

Santa Clara Libertarian

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Campaign For Liberty, 1982

Propositions November 1982 Election

by Saul Rackauskas

PROPOSITION 1 NO

School Construction Bonds

This proposal would provide for the issuance of \$500 million in general-obligation bonds for the repairs and construction of public schools.

Beyond the extraordinary cost to taxpayers (estimated at \$1.3 billion when interest is included), the cost of schools should be borne at the local level preferably by the user of the service.

PROPOSITION 2 NO

Jail Construction Bonds

This proposal would provide for the issuance of \$280 million in bonds for the construction of county jail facilities.

Total cost to taxpayers when interest is included is estimated to be \$800 million. The overcrowding in jails could be ended simply by eliminating so-called victimless crimes involving drug use, voluntary sexual activities and gambling. (The ballot argument against this proposition was written by the Libertarian Party.)

PROPOSITION 3 NO

Cal-Vet Bonds

This proposal would provide for the issuance of \$450 million in bonds for the state's farm-and-home program for veterans.

The state government should not be in the loan business. It would take money out of the market that would find other free market alternatives.

PROPOSITION 4 NO

Tahoe Land Acquisition

This proposal would provide for the issuance of \$85 million in bonds for the acquisition of land in the Lake Tahoe area.

Let the preservers and environmentalists purchase the land with their own money.

PROPOSITION 5 NO

First-Time Home Buyers' Bonds

This proposal would provide for the issuance of \$200 million in bonds for reduced-interest mortgages.

Vote Yes on 7 and 12

An easy way to remember the recommendations of the California Libertarian Council on the 15 statewide propositions on the November ballot is to simply remember the positive recommendations: Vote for **Proposition 7, Fire-Safety Tax Exemption**, and for **Proposition 12, Bilateral Nuclear Weapons Freeze**. Following is an analysis of all 15 propositions prepared by Saul Rackauskas for the *Channel Counties Libertarian*, P.O. Box 323, Camarillo, CA 93011.

Apply Now for Absentee Ballot

If you intend to vote this November by absentee ballot, your written application, including signatures of all registered voters requesting ballots, must be received by the Registrar of Voters no later than October 26, 1982. If you received a sample ballot in the mail, it included a form for application for absentee ballot; but any written request signed by a registered voter will suffice. Mail your request to **Registrar of Voters, P.O. Box 1147, San Jose, CA 95108**. For further information call the Registrar's office at 408/298-7400.

The state government should not be in the mortgage business. Will also remove money from the market.

PROPOSITION 6 NO POSITION

Retirement Fund Investments

This proposed constitutional amendment would allow greater flexibility in the investment of government employee-pension funds.

PROPOSITION 7 YES

Fire-Safety Tax Exemption

This proposal would provide an exemption for fire-safety systems from property-tax reassessment.

Any proposal that prevents the increase in taxes should be supported.

PROPOSITION 8 NO

Local-Government Fund Transfers

This proposal would allow city and county treasurers to increase the amount of fund transfers between government agencies.

This would encourage deficit spending by government entities by allowing them to spend funds that are only anticipated and not guaranteed.

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The Flat Rate Trap

The evident disaster of Reaganomics—the grinding economic depression, the persistently high interest rates, and the enormous deficits—has led the Reagan administration to a series of gimmicks to divert everyone's attention from its grievous economic failures. Around November, there was the trial balloon of a phony gold standard, designed to cloak Reaganomics with the popular prestige of gold. That was replaced in the January State of the Union Message by the highly touted "New Federalism," now virtually forgotten. Then, for a few weeks, there was the phony Balanced Budget Amendment before Congress, so emasculated as to be a flimsy cover for unprecedentedly large deficits. And now, in the last few weeks, it's all flat rate. Across the political spectrum, from Ralph Nader and the Democratic Party conference to Milton Friedman to Ron Paul to Craniac Jule ("the Tool") Herbert, everyone has jumped on the flat tax bandwagon.

Taxation should be a uniquely libertarian issue, and it is a scandal and a betrayal of our principles if we fall behind any other organized group in our opposition to taxation. And yet, following their continuing descent into the morass of opportunism, the Crane Machine is intensifying its sell-out on the tax question. Leslie Kay, the Madame Defarge of the movement, has attacked Dave Nolan's Project Liberty for calling for the repeal of the income tax, and Jule Herbert, head of the National Taxpayers Legal Fund, has now come out for the latest statist attempt to forestall actual tax cuts, the flat rate proposal.

