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DOLLARS & SENSE

Subscriptions \$15. a year

A publication of the
National Taxpayers Union
325 Pennsylvania Ave., S.E.
Washington, D.C. 20003

Professor Holzer's newsletter, *The Section 7201 Report on Tax Evasion* is available at \$195 for 12 issues, P.O. Box 165, Mt. Kisco, NY 10549.

the Southern Libertarian Messenger

May, 1984

Rt. 10 Box 52A, Florence, S. C. 29501

Vol. XIII, No. 1



Expert Cautions Tax Evaders

Henry Mark Holzer is, according to renowned free market economist Henry Hazlitt, "One of our most acute and learned scholars. His exposure of the many infringements of our constitutional liberties deserves the closest study."

An untiring courtroom battler for constitutional rights, Holzer is Professor of law and associate dean at the Brooklyn University Law School. He is the author of three books, *The Gold Clause, Government's Money Monopoly* and *Sweet Land of Liberty? The Supreme Court and Individual Rights*.

It was in his capacity as editor of "The Section 7201 Report on Tax Evasion" that he answered our inquiries on whether there were any legitimate arguments for tax evasion through the courts. Although he opposes "every conceivable tax right across the board", Professor Holzer has words of warning for the would-be tax protester.

D&S: We've been getting lots of mail from people who think they can avoid paying taxes by various constitutional arguments. Is it possible?

Holzer: I know their arguments. Income tax is voluntary. The 16th Amendment was never approved by the states. If you file you're submitting to the system. Claim the 5th Amendment on the whole return. Wages and salary are not income. As you know, the federal courts and the Supreme Court have addressed every one of those and shot everyone of them down.

D&S: What specifically is wrong with the 16th Amendment? People say that the 16th Amendment was never passed and that, therefore, income taxes are unconstitutional.

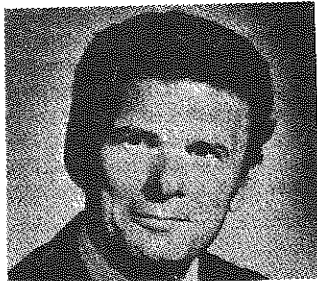
Holzer: The 16th amendment was ratified by the states because it was put to the legislatures and each of the states ratified it. Then the Secretary of State declared, as is his obligation under the law, that it indeed had been ratified. The actual amendment reads as follows:

"The Congress shall have power to lay and collect taxes on incomes from whatever source derived, without apportionment among the several States and without regard to any census or enumeration." It doesn't say anything about salaries or wages not being income. The courts and the cases have interpreted that to include virtually everything. Indeed, the Internal Revenue Code itself spec-

ifies quite clearly what is taxable and what is not taxable. Virtually everything is income with the exclusion of gifts, the Nobel Prize and things like that.

D&S: What about this argument from the 5th Amendment that withholding denies the taxpayers' right to not to bear witness against himself?

Holzer: In other words, the 5th Amendment does indeed protect one from self-incrimination. You know as well as I do that merely filing a return and indeed filling out 95% of the return could not possibly incriminate anybody. That's just what the Supreme Court said. They



then refined this principle in cases like *Garner v. United States*, 424 U.S. 648. To spell it out, you have to answer all of the questions except that question or questions which would specifically incriminate you. There are other cases which have refined that even further. For example, you have to report how much you made but you don't have to report where you got it.

I don't know what tax protesters are talking about when they say you don't have to file a tax return and that if you did, it would be incriminating. Your name doesn't incriminate you, your address, your dependents, where you work, how much money you gave to charity and on and on and on. They don't incriminate you. The court cases are universal on this point.

I'm no champion of the tax system. I oppose every conceivable tax across the board. The fact is that I don't confuse that with what's in the real world. I'm awfully upset that I'm unable to fly by flapping my arms, but no matter how much I might desire to do that, I'm not about to jump off the roof of a six story building and tell myself I can do it simply because I want to do it.

That's the psychology of some of these honest people who want to stop paying taxes so badly that they just throw out all

reason. I read the "advance sheets" which are the decisions in all the federal courts and district courts or circuit courts in three-quarters of the states. And these protestors go down one by one like ten pins. They're mostly people representing themselves and, as a result, they get con-

at it. They think that all they have to do is walk into court, say the magic words and that there will be revelation on the part of the court and that suddenly everything will be fine.

D&S: Wouldn't it undermine the rule of their law?

"What I object to is sacrificial lambs. I object to people being misled and conned."

victed because of the positions they take. As a matter of fact, it's gotten so bad that the courts don't even write opinions anymore. They just cite previous cases.

The arguments don't work. They say that self-incrimination protection under the Constitution allows them not to file, or if they file, not to answer and write zeros. They say that they're being selectively prosecuted. They're saying that the common law occupations are exempt from taxation. They say that protest returns can be filed to test the constitutionality of income tax laws. They say the federal reserve system and the notes are not constitutional and that federal reserve notes are not income. There is a certain group that is called war protestors and they won't pay to support war. Some say it's a direct tax, not a portion among the states. They say it violates the Privacy Act. They say federal courts don't have jurisdiction over tax crimes. It's just endless. Every one of them have been ruled against. What happens is that they wind up getting convicted.

