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the Southern Libertarian Messenger



June, 1982

Rt. 10 Box 52A, Florence, South Carolina 29501

Vol. XI, No. 2

The next century will begin on Monday, Jan. 1, 2001. Postal employees want it declared a holiday. (Funny Funny World)

Pooch to enter politics

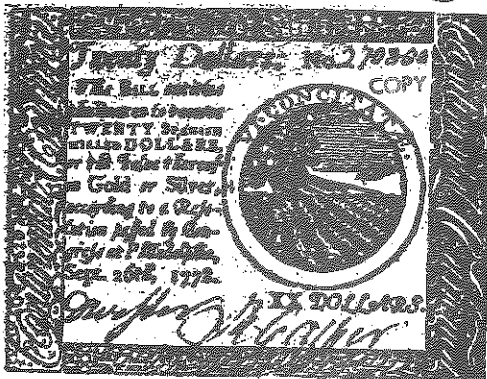
CUMBERLAND, Md. (AP) — They know he's an underdog going into the race, but boosters of a shaggy canine say they think he can be elected mayor of this western Maryland city anyway.

"We are serious," said Armand M. Pannone Jr., the dog's owner, campaign manager and spokesman. "People are literally going to vote for this dog."

Pannone said the four-legged candidate, who answers to Scott, cannot run in the May 4 city primary election but is eligible as a write-in candidate in the May 18 general election.

Scott's master said the animal, whose heritage is somewhat doubtful, will be running as an independent.

"Absolutely he's going to be the underdog, but he has a leg up on all the other candidates," Pannone said.



PAPER DOLLARS INFLATED INTO WORTHLESSNESS

Like our government today, the Continental Congress printed money to pay its debts. The resulting runaway inflation was so severe that in April of 1779 George Washington complained "a wagon-load of money will scarcely purchase a wagon-load of provisions."

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Dean Allen is running for Congress as a Libertarian in Dist. 9 of Texas, which adjoins Rep. Ron Paul's and contains 30,000 of his former constituents. He almost ran as a Republican in 1980, but the GOP took him off the ballot. Box 2362, Texas City, TX 77590.

The Russian samizdat production has branched into films. "Remember", 15 minutes, is about the millions who died in the Gulag. The makers located one on the cemeteries along the infamous White Sea Canal, and reburied some of the remains by the Kremlin wall, with inter-denominational rites; the film contains footage of the ceremony, too. Another, "Let Our People Go", 6 minutes, is about a pogrom in 5 Soviet cities on June 1, 1978. Mikhail Makarenko, having borrowed \$70,000 from dissidents in Russia to produce the films, is tryint to sell them. (HEV)

Why are there no pro-freedom public service announcements on TV, radio? All the ones are either pitches for some govt. agency or some charity that seeks money for its particular disease or whatever. If you are interested in doing something about this, contact Public Service, c/o SLM.

High Interest, Low Spirits

I. M.: Ayn Rand, 1905-1982. Si monumentum requiris, circumspice.

Father Stanislaus Shen Pai-Hsun, 78, released from forced labor camp in 1979 after 24 years in China, has been arrested again, and is quite ill. (Open Doors)

In Gainesville, FL tax protesters passed out leaflets on April 15 with a penny attached, "The government wants your last cent. The Libertarian Party wants YOU to keep it!" (Tyrants' Fox)

Denouncing the Easter bunny as a pagan god, Rev. Vernon Clayton, fundamentalist, burned a giant rabbit in the town square at Niles, OH. (Gala Rev/TFox) In effigy, let's hope.

Disgusted with federal blocking of the Overseas Hwy., Key West, FL seceded from the US, declared war, surrendered, and asked for foreign aid. (var.) Feds claim they were just looking for drugs.

Pat A. White, former asst. U S Atty noted for harassing opponents of taxes, has been indicted on charges of sodomy and cont. to the delinq. of minor in Kansas City. (Upr. Ostrich) Nobody's perfect.

Revenuer Peter Rait, 35, was arrested in Carson City, NV and charged with filing a fraudulent claim for income tax refund. (Upr. Ostrich)

"Whoever controls the volume of money in any country is absolute master of all commerce and industry." - James A. Garfield

"To lay with one hand the power of government on the property of the citizen, and with the other to bestow it on favored individuals is none the less robbery because it was done under the forms of law and is called taxation." U. S. Supreme Court, Miller 20 Wall 655, 663, 664 (1874)

"A pre-emptive nuclear strike, an outbreak of plague, or a major earthquake could all pose serious problems for Crediton Town Council if they occur in the next three months." - Exeter Express, England. (FFW) After that, there'll be no problem?

"Once you make this discovery of exactly who you are, then you will turn to the State and tell them to get off your back. You now realize they cannot survive without you, but you can survive without them." - Bishop Kirby Hensley, Universal Life Church Bulletin. (Exegesis)

Scotland Yard has seized 12,000 copies of "So What", a record by punk group The Anti-Nowhere League, as an obscene publication. (AP/SxF)

In Durant, OK, a 44-year old man was sentenced to 99 years for indecent exposure. (AP/SxF) He will not have to worry about what to wear for a while.

The Malcolm A. Love Library at San Diego State U. has been the scene of several indecent exposures. (Daily Aztec/SxF) Maybe they should change the name of the library?

4th U S Circuit ruled that Virginia Corrections violated rights of Michael Gallahan, a Cherokee, by forcing a haircut, in violation to his religion. (RT)

Chase Revel, of Entrepreneur magazine has filed for bankruptcy, citing debts of \$3 million. (Spot)

United Kingdom of Arya, located somewhere in the South Pacific (location secret) is offering citizenship for \$12 to persons "of pure Aryan birth"; for \$60 you can be a baron. (Spotlight) Who knows?