At first, flat tax sounds attractive to many free market advocates as a "perfectly fair" tax (in the words of Ron Paul) and even to libertarians as an alleged "transitional" step toward the abolition of the income tax for all income groups, and so opponents of the morality as well as of the economic disincentives of the progressive tax on higher income groups are understandably tempted to opt for the flat rate.

First, let us examine what we might call the "pure" flat rate model in which everyone without exception pays the same proportion of income in his or her tax. The attractions of flat rate are (a) that it is fair," since everyone pays the same proportion of tax and the rich are no longer soaked; (b) that the savings and energy of the upper income groups would no longer be penalized; and (c) that tax forms would be simple, resources no longer being wastefully siphoned off to "parasitic" tax lawyers and accountants.

In the rush to embrace flat rate, however, a large number of grave flaws are being overlooked. In the first place, none of the flat-raters are talking about an overall tax *cut*. Any tax reform proposals that do not involve an overall tax cut should automatically be suspect. A flat rate tax of, say, one-half percent across the board, we might all be happy to live with for a few years of transition, but that is not what current flat rate agitation is all about. The idea, *at the very least*, is to keep total federal revenue the same as it is now. But if the rich are to enjoy a big tax cut, and if total revenues are to remain the same, *some* group will have to be socked more highly. In the pure flat rate, it is, unsurprisingly, the poor and the middle class.

Thus, Joseph Minarik, tax analyst for the respected Congressional Budget Office, estimates that, to substitute for the current progressive tax ranging from eleven to fifty percent, a flat rate would have to be 11.8 percent across the board. This would mean that everyone making under \$30,000 a year would be paying a higher tax, *especially* the poor and lower middle class \$5,000-\$20,000 bracket, while everyone earning over \$30,000 would benefit, especially the very rich making over \$100,000. But how could most of the public lose if the rates imposed on the broad masses are seemingly going down, with the flat rate of 11.8 percent only slightly higher than the current lowest rate of eleven percent?

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Propositions *continued*

PROPOSITION 9

NO

Private School Textbooks

This proposal would reestablish a state textbook-loan program for private schools.

This is a move in the wrong direction. It increases the level of government involvement in education.

PROPOSITION 10

NO POSITION

Trial Court Consolidation

This proposal would allow counties to merge their superior, municipal and justice courts.

PROPOSITION 11

NO

Beer and Soda-Pop Containers

This initiative would require that each empty beer and soft-drink container have a refund value of at least five cents.

Experience in other states having similar legislation indicates that this proposal will increase prices, destroy voluntary recycling programs, increase the use of fuel and water, eliminate jobs in manufacturing plants and create sanitation problems in food stores. This initiative will impose cost on all Californians due to the thoughtlessness of a minority of the people who are litter bugs.

PROPOSITION 12

YES

Bilateral Nuclear Weapons Freeze

This initiative statute requires the governor to write a letter urging the United States and the Soviet Union to halt the nuclear arms race.

The approval of this initiative would indicate that people are opposed to the ever increasing expenditures on nuclear weapons and that they are concerned about the possibility of a nuclear holocaust.

PROPOSITION 13

NO

Water Conservation

This initiative would establish new conservation standards for the state's water supply.

This is a complex proposal that attempts to establish among other things the conservation of water and to determine the final use of water. The use and conservation of water should be left to the free market.

PROPOSITION 14

NO

Reapportionment Commission

This initiative would create a commission to establish congressional and legislative districts.

Though an improvement on the present system, this initiative will help lock in the present major parties. With no representation of the minor parties on the commission, the major parties will be able to prevent the future election of minor party candidates.

PROPOSITION 15

NO

Handgun Registration and Control

This initiative requires that all handguns be registered and restricts the importation of handguns into California.

This initiative will deprive citizens of their most basic right—self protection.

The above recommendations for the upcoming election were prepared by Saul Rackauskas. These recommendations were also approved by the California Libertarian Council.

Dougherty on Campus

by Dante DeAmicis

San Jose State was one of Dan Dougherty's last stops on his swing through San Jose on Monday, September 13. After his meeting with Mercury News political editor Dale Lane Dan went to a noon rally outside the student union.

The event was fairly well attended, considering what an apathetic rah rah school SJSU is. After an introductory speech on his campaign Dan answered questions for over an hour before we finally broke it off. The education position received the largest number of critical questions from the disinterested student interest group. The next most popular area for questions was why we want to deregulate business so they can ravage society.

After the talk I announced that anyone who did not like what Dan Dougherty had to say would surely not like to hear what Joe Fuhrig, our U.S. Senate candidate has to say when the Students for a Libertarian Society bring him to campus.

The coverage after the event was fairly extensive and objective from the school newspaper but I'm sure this was merely an oversight that won't happen in the future.