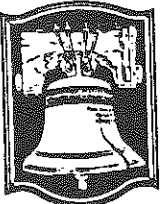
You have to understand my position on this. I am not prepared to say that somebody doesn't have the right to be a martyr. If somebody wants to martyr themselves that's fine. I'm not going to quarrel with that and under some circumstances it might even be heroic, depending on one's one values and the cause. What I object to is sacrificial lambs. I object to people being misled and conned and emotionalized into being martyrs without knowing it, thinking that they have a chance. Then they have a shot

Holzer: Well of course it would. Ask yourself how somebody can seemingly believe that this is going to happen. Until just recently we've been giving business reply envelopes with our newsletter which invited people, at my expense, to send in all sorts of protest literature. It's quite apparent to me that there's an awful lot of people out there that believe in tax evasion very deeply. Now ask yourself how can they do that? It's so contrary to the facts.

I'm going to address this subject very specifically. We've got to help these people because I've read these cases and the allegations they made. They're guilty and they're going to jail needlessly. By the time they wake up, not only are they going to jail, but they are going to pay lawyers. Plus, if they're not filing or paying, there are substantial civil tax liabilities. There's a 50% fraud penalty, there's interest, various underlying charges. These protesters can be wiped out. It's terribly pathetic. And some people are making a living from this. Making a living out of tax protest movement is like selling seats on the Titanic. It's appalling and yet there are people out there doing just that. It's true and I really feel strongly about it.

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ACCOUNTANTS AS CRIMINALS

by Robert Brakeman

All of America thinks of lawyers as criminals, and doctors too are usually thought to be heavily represented in the ought-to-be-in-Leavenworth category; while both groups are often thought to be composed of merry bands of thieves, doctors fare a little better in the public's estimation because even the super-cynics concede that most of them do something truly useful in return for their high fees -- and there's no such concession in the case of attorneys. Although it's powerfully tempting, there'll be no comment here on the accuracy of those perceptions (I've done that elsewhere); the subject here is another profession, one which doesn't have an atrocious reputation -- but which ought to, in at least one respect....

In modern America, by which I mean post-WW2 America, the country's accountants, virtually every one of them, whether CPA or plain-ol'-accountant, have spent every day of their lives committing fraud. I don't wish to be misunderstood; they haven't been making honest mistakes, saying things they thought to be true even though they were not -- they've been making dishonest mistakes, attesting to things they knew to be untrue, for personal financial gain. Fraud.

To understand just what they've been doing, it's necessary to understand inflation. If there's no room to comment here on the wonderfully interesting subject of the extent to which lawyers/doctors deserve their unsavory reputations -- a subject which could be handled fairly briefly -- there's obviously no room to outline in any detail the nature of the inflationary process -- a subject which is a book-length one, and a multi-volume book-length one at that; those readers interested in gloomy tours through inflation-land can find them in the elsewhere articles of the present author, in such introductory book-length treatments as Henry Hazlitt's What You Should Know About Inflation, and in such advanced work as Ludwig von Mises' The Theory of Money and Credit. In all of those writings, the "high points" (which is to say, the low points) of inflation's nature are these:

Inflation is a purposeful process, not an accidental one; those creating it are politicians -- not business leaders and not union leaders and not farmers and not middlemen -- for only they have the power to produce the creation of new paper money which constitutes the inflationary process; those people (pols) want the inflationary process to be created because it is a method of seizing resources from the public -- and one which is ever so much more pleasant than taxation, because it's so much less visible; the inflationary process robs everyone holding fixed-dollar assets in the economy (the primary ones being cash, demand deposit accounts, time deposit accounts, bonds of all kinds, pensions, annuities, and the cash value of life insurance policies -- anything payable in a certain number of paper dollars without reference to the purchasing power of those dollars) and distributes those stolen dollars to the beneficiaries of federal spending

the Southern Libertarian Messenger



Editor
Associate Editor

John T. Harllee
Robert Brakeman

A newspaper is not for just reporting the news as it is, but to make people mad enough to do something about it.
— Mark Twain

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that these so-called profits are purely illusory, that they don't exist, that they're the product of a book-keeping/inflationary illusion accountants decline to correct -- and that, of course, they shouldn't be taxed (even the Internal Revenue Code ought not to be irrational enough to tax that which doesn't exist....)

I know that every one of my readers is kind-and-gentle-spirited, so you of course are now saying that at least there's this much to be said on the side of accountants' truthfulness: Their attesting to lies on the profits-front at least is limited in its scope, because it doesn't apply in the cases of firms which have no inventories -- including those firms which produce services rather than goods, and which now dominate the American and other advanced economies. Do not leap to agree that you are thinking that -- for it's an inaccurate thing to think. The grossest lying of the profession occurs in connection with audits of firms having inventories of physical goods, but it also occurs in a slightly less virulent form in the auditing and certification of other firms as well. Here's how:

Let's leave the storm-door business, glamorous as it is, and enter the equally intriguing field of Maid service. If we have a company which is in the business of providing maids to private homeowners, its profits obviously aren't going to be overstated due to the accountants' swearing on a stack of whatever book they hold dear that illusory inventory profits really exist. But they'll be grossly overstated in another way -- again assuming inflationary times -- the kind of times experienced by every single country on every single continent in every single decade of the modern world. To gain perspective, think first of what happens in noninflationary eras -- of what did happen in, say, the America of 1903. If the maid service has an invested capital (a shareholders' equity) of \$100,000, and if profits for a given year are such that each shareholder earns 10% on his money -- well, he or she has earned 10% on that money; there is no "catch", no qualifying factor which destroys an illusion. The catch arrives only when inflation enters the picture. Let's assume 20% inflation per annum. Let us now also assume that Arthur Andersen or Coopers & Lybrand or Haskins & Sells or Ernst & Whinney or Seidman & Seidman or one of the other big firms certifies that our maid-service company earned 20% on equity that year (that is, 20% of the amount of capital invested in the business; that amount will almost always work out to a different percentage of sales, but let's keep this simple....) They are telling shareholders, in the annual report or whatever, that each of them has increased his investment by one-fifth -- and of course they are lying. With 20% in-