Agnew, Taxes, & Hypocrisy

by Robert Brakeman

To the surprise of no one except some apolitical five-year-old somewhere, leftists are still, years after the scandal, exulting over the discovery that Spiro Agnew failed to pay income taxes on some ill-gotten cash, and of course by the fact that the cash was ill-gotten in the first place. Leaving aside the still-cloudy question of the bribery charge, let's look at just the matter of possible tax evasion. Those people, and they're generally well-motivated folks, who were in '73 and are now upset over S. A.'s cheating should also be displeased by the gross hypocrisy shown by liberals on the issue. Many of the same voices which are still hysterically bemoaning Agnew's apparent lapse were, not long ago, busy covering up, or at least ignoring, similar activities on the part of people they liked more than they did Agnew.

People like another Vice-President, Alben Barkley. Kentuckian Barkley served as Harry Truman's V-P from 1949 through 1953, after having been majority leader in the U. S. Senate during most of the Roosevelt administration. Had Labor not vetoed him at the Democratic convention in Chicago in 1952 (because he was 74), he would probably have been the presidential nominee that year. He was a man who rose just as high as possible in his party, and in the government, save only the top position. He was also a criminal. It was Washington's most poorly-kept secret that Barkley had evaded all kinds of money in income taxes, and that the IRS was terrified of treating him like any other taxpayer, due to his political power. It never did assault him in the way it would have attacked you or me, had we been doing the same thing. Instead, it waited until after his death in 1956 (he had returned to the Senate after his tenure as Veep) and then collected the money (more than a third of a million dollars - trivializing Agnew's few thousand by comparison) from his estate.

Lyndon Johnson had served in the Senate with Barkley, and when he became President he had the opportunity to bestow legitimacy and praise upon another well-known tax evader, critic Edmund Wilson. Lyndon gave Edmund the Presidential Medal of Freedom, which is usually called the highest civilian award in the country, and is given mainly to liberal activists like Wilson and nonpolitical types like Bob Hope. The citation accompanying Wilson's medal said nothing about the fact that he filed no income tax returns for nine years - to protest U. S. defense policies; no doubt an intentional omission.

There was the case of leftist folk singer Joan Baez, who became quite famous during the sixties for withholding that portion of her taxes-due which she figured was going to support the various misdeeds of the U. S. military. There was no dispute with the IRS over how much was due, there was just a conscious refusal to pay, a crime. But, presumably because the liberal powers-that-be in the nation would have reacted unkindly if Joan had been treated in an unkind way, the IRS did not prosecute, as they normally would have, they just attached her bank account and got it that way.

A similar fever gripped Jane Hart, wife of Michigan's senior senator, Phil Hart. She liked the Pentagon about as much as Jane did. She also took out her pocket calculator and determined what percentage of her taxes was going to support that agency, and refused to send it in to the people at the IRS who were waiting for it. Again there was no contention that an amount was not really due; again a crime was being committed, and again the government choose to proceed lightly. It again used the assets-attachment tool, not the send-her-to-jail tool.

Jane Hart might have been a nuisance, but she was never a person of power (except to the extent that her inherited millions as a Detroit Briggs heiress allowed her husband to spend his time on politics without worrying about who would pay the bills); James Landis was the personification of power during the New Deal and Fair Deal regimes. He was a law clerk to Justice Brandeis, a member of the FTC and the SEC, Dean of the Harvard Law School, member of the New York Public Service Commission, special trial examiner in the U. S. Labor Department, War Department consultant, Director of Civilian Defense, chairman of the Civil Aeronautics Board, member of the President's Special Board on Air Safety, and so on and so on. In 1961, with the return of the Democrats to power, he served as special adviser to President Kennedy. He was perhaps the best-known and most-prestigious federal bureaucrat of those who never ran for elective office. During the Kennedy administration, he was, along with people like James Rowe and Tommy Corcoran, an important recruiter of old Roosevelt-Truman hands to help the new administration. He was also a tax evader of massive proportions. For five years, he filed no income tax returns (each year his income exceeded \$60,000): the gentle folk in the government sentenced him, not to Leavenworth, but to a brief rest in a hospital. What Landis and others have in common is that they're all prominent liberals and leftists, and the suspicion is unavoidable that their gentle treatment derived from that fact. They were all honored, not prosecuted. So the self-righteous shrieks, from the Left, about Agnew's income tax evasion should be seen as 90% hypocrisy and 10% sincerity.

the Southern Libertarian Messenger



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A new paper 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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In 1633 Archbishop Laud, trying to suppress dissent, attacked bequests to fund Puritan preaching, and cited them into the Court of Star Chamber to confiscate the funds. Today, of course, the IRS is asking for powers to revoke tax exemption of church or other groups that maintain segregated schools.

"He has spent his life best who has enjoyed it most"

— Sam Butler

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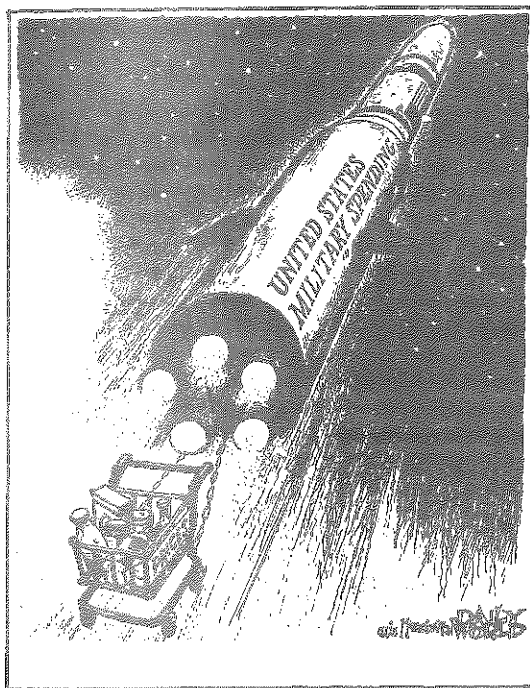
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MONEY BACK GUARANTEE





The U.S. department of the Interior has started a new campaign to get rid of "possible waste and fraud in government programs." Called project "TRIM," the campaign launched by the Inspector General has set up special hotlines and post office boxes for employees and the public to blow the whistle on government inefficiency. TRIM stands for Thrift, Results and Improved Management.