THANKS

The staff of the SANTA CLARA LIBERTARIAN would like to thank the following persons who helped with writing, folding, stuffing, sorting, stamping, mailing, etc., during August and September: Alice Agogino, Steve Alexander, David Bagby, Corky Carr, John Fletcher, Jan Hamilton, Cary Kunz, Kim Roberts, Linda Torno, John Webster, and Bill White.

The staff of our booth at the De Anza Flea Market would like to thank the following persons who helped make the booth successful in June, July, August, and September by donating their time and effort, and/or their used books or other goods: Steve Alexander, June Genis, Helen Hinkle, Mark Hinkle, Ross Parlette, Nancy Penny, Wes Pinchot, Kim Roberts, Charlie Ryan, Jeff Smith, Conrad Schneider, Ruth Stevenson, and Bill & Kathy White.

CAST A VOTE FOR THE HUMAN RACE NOVEMBER 2.



YES! I support the Nuclear Weapons Freeze.

- Here is my contribution of \$50___ \$25___ \$10___ \$___
- I will volunteer for the campaign.
- Please send me more information.

NAME _____

ADDRESS _____

CITY _____

STATE, ZIP _____ TELEPHONE _____

OCCUPATION _____ EMPLOYER _____
(Required for contributors by California election law)
Porter Briggs, Treasurer, ID #810912

Californians for a Bilateral Nuclear Weapons Freeze
330 Jackson St., San Francisco, CA 94111
(415) 986-7605



Vote Yes on 12.
Freeze Nuclear
Weapons Now.

The Flat Rate Trap *continued*

by Murray N. Rothbard

The answer uncovers the biggest single hidden clinker of the flat rate: the enormous tax increases that would be leveled on most middle income citizens. The increases stem from a critical slogan of the flat-raters: abolition, across the board, of all tax exemptions, deductions, and credits. In short, flat rate with no exemptions or credits means a tax benefit for the wealthy at the expense of large chunks of the middle class, whose tax burdens would greatly increase.

Who are these unlucky losers, the unsung victims of flat rate? There is a long litany:

There are the sick, who have so far been able to deduct their most staggering medical expenses from their taxable income. Flat rate would aid the rich on the backs of the sick.

There are the unlucky uninsured, who have suffered from casualties such as fire. Right now, almost all of these losses are deductible from income; these deductions would be wiped out under flat rate. Flat rate would aid the rich on the backs of the unlucky.

There are the charitable, who have been able to deduct charitable contributions from their income tax. Flat rate would wipe out these deductions. Flat rate would benefit the wealthy on the backs of the benevolent and of the needy recipients of private charity. We can expect government welfare payments to rise as a result.

Many other expenses, now deductible, would suddenly be subject to tax: e.g., mortgage interest paid by homeowners, "imputed rent" paid by homeowners, pension contributions, state and local tax payments, capital gains, medical insurance premiums, social security benefits, investment tax credits, and much more. In strict uniform flat rate, all depreciation and depletion payments would go, as would interest on municipal bonds and who knows what else.

But the most important point is that a main set of losers would be those admirable people who have been able to get out of taxes altogether, the men and women who make up the "underground economy": those who pay and get paid in cash, off the books, in barter transactions, or who supply services which the government in its wisdom decrees to be illegal. Some of these people are wealthy entrepreneurs with complex tax shelters; others are the man or woman down the street. The major purpose of flat rate is to crush them, to subjugate the underground economy and to bring it into the federal government's tax-tribute arena.

Note, for example, the glee with which the major theoretician of flat rate, "libertarian" political scientist Alvin Rabushka of the Hoover Institution, hails the widespread support for flat rate among liberals as well as conservatives. Said Rabushka:

We were worried that liberals would come out against the idea because the poor and the lower middle classes would likely have to pay more under our plan than they do now. But it appears that many liberals are much more concerned with the thought that under our present tax system the very rich are avoiding paying their fair share by the use of tax shelters.

Even more repellent are the words of Ronnie Reagan himself, who, in his April 24th radio address to the nation, attacked a "growing group of citizens who have already given themselves a tax cut." (Heavens! A do-it-yourself tax cut! What could be more immoral?) About \$95 billion in income tax, Reagan went on, are not being paid, "enough to balance the budget." In contrast to Rabushka's deluded liberals, President Reagan knows who these shirkers are. They are not in the main "big money operators," but rather participants in the "underground economy."

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This article will be completed next issue.

Calendar

SANTA CLARA COUNTY LIBERTARIAN COUNCIL MEETING

Thursday, October 21. 8:00 p.m.