ACCOUNTANTS AS CRIMINALS, continued

flation per year their invested capital is losing one-fifth of its purchasing power every twelve months, and so all the 20% "profit" of the firm does is keep them even, keep them from losing any of their capital -- but they haven't made a dime, in terms of real dollars, as opposed to nominal ones. That real/nominal distinction of course is the key to this whole sad analysis, for America's accounting profession could cleanse itself of its various high felonies by the simple expedient of adopting real-dollar accounting -- by reporting everything that they report adjusted for inflation. As long as they continue not doing that, accountants are surely the leading misleaders of the American public (excepting politicians, of course): They tell shareholders in corporations that their officers are deducting enough in depreciation allowances to replace equipment when it wears out, when in fact it will be necessary to dip into capital to replace it; they create inventory profits which don't exist -- and create along with them the "opportunity" for the stockholders to pay taxes on them; and they violently overstate profits in all firms (even those without appreciable inventories) and (A) make investors think they're getting ahead when they're not, and (B) allow them to pay taxes on "profits" they're not really making. Intelligent economic decision-making, for individuals, for firms, and for the American economy as an aggregate, requires accurate knowledge of what's happening at any given moment; by violently distorting our vision of where we are at any point in time, the accounting profession causes investors to make malinvestments, causes them to invest unwisely, causes them to do things they wouldn't do if they understood the reality the accountants are hiding from them. Since malinvestments are corrected, sooner or later, by recessions/depressions (those phenomena are nothing but corrections of previous errors of judgment), it can readily be seen that, as things now stand, accountants are not our friends....

It remains only to be asked why they do what they do. A minor reason is surely incompetence. Accountants and economists are not the same people, and it is a rare CPA who's had any serious economic training -- and the ones who have had any have generally learned not economics, the body of knowledge which would allow them to understand the inflationary process, but rather the socialism-which-passes-for-economics in most universities. Still, at the policy-making levels of the big accounting firms, the highest levels, there is enough competence in general and economic competence in particular to assure us that -- these people know what they're doing, know that the financial documents which they certify as accurate are ridiculously misleading. Another minor reason is inertia. The current rules of the accounting profession, the rules promulgated by such bodies as the Financial Accounting Standards Board and the American Institute of Certified Public Accountants, largely date from the days when we had a stable economy, a non-inflationary economy. It is inevitable that those rules would hang on for a long time into the new (inflationary) era -- long after they've not only outlived their usefulness, but also become downright dangerous. But, the fact remains that those rules could be changed any time those controlling the profession wished to do so, and since at least the key (most intelligent) people in the business realize that they should have been, an explanation is still needed of why they haven't been.

The most likely candidate is this one: For the

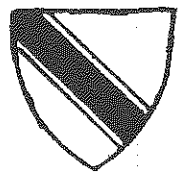
accountants to do what ought to be done would be to radically antagonize the government -- and the accounting profession is just as much government-controlled, through licensing, as the professions of law and medicine. The fact that one does not become a CPA unless approved by a government-approved licensing board is not disputable, so let's focus on the other point: Admitting that the accounting profession is no more likely to want to offend the government than the legal profession, why would sane inflation-accounting do that? For two reasons, the first a symbolic/intellectual/propaganda one, the second a very practical dollars-and-cents one: #1 Honest inflation-accounting would be the equivalent of the accountants placing a large red flag on every document saying, "This is what the government is doing to your money, and your savings, and your bonds, and your pension..." #2 Honest accounting would also make it clear that all kinds of "profits" thought to exist really don't -- and would create powerful pressures to end the taxation (which invariably means the voting blocs which keep the regime in power); that process, once begun, leads to massively distorting effects on the economy, effects which, on the one hand, grievously misdirect production, and, on the other, make economic calculation impossible, for both business decision-makers and consumers; and, once begun, the inflationary process can have only one of two possible results -- neither of them attractive: If the government backs off (that is, re-acquires some sanity and stops inflating the currency fairly early in the process), the economy will readjust, come back to an even keel, through a painful recession -- and if the hacks persist, and continue the inflation as a means of avoiding the inevitable correction (recession), hyperinflation, followed by the total destruction of the currency and then a massive correction (depression) will be the result.

Out of that gloomily accurate catalogue of horrors, we need only to extract one item for our purposes here: Inflation's effects on economic calculation and the direction of production -- for it is in those areas that accountants have made themselves parties to fraud with amazing regularity. Consider first:

Depreciation. When a corporation issues a quarterly or an annual report, or when it issues the mandatory SEC documents in connection with a new debt or equity (bond or stock) issue, a key line-item is depreciation. It is "key" because of the Internal Revenue Code. That collection of laws, insane in its general nature and in most of its specific provisions, does, accidentally, occasionally toss up a rational provision -- and the allowance for depreciation is one of them. That allowance simply takes cognizance, in the tax law, of two interrelated facts: First, equipment and buildings wear out; and second, the amount by which they wear out each year is just as much a cost of doing business that year as the amount paid in wages to employees. So, the tax code allows that amount to be deducted from gross profits before arriving at net profits -- the amount on which a tax is due.