The news release announcing project TRIM arrived in Sierra Club library in San Francisco in the form of a stack of seventeen identical envelopes from the Interior Department, each a separate copy of the news release.

Hi Sierran

fraternity

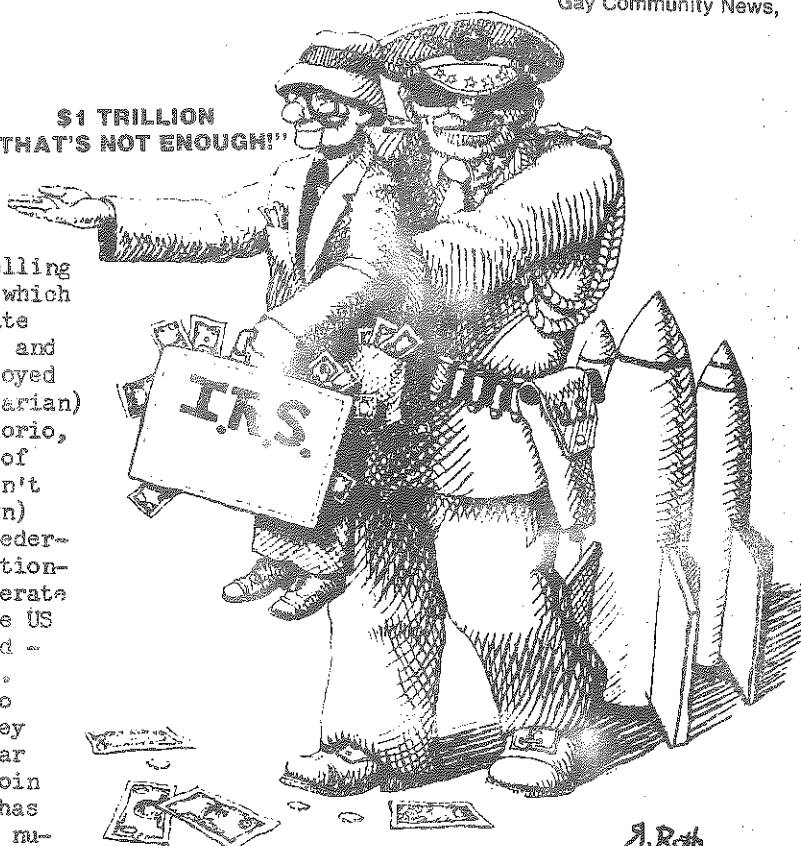
GAINESVILLE, FL — A fraternity at the University of Florida here has been found guilty of "conduct unbecoming a fraternity" after a student newspaper published a photograph of several of its members exposing their naked buttocks.

The Weekly News, a lesbian and gay newspaper in Miami, reports that 18 members of Sigma Phi Epsilon have been either expelled from their organization or barred from fraternity activities after posing above a banner reading "UFLAGS have no Reitz. Hal Ha! Ha! Ha!" with the "L" of UFLAGS crossed out. The fraternity itself was censored by the Intrafraternity Council.

UFLAGS, the University of Florida Lesbian and Gay Society, was recently notified that it will no longer be allowed to occupy a small office in the student union, Reitz Hall, that it had used for over a year

Gay Community News,

\$1 TRILLION
"THAT'S NOT ENOUGH!"



In Lincoln County, N C, Sheriff Crouse was selling raffle tickets at Jack Swink's annual party, at which friends & relatives chip in \$5/head, when the State Alcohol Law Enforcement Bureau raided the event, and confiscated the beer. 500 very angry people enjoyed food, music, and indignation meeting. (SF Libertarian)

In Bessemer City, NC, Sam Hewitt, Albert DiFlorio, and Jack Kiser have been charged with violation of the zoning ordinance, because their old signs don't meet the new regulations. (South Fork Libertarian)

Jonathan Kozol, Prisoners of Silence, cites federal data that 54 to 64 million Americans are functionally illiterate, and 23 million completely illiterate out of some 150 million adults. (Chal) Then the US reports that 98+% is literate by another standard - of having spent 5 or more years in govt. schools.

In 1948 Iraq refused to sign the armistice to end the Israeli war of independence. In 1967 they refused to accept the U N ceasefire in another war with Israel, and again in 1973 they refused to join another armistice. Then in 1981, Israel, which has been at war with Iraq since 1967, blew up Iraq's nuclear reactor. With all legality. (Clarion Call)

Johann Steffen (Mangishlanskaya region, Novii Uzen TM-192/5 E, USSR) reports prisoners are allowed only 2 cups of water a day. Brother Steffen is for activity as a Baptist. Send him a postcard, and ask you Baptist friends to bring up the matter in their churches. (JTTGW)

"A true philosopher is content with little...." says Tom Galt, The World Has A Familiar Face. "Only to be allowed to read and think, to be wiser than other people, to be better than any, and to be the most admired." (Samisdat)

A subscription to LP NatCom minutes is \$2/year from HQ, 2300 Wisconsin Av NW, Washington, DC 20007.

Judge D. Brown Walker ruled Texas' blue laws unconstitutional in a suit brought by Gibson Discount Centers of Dallas. Appeals pend. (Free Texas)

"I am opposed to public education per se. I object to the state educating my children, because I am responsible for them. Education should be governed by the free market." Jeff Calvert, Harris County school board (Free Texas) I object to the govt. compulsory attendance system calling itself public education, when it doesn't educate the public. (jh)

"The levels of personal and social stress will make almost inevitable a resentment of reality, a desire to escape it or to strike back at problems that seem too difficult to face," says Douglas Knight, former pres. of Duke Univ. on the current economic stress. If you want to see resentment of reality, listen to the debates on the federal budget, with its huge deficit, waste, fraud, etc.

Mike Timko, Box 25908, LA, CA 90025 has a variety of libertarian books for sale. Write for list.

