown at a news conference at the Blatt Building in Columbia on April 28 (see photo) and were then presented to Rep. Herbert Kirsch (R-York), who chaired the Ways and Means subcommittee on taxes. Kirsch was against the bill, but the House passed it 77-38. See page 4 for a tabulation of the vote.

The sales tax bill now goes to the Senate for consideration during the next session, and Libertarians will continue to fight it. Supporters of the bill claim that property taxes will be reduced in counties that impose a sales tax, but this is a myth and a lie. There is absolutely nothing to prevent counties from raising property taxes through the roof.

Please write to your state senator and tell him/her that you do not want higher taxes. Ask your senator to vote against the local sales tax bill.

GASOLINE TAX

The editor of this newsletter spoke against the gas tax at a legislative hearing on April 24, and he pointed out that roads could be financed, built, and maintained privately, thus saving millions of the taxpayers' dollars. However, this fell on deaf ears, and the House passed a 5 cent increase. As everyone knows, the Senate passed a 3 cent gas tax hike, which is just what Governor Campbell wanted.

MANDATORY SEAT BELT BILL

Libertarians have fought this for two years. Senator John Land (D-Clarendon) gave up his attempt to attach this to the bill raising the speed limit.



Bill Griffin (S.C.L.P. Vice-Chairman) displays the anti-tax petitions at the April 28 press conference in Columbia.

Attempts will probably be made to tack a seat belt requirement onto some other bill next year. Some legislators just don't seem able to let people use their own judgement in matters of personal safety.

CENSORSHIP

The legislature is determined to tell people what they can see or read and to outlaw unpopular lifestyles. Libertarians have given some behind-the-scenes support to others who are trying to defend our First Amendment rights - such as Bobbie Broome, the manager of Film Land Video in Myrtle Beach, who has challenged the state's obscenity law in court. There hasn't been any well-focused attack by Libertarians on this issue, since we have been tied up with other projects.

LATE NEWS FLASH

Russell Means, who is seeking the Libertarian Party nomination for President, will be in Columbia on Monday, July 6. He will appear on "Carolina Journal" on S.C.E.T.V. at 7:30 P.M. that evening. Following this, he will be at a reception at the Town House on Gervais Street. You are invited to watch Mr. Means on "Carolina Journal" and then come meet him in the Magnolia Room at the Town House at 8:15 P.M.

Social Security or lies?

by Walter Williams

Millions of Americans have looked into their pay envelopes to find a pamphlet, "Your 1987 Social Security Deduction," published by the Social Security Administration (SSA). If the Federal Trade Commission was doing its job, it would seek a court injunction against the SSA's use of this document.

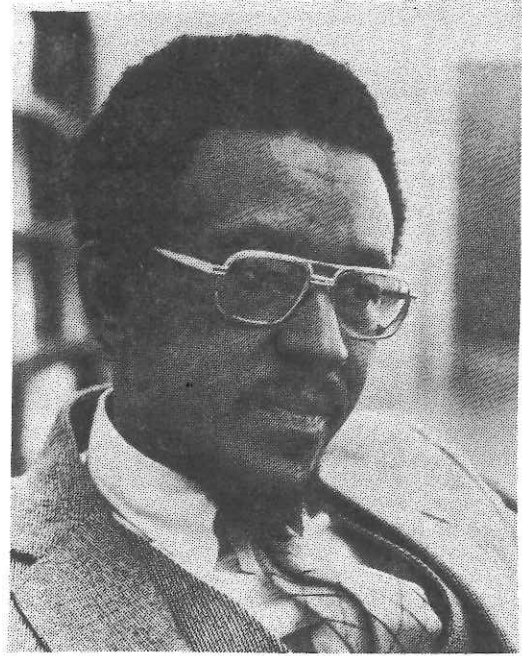
The pamphlet starts off by letting us know that the Social Security tax rate has not increased (it remains at 7.15 percent) but the wage base - the wages on which taxes are levied - has increased from \$42,000 in 1986 to \$43,800 in 1987. That announcement is supposed to soften us up for the lies that follow.

The first is: "Although workers in the higher income brackets pay more in Social Security taxes, they can count on higher benefits when they become eligible for Social Security." The inference is that the money you pay into Social Security is placed into some actuarially sound investment program where the total yield depends on the contribution. The fact is that liability is completely unfunded. Its ability to pay beneficiaries depends *solely* on the willingness of the current workforce to pay higher and higher taxes. In other words, your Social Security deduction does not go into a trust fund; it goes immediately to some retiree. So your higher benefits depend on future workers' willingness to allow themselves to be taxed at rates estimated to go as high as 25 to 30 percent by the year 2025. You can speculate on how palatable that will be to those future taxpayers.

The second lie is: "Employers also will pay more into Social Security in 1987 since they match, dollar for dollar, the Social Security taxes paid by employees." Let's assume your salary is \$100 a day. The employer is going to take \$7.15 out of your pay, add \$7.15 to it, and send the \$14.50 off to SSA. The employer's cost to hire you is \$100 plus \$7.15 (the so-called employer's contribution) which adds up to \$107.15. Now I ask: If you cost the employer \$107.15 a day, how much do you think he expects you to produce for him to hire you? You got it: at least \$107.15 worth of output each day.

The next question is: Who pays the Social Security tax? You do! The employer is merely a tax collector. The employer-pays-half lie is an act of political expediency to trick people into accepting the system.