Consider the case of a (small) corporation whose pre-depreciation profit is \$100,000, and whose only piece of depreciable property is a single lathe which when new cost \$50,000. If the estimated life of that particular lathe is 10 years (the government has strong opinions on the life of approximately everything, and will be happy to tell you what the life of your equipment is), the corporation will be allowed to assume that the depreciation in the lathe's value

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Libertarianism the answer

Editor: Once again *The Alligator* has joined the other starry-eyed liberals in calling for the banning of handguns. Once again I am forced to reply to one more solution that sounds awfully good, but turns out awfully bad.

No, it's not because I have a handgun collection to protect. I am a complete and utter pacifist, whose only recourse is to "squeal." I don't believe in any weapons, and that includes using my hand to break bricks.

It's because I believe that it is in our best interest for the criminal element to believe that there might, just might, be a gun with its name on it in the hands of its next potential victim. Never mind if there's no handgun within 500 miles of their next potential victim. Never mind if there are submachine guns in every other

house in Gainesville.

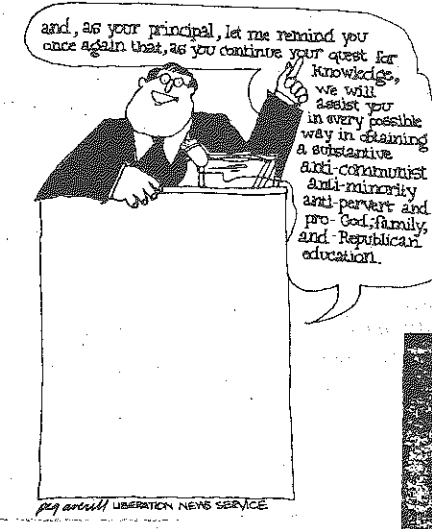
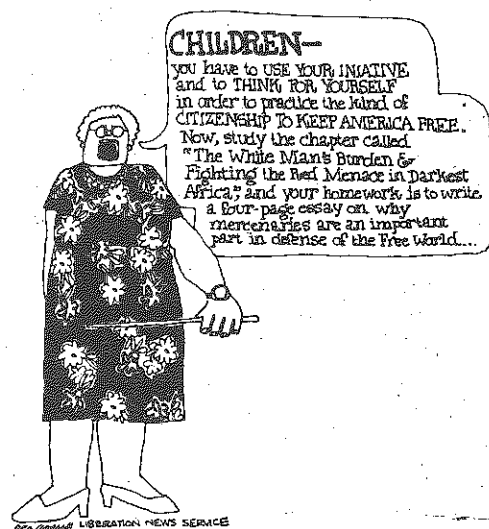
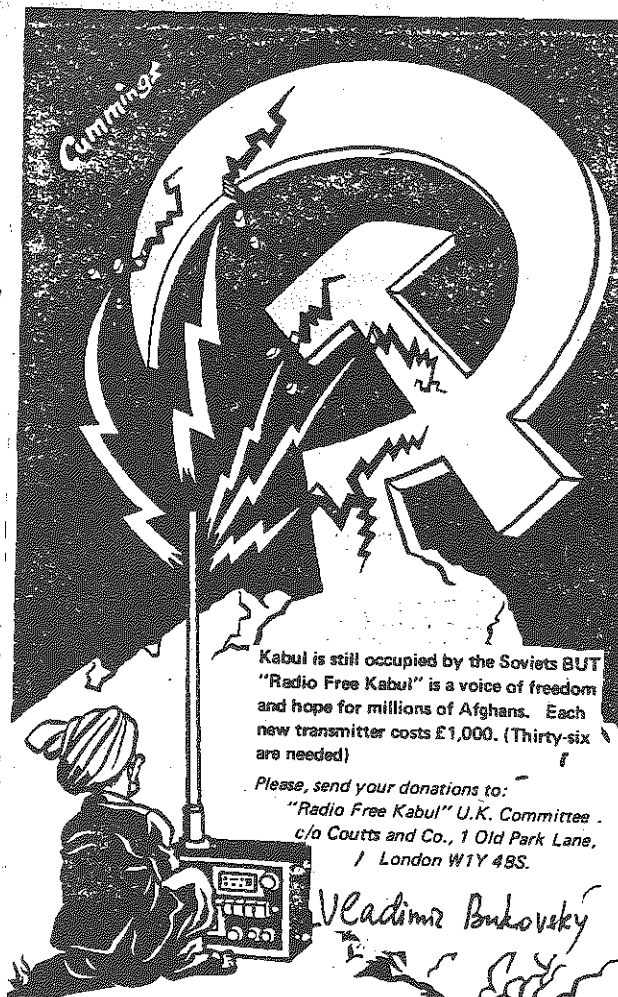
But that brings us to the clincher. I am telling you point-blank that every questionable activity legalized in a libertarian society would slowly dry up. Heroin addicts will overdose before they steal from us like they do now. Prostitution won't make enough to be worth it. Handgun owners will accidentally shoot themselves or their associates. You name it, it withers.

The venom that produces handguns is coming from somewhere, rest assured. Some of it came from that *Alligator* editorial. You may go where your Band-aids lead you, and I will continue to go to the initiation of force. Period.