Latest govt. office in State Dept. will be Office of Foreign Missions, to harass legations of nations that are harassing U S embassies in their countries. (Progressive/NI) Boys will be boys.

Dun & Bradstreet reports 15,000 businesses went into bankruptcy in the first 10 months of 1981, a new record. Highest rate was contractors, 50% more and auto retail (including parts dealers & service stations) up 96%. (Am Business)

National Assoc. of Manufacturers has given US govt. poor credit rating, and is lobbying to have federal agencies pay interest on late bills, or \$375 million for gross inefficiency in not paying bills on time, not to mention discounts for early payment that are lost. (Am Business)

'If the conservative movement leadership is interested in human economic rights, it is going to have to confront the fact that too many of its favorite politicians have been weak on deregulation when it is opposed by the regulated industry.'

Martin Scharback, NY cottage cheese mogul & pres. of Natl. Assoc. for Milk Marketing Reform, wants to Capper-Volstead Act, by which fed. govt. wastes \$2 billion a year in milk price supports. (Am Business) Remember the other Volstead Act?

Only 7% of American households are the traditional nuclear family with husband as sole earner, housewife, and one or more children, according to 1980 census. Main reason is increase in working wives, because of inflation & loss of real wages.

On January 11, U S Supreme Court ruled that a 40 year sentence for 9 oz. of marijuana was not cruel & unusual, but "purely a matter of legislative prerogative". (Torch)

Pending before the U S Supreme Court is the case of Clarksdale Baptist Church of Mississippi, that runs a school, Grace Brethren vs. US. US contends that the board of elders should be racially balanced, since the church officers are, ex officio, officers of the school. (MLShopper)

On Nov. 21, 1941, Congress approved the establishment of a national cemetery at Honolulu. (The Woman Constitutionalist) How convenient.

Recent financial statements for Moral Majority show it took in almost 5.7 million in the last fiscal year, and spent 6.1 million. (GCN) Ask your local MM about their position on deficit spending.

In England it is illegal to conspire to corrupt public morals, but not to corrupt public morals if you do so alone. (Sexual Freedom) Difficult, perhaps.

Mennonite missionary John Troyer was killed by leftist guerrillas in Guatemala, and Gary Miller wounded. (Open Doors) Sept. 14, 1981.



This drawing, borrowed from a "leftist" zine, actually represents the independent, working farmer - the "kulak" in Marxist jargon - rebelling against the property tax and other forms of statist, collectivist oppression. He wants to starve a feeding bureaucrat.

In Florida, Norman Rice was acquitted of armed robbery. Judge J. Rogers Padgett disagreed with the jury, so he revoked Rogers' probation on a bad check charge. (Spot.) Nothing like due process of law.

Hal Lyon, director of education programs for the gifted at US Dept of Ed, has been arrested for pimping and prostitution after putting a sex ad in a local paper. (Natl Family Reporter) A little on the side?

Health service unions in Scotland are fighting establishment of a private hospital in Glasgow, more pay beds in Ayrshire, and a Saudi Arabian hospital in East Lothian to treat Arab-speaking patients. (Free Nation) Health service?

EEC rules are forbidding a wine company in Wales from labeling its bottles in Welsh, for customers who speak that language. (Free Nation)

The Morning Star, the only British newspaper allowed to circulate in the USSR, has banned ads by the BBC advertising its new frequencies. (Free Nat)

Newspaper Guild is complaining that cathode ray tubes used in video display terminals, such as word processors, may cause cataracts or birth defects. (Industrial Worker/WI)

NY Attorney General has brought charges of misappropriating public money against Judi-Anne Densen-Gerber, head of Odyssey House drug rehabilitation centers, also noted as anti-pornography crusader. (GCN)

\$19½ million in federal school funds for Georgia are being held up because of ACLU suit charging sex discrimination in vocational ed programs. (Come Uni)

Useful address: People for the American Way, Norman Lear, Box 19500, Washington, DC 20036.

In Florida, postal workers stole a gold tie clasp from an envelope being mailed to a postal inspector inscribed, P O Inspector of the Year. (Which Way?)

Coors is suing Movement against Racism, which had accused it of KKK connections. (var.)

NOW attorney Gloria Allred presidential state sen. John Schmitz (former Congressman & Am Ind candidate for Pres. in 1972; long-time Bircher) with a chastity belt, saying it would be the only kind of birth control device available under anti-abortion laws he is sponsoring. (GCN)

Rampart Institute is now at 2727 Croddy Way, #J, Santa Ana, CA 92704, and has been declared tax-exempt by the IRS. It plans library & lecture hall there.

"The kingdom of God is not the same as America, and our nation is subject to the judgement of God as much as any other nation," declares Rev. Billy Graham, deploring "the present insanity of the global arms race." Pat Robinson of Christian Broadcast Network declares "our business establishment loves the Cold War we must end this selfish madness." The Mormon Church has taken a stand not only against the MX missile (and especially putting it in Utah), but denounced "the unrestricted building of arsenals of war." (IFOR)

Air Force has bought 1600 4-leaf clusters, worn only by full generals, of which it has 13. (var.)

I. F. Stone points out that 5 communist countries (China, Poland, Cambodia, Somalia, & Yugoslavia) rely on US for protection, including (thanks to China mostly) twice the population of the Soviet bloc.

USDA discovered that it spent \$2 billion on farm aid to the needy, and ½ went to the biggest 10% of farmers. (ZNS) This is news?

"It really infuriates me when the media come here asking me if the Libertarian Party is just an apologist for big business. Big business will be the last segment of society to accept the Libertarian Party." - Ed Crane (Pol Action Report)

YOUR ABSENCE FROM THE STRUGGLE FOR LIFE, LIBERTY AND PROPERTY DIMINISHES THOSE OF US STILL IN THE BATTLE.