This month's meeting will feature Tom Palmer, campaign manager for the Dougherty for Governor and long-time LP activist. He will be speaking on "Libertarian Class Theory or What We're Up Against." LOCATION: 401 East Taylor Street (corner of 10th & Taylor) in San Jose. Meetings are held the third Thursday of each month. Information phone: 408/CRY-FREE.

YES ON 12 FREEZE-A-THON

Saturday, October 23. 11:00 a.m.

A walk-a-thon in support of the Bilateral Nuclear Weapons freeze. Refreshments (free to walkers), live music by "Murphy's Lawyers," and a drawing for valuable prizes after the 12-kilometer Freeze-A-Thon. For sponsor sheets, to join the walk, or for additional information phone the Peace Center at 555 Waverly in Palo Alto at 415/321-9655.

Dougherty Cocktail Party

Sunday, October 24. 5:00 to 7:00 p.m.

Dan Dougherty will be speaking at this party to be hosted by Frank Horn and Kathleen Purcell in their San Jose home at 1287 Tourney Drive (near the intersection of Flickinger and Berryessa). The short film about Libertarianism, *We Hold These Truths*, will be shown and several local LP candidates will be attending. Please phone 408/259-9336 for directions to the house.

SPIRIT OF LIBERTY

Thursday, October 28. 7:30 to 10:30 p.m.

A continuing two-part lecture and discussion series. It starts with a session of "The Freeman Institute's" (a conservative educational organization) lecture series on "The Miracle of America." After the break there is an informal discussion of techniques that are being used in the fight against IRS tyrannies. Guest speakers also address various related topics. Location: Libertarian Headquarters, 401 E. Taylor St. in San Jose. Fee: \$5.00 (first time is free) admission. For more information phone the sponsor, Don McCoy, at 408/225-0473.

Giant Flea Market

at

De Anza College

Stevens Creek Boulevard and
Stelling Road in Cupertino

November 6
8 a.m. to 4 p.m.

For information or booth reservations call 996-4946

Sponsored by DeAnza College Student Body

ELECTION DAY VOTING ELECTION NIGHT PARTYING

Tuesday, November 2.

Polling places: 7:30 a.m. to 8:00 p.m.

Partying Headquarters: Noon to Midnight.

VOTING: Don't forget to go to the polls and vote for Libertarian Party candidates and to vote on the ballot propositions. The LP will have observers at the Santa Clara County Registrar's ballot counting headquarters and they will be phoning election results (hot off the computers) to the Election Night Party being held at Libertarian Headquarters on Taylor Street. PARTYING: It starts about eight. Munchies and drinks provided. Donation suggested to cover costs, or you may bring your own goodies. For additional information phone Karen Huffman at 408/CRY-FREE from Noon to 6 or so any weekday.

LIBERTARIAN COUNCIL BOOTH AT THE DE ANZA FLEA MARKET

Saturday, November 6. 8:00 a.m. to 4:30 p.m.

Volunteers are needed, especially in the morning to staff our permanent information, voter registration and merchandise booth in Aisle F at the De Anza Flea Market in Cupertino. Help us raise money to support local projects by talking to the public about libertarianism and current issues. Donations of books and other fast-selling items are needed and may be dropped off at the flea market or at our Taylor Street office. Location: De Anza College Parking Lot C, Stevens Creek Boulevard and Stelling Road in Cupertino. For more information or to volunteer call 408/CRY-FREE (noon-6 p.m. weekdays).

SAN MATEO COUNTY LIBERTARIAN COUNCIL MEETING

Monday, November 8. 7:30 p.m.

Meetings are held on the second Monday of each month in the Seven Oaks room of the A.P. Giannini branch of the Bank of America at Third Avenue and El Camino in San Mateo. Information phone: Don Smith at 415/368-8148.

SPIRIT OF LIBERTY

Thursday, November 11. 7:30 to 10:30 p.m.

See the October 28 "Spirit of Liberty" listing for details. Meetings are held on the second and fourth Thursday of each month.

SANTA CLARA COUNTY LIBERTARIAN COUNCIL MEETING

Thursday, November 18. 8:00 p.m.

Next month's meeting will feature a summary of the November election results. Our local candidates will also tell us about "The Best and the Worst Moments and Other Memorable Experiences of Their Campaigns." Location: 401 E. Taylor St., San Jose. Meetings are held the third Thursday of each month. Information phone: 408/CRY-FREE.

Additional announcements of events sponsored by and/or of interest to Bay Area Libertarians are requested. Deadline is the first of each month. Send announcements to SANTA CLARA LIBERTARIAN, 401 East Taylor Street, San Jose, CA 95112-9990