Allen Sawyer
Gainesville



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WASHINGTON — A Pentagon study of long distance calls by the Defense Intelligence Agency shows the military's spies spent about \$25,000 a month in calls to a New York City "Dial-a-Porn" number, according to a UPI dispatch.

The Pentagon's inspector general estimated the "potential monetary impact" from the porn calls to be about \$300,000 a year. The fun's over, though, because the inspector general recommended that an electronic block be placed against the New York number and the Pentagon complied. But, get ready taxpayers and tax resisters, to keep the spyboys from getting off on our money costs the following: a \$150 installation fee plus a \$15 monthly charge.

Hammering Home a Point

ROCHESTER, N.Y. (AP) — A cabinetmaker thought he could put a dent in a \$2,400 tax bill by paying with six new carpenter's hammers, but Internal Revenue Service officials were quick to knock down that idea.

Robert Suarino of suburban Perinton said a few months ago he watched a television newscast describing how the Pentagon once paid \$400 for a hammer worth \$8.

"The government takes your hard-earned money and squanders it any way they want," Suarino said. "Well, if a hammer is worth \$400 to them, then I've got six here to pay my taxes."

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£3,000 windfall shock

By SUN REPORTER

DISABLED George Thompson's struggling business crashed after the taxman sent him a £3,000 refund . . . then snatched it back again.

George, who ran a small TV rental firm, queried the windfall because he already OWED the Inland Revenue £2,000.

But tax officials at Ashton-under-Lyne, Greater Manchester, told him: "We don't make mistakes."

And 51-year-old George used the cash to settle up with his former partner's family and pay off other outstanding commitments.

But, three months later, tax chiefs told him they wanted the money back.

They said George owed them £5,000 PLUS interest on the £3,000 pay-out.

George offered to pay £110 a week—but was turned down.

Bailiffs called on 500 of his customers' homes to reclaim TV sets.

Homes

George said at his home in Audenshaw last night: "I knew they were wrong but they just would not admit it."

"I needed to settle the financial arrangements with my partner's family and I got to thinking that this payment was a refund caused by the business going in my name only."

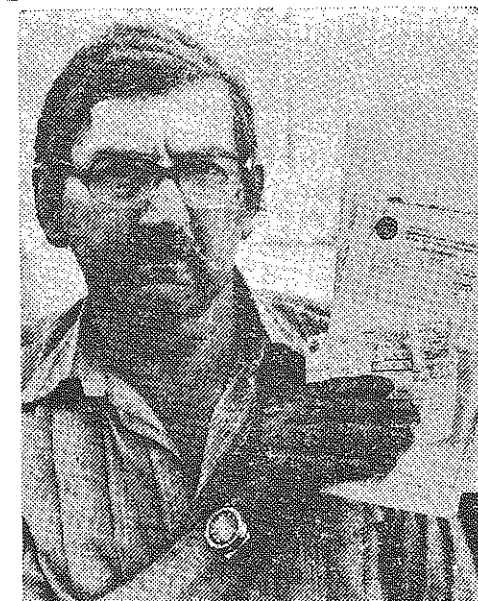
He added: "It's the taxman's mistake that has forced me out of business for so small an amount."

And his wife Emma said: "They've finished his livelihood by raising his hopes — then stripping us of everything."

Event

Former business rival David Dean added: "George brought a homely touch to the job — even going out at midnight to get a telly fixed."

"The customers thought the world of him and we are all upset how he's been treated."



In the red . . . George with tax demands

All out

Day-care centers have been traced as the source of disease outbreaks in many communities, "reminiscent of the pre-sanitation days of the 17th century," says Dr. Stanley H. Schuman of the Medical University of South Carolina. The diseases include epidemic jaundice from hepatitis A, dysentery, and others spread by organisms that thrive in the intestines.

Statistics show that about 11.4 million youngsters nationwide are in day-care — 5.1 million in private homes with a non-relative, four million at home with a relative or non-relative and 1.9 million at organized centers.

"During the first five weeks of enrollment in a day-care center, a child experiences an average diarrheal attack rate of 25 percent," Schuman says. The day-care setting is conducive to transmission of disease because day-care proprietors have little training for food handling, yet "they serve more meals and snacks than many restaurants in town," he says.

A tax accountant is a person who solves a problem you didn't know you had in a way you don't understand.

Anti-pleasure

Our organization, Puritans Against Pleasure (PAP), applauds the efforts being made to stop drug smuggling at Greater Pittsburgh International Airport.

Of course, we realize that this will require additional expense to taxpayers for more inspectors, as well as a loss of personal liberty. Also, there are likely to be more robberies and muggings as the reduced drug supply drives up drug prices and pot-heads must resort to theft to get the money. But this is a small price to pay to stamp out the pleasure they enjoy in getting high. Our motto, as you may know, is "Pleasure is sin; pain is virtue."

PAP is trying to deprive people of other pleasures as well. We hope to shut down Liberty Avenue soon. Then we will move on to legal pleasures such as the Pennsylvania Lottery, liquor, tobacco, coffee, tea and football.

The only pleasure we favor is the pleasure of depriving others of pleasure.

RICHARD D. FUERLE

NWFNB

NORTHWEST FREEDOM NOTEBOOK

"an independent newsletter serving freedom-minded individuals in the Pacific Northwest"

Della Scott, editor

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quote of the week

"Now that 'public policy' forces schools to hire gay teachers, will homosexuals also be forced on our churches? And what's to keep government from padlocking your church and jailing your pastor if they don't preach 'public policy.'"