US Navy has actually found a way to save money; Oceana Naval Air Station has acquired 50 goats, and calculate they are saving \$20,000 a year in lawn mowing costs, while releasing sailors for other jobs. (FFW)

After Premier P. E. Trudeau promise relief to homeowners in "dire straits", a town in Ontario changed its name to Dire Straits. (Funny Funny World)

"Police warned people at Bradford to be wary of bogus frogs." - Yorkshire Post, England. (FFW) You figure it out.

"Although most American 17-year-olds can read adequately, many apparently lack the ability to think critically about what they read," declares Natl. Assessment of Educational Progress. First, most means a little more than half; about 20% are virtually illiterate, and about another 20-25% have less than adequate skills for anything but basic reading. Furthermore, of those who can read, not all of them do.

Reading Reform Foundation is meeting July 9-11 in Toronto; 7054 W Indian School Rd, Scottdale, AZ 85251.

In Little Falls, MN, judges told police they can not arrest Jimmy Veaser, 14, for driving down the sidewalks in his wheelchair. (Spotlight)

West Germany cut defense spending by \$87 million in 1981. (Daily News Digest) Ask your Congressperson, Did U S cut its spending for defense of W. Germany?

Dept. of Defense raised budget for military bands \$1.4 million to \$89.7 million. (Rolling Stone) Maybe we can bore the enemy to death with John Philip Sousa?

More than 1400 public officials are under investigation by the FBI for corruption. (S Sun)

Statistics can be misleading; 56% of black male, and 70% of black female college graduates are govt. employees. There are a couple of historical reasons for those percentages, which once were even higher: 20 or so years ago, the opportunities in business for black college grads were not what they were in the '70s, and many were forced into govt. Also, segregated schools used huge numbers of black teachers; it took virtually the entire body of black female college graduates to fill the black public school classrooms of the South. One effect of desegregation is that the ratio of black teachers is now lower than the ratio of black students. Anyhow, this is the explanation.

Dr. Anatoly Koryagin, now doing 12 years for protesting the use of psychiatry to lock up and torture dissidents, urges Western psychiatrists to continue to put pressure on Soviet Govt. to stop. (Sam. Bull.)

Federal court has ruled Utah's law forbidding porn on cable TV is unconstitutional. (Monaysworth)

Pensions for veterans of the Spanish-American War, and their widows, have already cost the US more than 20 times as much as the war cost. (NYU/Mryw)

West Germany is minting a 5 mark coin commemorating the 100th anniversary of the death of Karl Marx, and will make 95% profit on minting. (Mryw) Fiat.

Libertarian Defense Caucus, seeks members at \$10: PO Box 1064, Colton, CA 92324

NASA allocated \$1 million to develop a ball point pen that would work in weightless conditions, when the ordinary pencil would do the same job, and has been around since the Civil War. (Liv Fr)

When civil service employees went on strike, British Navy personnel tried to load a patrol ship with nuclear warheads, but were unable to; ship had to go out with conventional warheads. (Win/Spectrum) Incredible.

In Pontiac, IL police chief Edward Hamilton retired; in cleaning out his desk he found the combination to a safe that had not been opened in more than 16 years. Inside was \$1,200 in change; not only that but most of it in silver dimes and quarters, now worth more than face value. (FFW)

A reader in California, confused by stories about "registered sex offenders", asks if they can be called on to serve in a national emergency. (FFW)

In Santa Cruz, CA a woman, 30, was involuntarily confined for psychiatric observation after she covered her body with chocolate and rabbit ears and tried to entice a neighbor who had spurned her romantic advances. (Sentinel/Funny Funny World)

Milton Friedman is not the only one to call for abolition of the Federal Reserve; Barrons is advocating the same, and quotes Peter Canelow of Merrill Lynch "More and more deposits are moving beyond the Federal Reserve reach, mainly into money market funds." (Natl. Educator/ML Shopper)

"There is only one good definition of God: the freedom that allows other freedoms to exist." - John Fowles, The French Lieutenant's Woman (Sun)

"As Albert Einstein once said to me: 'Two things are infinite: the universe and human stupidity.' But what is much more widespread is the playing stupid, turning off your ear, not listening, not seeing...." - Frits Paris, Gestalt Therapy Verbatim (Sun) In fact, we have public schools to train children to do this.

Iraq now requires licenses to own a typewriter, just like the USSR. (FFW)

In Moline, IL it cost \$500 to hold an election, and no one voted. There were only 6 eligible voters in Coal Valley Township; 3 voted in advance by absentee ballot, and 3 didn't vote. (Evening Dispatch/Funny Funny World)

The latest controversy in the Russian press is over regulations limiting each family to no more than 1 dog and 1 cat + 1 litter under 2 mos. "Why can't I have 2 dogs & no cat?" asks a dog lover from Kiev, "The next thing they will be saying each family is allowed 1 girl and 1 boy." (SF Chronicle/FFW)

Govt. housing, British style: Rochester, Kent destroyed a high rise apartment building 15 years old rather than spend \$885,000 to repair it; they recovered a little by raffling off the right to press the plunger to set off the explosion; the winner was James Seton, 12. (FFW) Remind you of Pruitt-Igde in St. Louis?

No, the ladylike juror told defense attorney Tito Torres, she would not be bothered by obscene language because she heard it all the time at her job - with the I R S. (FFW)

In Iran Hidayatullah Dihqani was executed by the revolutionary court, and his mother received a bill for the cost of bullets. (FFW)

St. Louis undercover detectives arrested Emma Ruth Harris, 51, for violating a municipal ordinance by eating 4 cashew nuts on a bus. (FFW) The cashews weren't the only nuts in the case.

Taxation-Root Of War And Oppression

The Socialist govt. of France has deregulated the airwaves, and 296 new FM stations were started in 1 week. (Bulletin, Ont. LP) Sacre bleu!

Sally Hayes writing in the Globe & Mail on pay increases for members of the Canadian Parliament, "In view of the circumstances, this raise is an absolute disgrace and all 159 scoundrels who voted for this measure should be turfed out of their ridings. The wastrels should be punished, not rewarded." (Bulletin, OLP) It must be delightful to turf a political hack out of his riding. (A riding is a district).