Because of lies, tricks, and myths, Americans have little idea of the amount of taxes they actually pay. I have long argued that employers should pay workers all their earnings at window A, then let federal, state, and local revenue stand at another window to take it away. That way we would be fully aware of the full costs of government.



Dr. Walter Williams is the John M. Olin Distinguished Professor of Economics at George Mason University in Fairfax, VA.

Aside from lies, Social Security is a fraud. Ask your congressman, lawyer, or all those government agencies that are supposed to protect us, whether a private retirement program can operate on the same basis as Social Security. If they are honest, they will tell you that any director of a private agency which had the characteristics of Social Security would be put underneath the jail, if not shot.

Now the good news: The Social Security Administration used to call both the employee's and employer's payments *contributions*. In this publication they finally call it a *tax*. Evidently someone told them that the word *contribution* has something to do with the concept of *voluntary*.

On top of Social Security myths, lies, and fraud, the U.S. Supreme Court has ruled that Congress is under *NO* obligation to make payments; the court says there is no contract between you and government. How do you like them apples?

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PLEASE HELP US persuade *The State* and *The Columbia Record* to start carrying Walter Williams' columns, for this would bring a free-market libertarian perspective to thousands of readers. Just cut apart the enclosed post cards, sign them, put a 14 cent stamp on them, and drop them into the mail soon. If you need more cards, let us know. Thanks for your help!



RON PAUL ON JAPANESE "DUMPING"

Recent news about Japan's "dumping" of microchips on the U.S. market has more U.S. high-tech manufacturers arguing for protectionist legislation. But protectionism punishes the U.S. consumer with higher prices that only benefit inefficient but politically influential corporations. Why not prevent K-Mart from "dumping" sales items to lure customers into their stores? Doesn't that hurt Wal-Mart?

What is seldom mentioned as Japan's trump card is that American taxpayers are forced to foot the bill for Japan's defense. This tips that market in favor of the Japanese microchip manufacturers who never need to pay for their defense budget.

Already strapped with a national debt that threatens disaster for our economy, Americans cannot be expected to pay for the defense of Japan or any other country and compete effectively in the world market. Were Japanese competitors paying for their own defense, they would have no advantage over their American competitors.

Protective tariffs against Japan will not end Japan's trade advantage. An end to our give-away of \$40 billion a year to Japan would mean that they would have to compete without what is in effect an American subsidy of Japanese microchips, stereos, automobiles, and other goods. Americans would have that much more to spend while Japanese consumers would have that much less. Americans should argue for an immediate repeal of this giant subsidy, not for protectionist legislation.

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Former Congressman Dr. Ron Paul is a candidate for the Libertarian Party nomination for President at this coming September's national convention. Other candidates are American Indian activist Russell Means and Jim Burns.

Editor's note: Another example of U.S. taxpayers subsidizing other countries is the U.S. naval presence in the Persian Gulf, which protects oil headed for Japan and Europe. Why can't the United States let those countries pay their own way?

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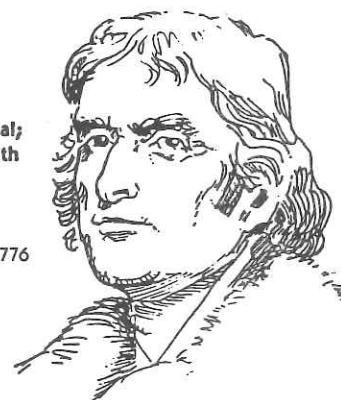
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"We hold these truths to be self-evident; that all men are created equal; that they are endowed by their creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness."

Declaration of Independence, 1776

Thomas Jefferson



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Roll call

The House this week approved and sent to the Senate a bill allowing cities and counties to impose a 1 percent or half-percent sales tax.

Voting for (77): M.O. Alexander, T.C. Alexander, Altman, Arthur, Aydlette, G. Bailey, K. Bailey, Bennett, Blanding, Boan, J. Bradley, H. Brown, R. Brown, J.H. Burriss, M.D. Burriss, T.M. Burriss, Cork, Corning, Dangerfield, Elliott, Edwards, Evatt, Faber, Ferguson, Foxworth, Gentry, Gilbert, Gregory, J. Harris, P. Harris, Harvin, Haskins, Hayes, Hearn, Helmly, Hendricks, Hodges, Holt, Huff, J.W. Johnson, Kay, Keyserling, Klapman, Lewis, Lockemy, Mappus, D. Martin, L. Martin, McBride, McCain, McEachin, McElveen, McGinnis, McLellan, J.W. McLeod, Nesbitt, Ogburn, Pearce, L. Phillips, Rhoad, J. Rogers, T. Rogers, Sheheen, Shelton, Short, Snow, Stoddard, Sturkie, Taylor, Toal, Washington, Whipper, White, Wilder, Wilkins, Williams and Winstead.

Voting against (38): Baker, Barfield, Baxley, Beasley, Blackwell, P. Bradley, G. Brown, Carnell, Chamblee, Clyborne, Cooper, Davenport, Derrick, Fair, Hawkins, J.C. Johnson, Jones, Kirsh, Koon, Mattos, McAbee, McKay, E.B. McLeod, McTeer, Moss, Neilson, Nettles, Pettigrew, Petty, O. Phillips, Rice, Rudnick, Sharpe, Thraikill, Townsend, Tucker, Waldrop and Wells.

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