"Don't let the government fool you that it's only going after phony religions which cheat the government and break laws. Using that reasoning, a church claiming its leader was a carpenter who rose from the dead might have been rejected as phony, too."

"If we let the government assault on religion continue unchecked, you and I will soon see the day when the only churches left will be those which toe the government line on how to use Jewish and Catholic relief funds, racial and sexual quotas, homosexual rights, abortion, missile deployment and nuclear freeze."

— Rep. George Hansen, in a fundraising letter for the Coalition for Religious Freedom. Hansen and the Coalition perceive the recent removal of the tax exempt status of Bob Jones University as a sign of "powerful government forces . . . moving quickly to smash the constitutional guarantees" of religious freedom. Bob Jones University, a private fundamentalist Christian school, lost its tax exempt status on account of racially discriminatory admissions policies.

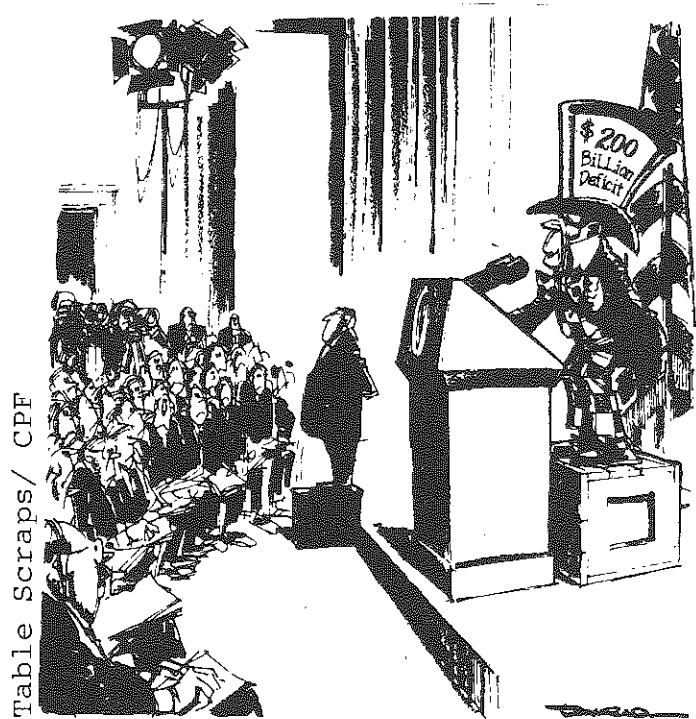


Table Scraps/ CPE

"Twinkle, twinkle, little budget!" "How I wonder how we'll fudge it!"

POLL TIPS

BOSTON — The Rev. Jesse Jackson and Senator Alan Cranston (D-Calif.), candidates for the Democratic presidential nomination, appeared on January 30 at a candidates' forum jointly sponsored by the Boston Lesbian and Gay Political Alliance and the Cambridge Lesbian and Gay Alliance. Representatives for four other Democratic candidates — George McGovern, Walter Mondale, Gary Hart and Ernest Hollings — also participated in the forum, which included speeches and questions from the audience. And although only Democratic and Republican candidates had been invited, representatives for the New Alliance Party's Dennis Serret and the Libertarian Party's Robert Bergland came to speak too.

Robert?

Officials Deny Truth About School Violence

I read with interest the comments of Principal Young and board member Mizell concerning President Reagan's radio address on violence in our schools.

Two years ago a friend's daughter, majoring in education, observed classes at C.A. Johnson High School. Officials at C.A. Johnson advised her to wear no makeup and very plain, loose-fitting clothes. At no time was she to be alone in the halls with the students; she was advised to pass through them only when classes were in session.

It is people like Mr. Young and Mr. Mizell who are responsible for the deterioration of education in our schools. Are they afraid to speak the truth for political reasons or just plain ignorant of their surroundings?

JIM HALL



"Just here we are planning the biggest traffic jam in the country."

Looking Ahead



by
Dr. George S. Benson
President

NATIONAL EDUCATION PROGRAM
Oklahoma City, Oklahoma

WHAT WENT WRONG

In the current dialogue over the sad state of government education, the general recommendation is to spend more money to correct the situation. The evidence indicates exactly the opposite — liberal spending has helped create the problem. Over the last thirty years we have spent more money on education than has the rest of the world combined.

Before the federal government started "throwing" money at the school systems of the nation, there were rising levels of academic achievement among high school seniors.

Just as soon as federal aid to education began in a big way in 1965, academic achievement began to suffer. Said Congressman Lawrence McDonald of Georgia: "The correlation between federal involvement and academic deterioration is almost perfect." In other words, the more federal involvement, the worse are the academic results.

Fortune magazine for March 12, 1979, came to the same conclusion: The more federal aid, the worse the results.

The April 20, 1981 issue of U.S. News & World Report highlights more evidence that money is not the answer. That proof is embodied in the fact that private schools are outperforming government schools by far. Private schools have very little money; many have absolutely no federal or state aid.

A 58,000 student study conducted by University of Chicago sociologist, James S. Coleman,

found "that students of private and parochial high schools — 10 percent of the nation's total — learn more and behave better than their counterparts in public classrooms."

The study found the reasons for higher achievement in non-government schools to be:

"Fewer disciplinary problems, tougher courses, lots of homework..." So much for the need for more money to upgrade government schools.

One of the main reasons private schools are doing so well in educating youngsters is, they stay away from government as much as possible. Performance is designed to respond to parents' requirements, not those of professional educators.