Extradition: Philippine extradition treaty would give Secy. of State authority to extradite aliens on the claim of a foreign govt. that they are wanted for a crime, without the usual procedure of a court hearing. (By way of contrast, if you are indicted in SC and are arrested in NJ, you go before a court in NJ, unless you waive your rights, to determine if you should be sent back for trial.) This is being sponsored, as one might expect, by Strom Thurmond, and other similar treaties, with other foreign dictators, are pending. (Org Notes)

In Philadelphia, alternative newspaper Community, had someone break the locks and forcibly enter. Since Pres. Reagan was speaking in town at the time, they sent a bill for repairs to the Secret Service, which paid, without comment. (Organizing Notes)

Iranian govt. is publishing documents found when it seized the American Embassy 2½ years ago, but when reporter William Worthy bought a set and brought it to Boston it was seized by the Customs & FBI on the pretext of theft of govt. documents. (The Iranians stole the documents, not Worthy). Another set got by & have been written up in the Washington Post. (Org. Notes)

WKFT television, Fayetteville, NC allowed a deputy sheriff to pose as a cameraman and videotape a press conference & march by Comm. in Solidarity with the People of El Salvador, protesting training of El Salvadoran troops at Ft. Bragg. (Organizing Notes)

Marijuana is now Florida's 2nd largest crop, & state officials predict it may overtake oranges. (Phil. Examiner/Spiral Mobius) Now if they can just get Anita Bryant to do commercials for them.

Sen. John East (NC) proposes to eliminate 400,000 federal & state employees by contracting out govt. jobs, thus saving enough to balance the budget. (Fed. Times/Sp Mob.) Not to mention causing widespread panic in the uncivil disservice.

To keep Savings & Loans from folding, Federal Home Loan Bank Board has cut reserve requirements from 4% to 3% for equity. (Business Week) In addition, many S&Ls have been merging, to avoid failure. Main problem is that 20 year mortgages issued in the '60s at 6% or less are still outstanding, and S&Ls are having to pay more than that to keep their depositors.

"People who feel themselves in chains, with no hope of getting them off, want to put chains on everyone else." - John Holt, Teach Your Own (Ever wonder why all the emotional support for compulsory public schools, or the draft?)

In Racine, WI a judge discovered that 5 young defendants not only did not know their Constitutional rights, but had never heard of the Constitution. (Spiral Feedback) Obviously, products of the public schools.

"The role of the state is to assert a monopoly on crime. Individuals get medals, promotions, and honors by committing the same acts for the state for which they would be hanged or imprisoned in any other circumstance...." Richard Barnett, The Roots of War. Great line, but unfortunately not necessarily true: there is such a thing as self-defense.

This year George Washington's birthday, Feb. 22, fell on a Monday. So the fed. govt. celebrated it on Monday, Feb. 15. So help me.

Treasury is coining 50¢ silver pieces again, in commemoration of the 250th anniversary of George Washington, but won't sell them for 50¢. (var.)

Army is using video games to train pilots and tank gunners. (PNS) Once in a while they do something that makes some sense.

In 1980 religious construction was 1.6 billion. And the Southern Baptists added 1 billion in real estate in 1980 alone. (Exegesis)

Many Americans worry about changes in social values, and experience stress, anxiety & depression. Sexual permissiveness bothers 82% of women, 54% of men. (Science News/Sexual Freedom)



Washington Star Syndicate, Inc.

Phil Witkin

"Two local women walking their dogs were startled by a naked man who leapt out at them. They managed to defend themselves with their car keys." (Escher News & Mail/FFW) Doesn't say how.

It is illegal to smoke a cigar on roller skates in Tempe, AZ. (Punny Punny World)

Restrooms in Atlanta's MARTA are for emergency use only; if you need to get in, you must call HQ so the door can be opened by remote control. (Atl Cor)

Los Angeles Police Asst. Chief Marvin Lamons refused to tell City Council how much of the police budget was spent on intelligence, claiming the information would endanger the lives of police officers. (Org Notes) They might be lynched by angry taxpayers?

New police secret agency is National Organized Crime Information Center in Memphis. (Press Scimitar) Spends lots of money on spying equipment. Question is how it defines organized crime: Mafia or politics?

Fund for Individual Rights, 701 E Trade St, Charlotte, NC 28230 is fighting racial quotas.

"The saddest epitaph which can be carved in memory of a vanished liberty is that it was lost because its possessors failed to stretch forth a helping hand while yet there was time." Justice George S.utherland

Peru, a largely agricultural country, now has to import food. "Land reform" broke up some of the big haciendas, but turned them into collective farms instead of dividing them among the peasantry; they now produce less than before. (Nat'l. Geographic)

Your local Godfather's Pizza may be just that says PA Crime Comm., which says the pizza and cheese business seem to be a favorite front for organized crime. (Am Bus) Mama mia!

Dr. Fred Mattson of USD says efficient workers tend to get fat because they don't waste a lot of energy working around their tasks. (Am Bus)

In San Bernardino, CA Eva Don wrote a check for \$120.56 in payment of her property tax, claiming that she had been overbilled. Someone in the tax collector's office changed it to \$148.66. (Am Bus) On protest, dist. atty. refused to prosecute. (Spot)

Houston Post poll showed 29% in favor of Texas seceding.

RECESSION DEEPENS

California Dept. of Parks denied permits to 2 environmental groups to have booths at the South-Humboldt fair, as being "anti-government"; said Ranger Jim Hibbert, he wouldn't like to see anyone at the fair "make fun of the government". (* Root)

Sen. E. Kennedy declared in a fund-raising letter, "The Senate I sit in today is a house of lesser leaders." How well he knows.

Dr. Derrick Lonsdale of Cleveland reports 20 cases of thiamin deficiency, not quite to the stage of beriberi, mostly among teen-agers, and blames junk food diets. (NSNS)

Tired of harassment by OSHA and various over-zealous govt. snooping agencies, Monterey Abalone Farms, the only attempt to grow abalone commercially, is considering moving to Australia. (Spot.)

In Pennsylvania, a United Methodist district has ousted 2 ministers for opposing donations to church programs that they didn't approve of. (RNS) Where your treasure is, there will your heart be...

One of the secret presses in the USSR, "True Witness", has been printing not only gospels, hymn books and other religious literature, but also denunciations of govt. injustice and arguments against socialism, reports A. Ghinzburg. (Spectrum/JTTCW)

Randy Ludacer has petitioned Congress to grant him "letters of marque and reprisal" so that he can wage war against drug smuggles off the coast of Florida. Congress has not licensed privateers since the War of 1812. (Spotlight)

In Tiffin, IA citizens voted not to adopt the Bible as a supplementary textbook for science classes in Clear Creek School Dist. (UPI)

Describing the "kleptocracies" of the under-developed countries, S. Rajaratnam, Foreign Minister of India, says, "It is amazing how otherwise excellent studies on development problems in Asia and Africa avoid any serious reference to the fact of corruption." Might hurt their feelings, he suggests. Or maybe writers don't want to face it?

Edward Mussenden is trying to get U S to pay \$11,708,79 + interest for expenses in building a gunboat by his great-grandfather in 1862, which the Navy agreed at the time that it owed, but never has paid. He is suing. (var.)

In Dardiff, Alan Wright was given a 90 day jail term for speeding & driving without license or insurance. But the magistrates court had no power to impose a jail sentence for this offense, so the court clerks altered the record to show conviction was for non-payment of a fine. The case was appealed, and the appeal court discovered that the records had been tampered with. (sun)

Strikers in Britain have discovered an odd way to strike and not strike at the same time: go to the doctor and get a sick note. The union is happy because they're not working; the company is happy because they're not striking, and they draw their sick pay. (Free Nation)

Address: Natl. Coalition Against Misuse of Pesticides, Box 50088, Washington, DC 20004.

European Common Market is trying to restrict commercial sale of vegetables or vegetable seed except for "standard" varieties. Much comment on this centers on the loss of traditional varieties, but there is a problem even worse: all the red tape to get a new variety accepted effectively discourages the development of improved varieties.

IRS claims that many of its rulings turn on social policy, but most of these were on whether a certain church was a real church, or what is "education", not really issues of social policy, says Non-Profit Organization Tax Letter.

Tax collections for 1979 were reduced by \$4 1/2 billion in 1979 because of deductions for charitable contributions, and in 1981 the estimate is \$7 1/2 billion. Govt. regards this as a "tax loss". It also is a similar "tax loss" if you only work 40 hr/week and thus reduce your income by not working overtime. (N-P O TL)

Richard Mitchell of the Underground Grammarian says that 42 million pupils in our public schools are suffering from an educational malnutrition that threatens the very survival of the Republic. (var.) Amen!

It is now illegal to ride a bicycle while under the influence in California. (* Root)

Barbara Chalmers believes she was transferred out of quality review at IRS because she kept sending audit papers back to have errors corrected, thus slowing the flow and preventing the quota. She complained about the transfer. At a hearing, she was questioned as to whether she was a witch, etc. (Spot) Maybe she should try a little witchcraft or voodoo?

Education Teacher Institute, 325 Pennsylvania Av SE #2, Washington, DC 20003 hopes to save the educational system (if any) by giving parents a choice of schools.

One result of the immigration laws: since aliens cannot enter the US legally, they enter illegally, especially from Mexico, without going through the health screening for communicable diseases - no quarantine, no treatment, nothing. (TWC)

"The business of the state is security for its citizens and nothing else." - Baruch Spinoza

"In the first place God made idiots. This was for practice. Then He made school boards." - Mark Twain

The number of farms in the US increased in 1981, for the first time since the Depression. Part-time farmers account for most of the increase. (Am Bus)

Wyoming leads the country in small businesses per capita, says NFIB, which doesn't know why. (AB) It's really simple: a combination of low population density and large area. Other states with large area and low population, like Alaska, Montana, Nevada, have much, if not most, of the population in a relatively small area, because of govt. land control, mining, etc. A small business, like a general store, can survive in an area without enough business to support a supermarket.

6 states now require banks to print on checks the date that the account was opened. Most bad checks are drawn on new accounts, especially the deliberate ones. (Am Bus)

In Los Angeles, you can now buy a mens cologne, "Stash" that smells like marijuana. (var.) Try explaining that to your local traffic cop.

Detroit Free Press is now offering free classified ads - in situations wanted. (AB)

The Liberty Amendment comes up again in Florida this year, where both houses have passed it in the past, but never in the same session as required.

More than 90% of Colorado's gold is still in the ground declares geologist Paul Hopkins, and will stay there as long as govt. regulations make it impossible to get mining permits, regardless of the price of gold. (Spotlight)

Federal Government South's Biggest Threat

An interesting case pending in Texas, regarding Louis Beam, KKK activist. In October, 1981, his wife divorced him in Texas. In November, she went to Idaho, remarried him, and left him again in short order, taking their child Sara, who had been awarded her at the first divorce. He then divorced her in Idaho, with custody of the child awarded to him. He went to Texas, & found the child with a church babysitter, and his ex-wife off somewhere with her boyfriend. He took the child back to Idaho. He is now accused of kidnapping, etc. For details: CCC, POB 1273, Pasadena, TX 77501.

The fox is among the chickens: Terry Dolan of Natl. Conservative Political Action Committee is now accused of supporting gay lib. (Spot/SpMob) It was bad enough when 2 conservative Republican Congresspersons were arrested for gay sex in DC (not with each other); the New Right is always up to something.

30% of high school students think the Federal Reserve is a branch of the Army or National Guard. (var.)