Deterioration of government schools is the result of: reduced academic standards; escalating costs, largely caused by teacher unionism; incompetence of many teachers; an almost total lack of discipline, resulting in truancy, vandalism, unkempt appearance, and widespread immorality, ranging from sexual misconduct to drug abuse.

Now what has been the root cause of all these sub-problems? Too much government interference; cafeteria style selection of subjects for graduation; too little emphasis on the fundamentals such as English, science and math; too little homework; too many easy electives counted toward graduation.

In catering to minorities and other special interests we have diluted curriculums and lowered academic standards. Minorities contribute disproportionately to disciplinary problems. Administrators are intimidated by fear of being labeled "racist" or prejudiced.

The solution: Get the federal government out of the education business! Education is a state and local matter. The alternative is continued deterioration and more private schools.

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May, 1984

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"Totally Useless"

"I do not believe we can avoid serious and unacceptable risk of nuclear war until we recognize — and until we base all our military plans, defense budgets, weapon deployments, and arms negotiations on the recognition — that *nuclear weapons serve no military purpose whatsoever. They are totally useless — except only to deter one's opponent from using them.*"

Robert S. MacNamara
Secretary of Defense
September 1983

-Defense Monitor



May, 1984

The SOUTHERN LIBERTARIAN MESSENGER

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Taxpayers' Bloc Gets Ignored

By JOAN BECK
The Chicago Tribune

Presidential candidates trying to staple together enough constituencies to win a nomination and an election may be missing the biggest group of all: the 144 million people who will have filed income tax forms by April 16 and the several million more who have yet to file.

Those who have just taken the annual Form 1040 beating in mind and wallet are sorely in need of some campaign liniment that could go like this:

"Fellow Taxpayers: You, who are the primary support of the federal government and the major source of all its public-spirited largess, deserve better of your country than you are getting. You are the victims of a 5,105-page Tax Code complicated beyond human comprehension and tax forms that can stump CPAs. Taxes take from you more of the fruits of your labor than landlords historically ex-

tracted from serfs. You must even pay taxes on your Social Security taxes — money you may not receive for decades.

"You, who earn the billions so liberally dispensed from Washington for tens of thousands of worthy, unworthy and foolish causes, surely deserve as much attention from politicians as your beneficiaries. It's time your rights were recognized and your needs considered as well as those of the millions who ultimately are given the dollars for which you worked so hard.

"Many of you are rightfully angry and distressed about your annual struggle to fill out your tax forms. Something is urgently wrong with a tax system that you have to tell the federal government how much you gave to your individuals, along with 37 explanatory booklets, most of them incomprehensible even to the college-educated. Millions of Americans must not only pay taxes but hire accountants to figure them-

It's easy to resent the time taxes take almost as much as the money.

"You have a right to be angry about a tax system so complicated, oppressive and unfair that it drives an increasing amount of free enterprise underground and off the books. An estimated \$100 billion a year in taxes now goes uncollected — enough to cut the largest budget deficit in history down to manageable size. And, increasingly, investment decisions are being made more for tax shelter reasons than because of their inherent value.

"Of course you resent the invasion of privacy that now goes vasion with tax collection. Why should you have to tell the federal government how much you gave to your church or paid your doctor? IRS Commissioner Roscoe L. Egger Jr. says he's counting on new computer technology to improve tax compliance and catch tax evaders, something to send shudders down

the spine of anyone who cherishes personal privacy.

"If you itemize your tax deductions, you probably got a jolt when you totaled up all of the taxes you pay besides the income tax. *Industry Week* recently estimated that government takes 59 percent of all wages and salaries in various taxes; 39 percent of all earnings went to the federal government in 1982 and 20 percent to state and local taxing bodies. Taxes, the magazine said, cost the American people more than food, clothing and housing combined.

"Most of you aren't the 'rich' who can afford to be soaked. You need those dollars that are so skillfully extracted from your paychecks to meet the mortgage payments or repair your roof or fix your old car or send a child to college. Most of you are working as hard as you can just to keep up. And the harder you work — even if you take a second job or add another wage-earner to the family — the more you are penalized by higher taxes.

"It's easy to understand why so many of you support the bills that have been passed by a majority of state legislatures calling for a constitutional amendment requiring a balanced federal budget. You know that without some such redress in the balance of power, taxpayers will usually lose out to the special interest groups always besieging Congress for more of your tax dollars. That you feel it necessary to try such a risky and unprecedented move shows how helpless you feel to make yourselves heard.

"It's time politicians and lawmakers give taxpayers as much attention and help as they do every other special interest group. They've earned it."

the County Courier

American Party

The State

The American Party of South Carolina has elected a Rock Hill man as its new chairman and a Columbia resident as vice-chairman.

Charlie Alexander was chosen the party's chairman during the party's state convention in Columbia April 7. Anthony Aremia of Columbia was elected vice-chairman, and Dixon D. Winchester of Rock Hill was nominated by the party as a candidate for the 5th Congressional District seat held by Rep. John Spratt.

Positions adopted by the party for the 1984 race include:

- Government should not "meddle" in free enterprise.
- The United States should break off relations with China because it is allegedly the major source of hard drugs.
- Schools should be under local control.
- Ownership of guns not be legally restricted.
- Abortion be allowed only to save the mother's life.

Libertarians Plan 6th District Race

By DAVID SHELLEY
Staff Writer

Democrats and Republicans will not be the only candidates for Congress in the sixth district this year. For the first time, the Libertarian Party will be fielding a candidate.

Hugh Thompson of Darlington was nominated Saturday at the South Carolina Libertarian Party Convention in Columbia.

Thompson, a physician at McLeod Regional Medical Center in Florence, said he will stress the party's principles in his campaign.

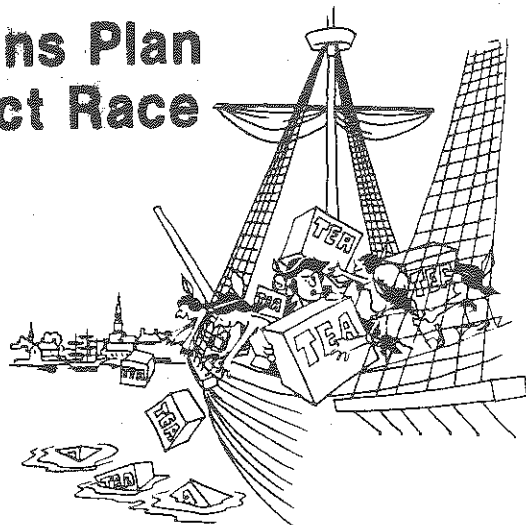
"I am dedicating my campaign to promoting freedom," he said. To a varying degree, Libertarians are opposed to government and its restrictions on individuals and business.

Sixth District Party Chairman John Harilee said the district delegation voiced its support for Thompson before he was nominated by acclamation.

"Active campaigning will begin shortly and will continue until the election in November," Harilee said.

Also nominated was Steven Davis of Gramling, who will seek a seat held by U.S. Sen. Strom Thurmond, R-S.C. Robert Madden of Greenwood and Ray Pike of Pauline were nominated Libertarian candidates in the third and four congressional districts, respectively.

Thompson became the sixth announced candidate for Congress in the sixth district.



"Just between you and me, I'm not too crazy about taxation with representation either!"

Libertarian candidate discusses what he would do as president

By Tom Breen
WASHINGTON TIMES STAFF

Pretend it is Jan. 20, 1985, and that someone named David Bergland has been elected president of the United States.

In this scenario, Mr. Bergland has defeated Republicans and Democrats to become the nation's first Libertarian Party president.

He faces a Congress controlled by Democrats and Republicans, so what does he do?

"Well, there are a number of things a president can do without Congress' approval," Mr. Bergland said in a recent interview.

"I'd terminate draft registration, pull the troops out of Lebanon, put out notice that we would begin to reduce our military presence around the world, release people in prisons who are there for victimless crimes such as tax evasion and drug use, and then I'd have lunch."

And after lunch, Mr. Bergland?

"I'd start developing a no-first-strike nuclear policy and begin telling everyone in most federal agencies to start looking for work, because I'd shut down most of those agencies."

But, Mr. Bergland, how would these bureaucrats survive?

"If they had any skills, they'd get jobs in the private sector," he said.

Libertarian: Demos, GOP Steal

Presidential candidate David Bergland says Republicans and Democrats are stealing money from the American public to fund their presidential campaigns.

Bergland, the Libertarian Party's nominee, said at a news conference that his party pays for its own campaign.

"We will have a campaign budget of \$1.5 million to \$3 million," he said. "That's far less than the Republicans or Democrats, but we do not take stolen property."

"The Republicans and Democrats will take about \$100 million from the American taxpayers this year for their campaigns through government matching funds and other programs. We Libertarians say taxation is theft, and this is why we take no matching funds."

Bergland, in Columbia to attend the state Libertarian convention today, was his party's vice-presidential nominee in 1976.

"I want to live in a free society," Mr. Bergland said during a brief campaign stop in Washington. "That means that what government does and has been doing for a long time should be stopped. The Libertarian Party is the only organized political movement in the country that is working for everyone's liberties."

One of the things government does, Mr. Bergland said, is to take "40 percent of everyone's earnings" for taxes.

Mr. Bergland's anti-government views represent the essence of Libertarian philosophy: that government prevents people from living freely and becoming masters of their own destinies.

CONSERVE ENERGY

Libertarian Con

Libertarians at the grassroots level, numbering about 300 in South Carolina, can be effective team members by enlightening people on the Libertarian philosophy, Bergland said.

A survey taken in California, he said, showed that 61 percent of those polled had heard of the party. Only 3 percent had an understanding of the Libertarian philosophy, he said.

"They mistake people like Ronald Reagan for Libertarian," he said, eliciting loud laughs from the group. "You Libertarians are going to take votes away from good, conservative Republicans," they say."

But, he said, "There's no place on the traditional spectrum that is one hundred percent committed to the belief that people have the right to control their own lives, their own property."

Bergland said Libertarians are not personally restrictive, like Republicans.

Neither are they economically restrictive, like Democrats.

They stand apart, he said, believing in total freedom, both economically and personally.

Libertarians call for neutrality, peace and free trade between the United States and foreign countries, he said. They are against military aid in foreign countries and oppose any increase in taxes, including Gov. Dick Riley's proposal to raise the state's sales tax by 1 cent on the dollar to fund education improvements.

They believe that the federal income tax should be abolished.

On the issue of education, the party believes anyone who pays for the education of any student should be given a \$1,500 tax credit, until the federal income tax is repealed.

In the 1980 presidential election, candidate Ed Clark took 1 percent of the vote.



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BURN A BUREAUCRAT