The federal govt. is holding, and planning to try to return, the contents of thousands of safe deposit boxes that came into the hands of receivers for banks that failed from 1865 to 1934; total worth is unknown, auditors having given up. Much of the contents have been lost or stolen. (Manchester Union Leader/ Sp Mob)

Chief Justice Robert Donnelly of Missouri told the state legislature that the federal judiciary has effectively repealed the Tenth Amendment, and stuck its nose into all manner of "bureaucratic and administrative functions."

Salisbury, England, 1297: Parliament informs King Edward I, "All the community of the land feel themselves much grieved because they are not treated in accordance with the laws and customs of the land, in accordance with which their ancestors used to be treated, nor do they enjoy the liberties which they were wont to have, but these are arbitrarily put aside." (Monstruances) In addition, Roger Bigod, Earl of Norfolk and Humphrey de Bohun, Earl of Hereford and Essex, refused to go to France to serve in the army, claiming that they could only be drafted for defense, not for foreign war.

"Within 2 years, half the working population will refuse to file tax returns," declares Robert Graham of Bucks Co., PA Comm. for Constitutional Taxation. (AB)

Vatican City sells 18 times as much Scotch per capita as Britain. (AB) What is going on is a little scheme to avoid the Italian customs dues on whiskey; it is shipped to the Vatican to bypass customs, and police in Rome do not check the Italian-Vatican border for citizens carrying a fifth or 2.

Utah Liquor Control Comm., the state alcohol monopoly, estimates \$120,000 embezzlement losses, and has a solution. Not private enterprise! Smocks with no pockets for employees. (AB) Big deal!

Put Laura Ingalls Wilder on a postage stamp? This is the 25th anniversary of her death, at 90, in 1957; write Citizens' Stamp Advisory Committee, US Postal Service, Washington, DC 20260. (Incidentally, don't feel guilty about contributing to the postal deficit; commemoratives generally break even, from sales to collectors who do not use them.)

In 1976-79, labor costs in Hong Kong increased as much as 600%, despite minor inflation, as supply-and-demand made labor more valuable, and better paid. (LLNS) Multinationals are searching elsewhere for cheap labor, including Red China.

LIBERTY

Story from the NC/SC LP convention, 1981: Kent Guida of MD, explaining disagreements on NatCom, asked, "Don't you have factions in NC?" No, Craig Franklin of NC told him, we had a hard ballot drive and worked all our disagreements out. "Don't you have factions in SC?" No, said John Harilee, he moved to Georgia. Anyhow, NatCom is having factions again, as recent 18-12 votes show, with the preppies losing. The issue is whether or not to go into debt, make that further into debt, in the hope of attracting more members & money. On Feb. 28 Dave Walter of Audit Comm. & John Harilee went through the natl. HQ bookkeeping, and tried to help the office staff understand some of the priorities involved. It is no secret that the Clark campaign of 1980 still retains a large debt, or that the natl. party has expenses with ballot drives and general operation, or that SLS is chronically short of money. There are 2 theories as to why the phones haven't been shut off for back bills: it would interfere with the taps, or someone might ask why the phone co. doesn't shut off the Dem. Party or various govt. agencies that are equally in arrears.

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CAMPAIGN

John T. Harilee, Libertarian candidate for the House from Florence District 62, said in answering a questionnaire from the S. C. Education Association that all school boards should be elected and that they should not have unlimited authority to set taxes.

He said that the "government school system is not identical with public education." He also said that there is no such thing as free compulsory education since the system must be paid for, and while a child can be required to attend school, he cannot be compelled to think.

Harilee said he does not think any education association has ever endorsed any Libertarian candidate.

Common Sense

Common Sense is the newsletter for the libertarians of Florida and is published six times a year at an annual subscription rate of seven dollars per year. Please send all correspondence and subscriptions to: Common Sense, P.O. Box 557253, Miami, Florida 33155.

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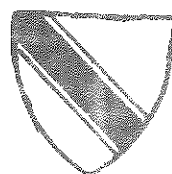
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A 'comic book' of common sense economics born of terminal cancer

COCOA, Fla. — At first glance, "The Duck Book" looks like a comic book. Indeed, amusing little duck cartoons grace its pages. But in the words of Robert White, its publisher, editor and everything else, the publication is, "Not a turkey book for turkeys. And it sure, as holy hell, ain't no comic book, as you can see by the contents listed below."

Culled from the contributions of writers around the world, the contents list a collection of calamity-type articles, the bottom line of which say the Qrmpited States is on a fast road to economic extinction. Whitiz. pm his ever-eloquent style, adds a footnote to the comtents:

"Now, you've got two ways to go. You can put on your reading glasses and soak up some truth and knowledge or you can get back to the boob tube and absorb some more of that pablum you are spoonfed nightly. Nuff said."

You may brand the writers as a bunch of off-the-wall, far-Right doom-sayers. But in the next issue, for instance, well-known author Taylor Caldwell writes about how the middle class better shape up quick or go down the tubes and retired Brig. Gen. Albion Knight explains how our military might is hopelessly outclassed, among others.

Regardless of whether you believe it, at least 200,000 people across the country do — enough so, anyway, to subscribe to "The Duck Book" and "The Duck News Newsletter," each published bi-monthly so that every 30 days or so a "duck" arrives in the mail. White, who operates out of his three-acre spread in east-central Florida, claims it is "the largest magazine south of Chicago."

It all started because he was dying of cancer of the colon, which has no known cure. One day a few years ago White — a former contractor who invented a unique system of cleaning airport runways, and so became a millionaire — felt a little ill while working at MacDill Air Base in Tampa. The doctor told White, now 55, that he had two weeks to live, but after an operation, increased his estimate to six months.

"I decided to take on the hardest job I could possibly think of," he says. "To make a long story short — it worked."

White offered the first "Duck Book" lifetime (his, not yours) subscription for \$10. When he learned last November his cancer had disappeared completely, personal economics forced him to up the price to \$30 a year. As a result, a lot of people call him a con man, among other things, but White, who is married and has an 18-month-old daughter, points to the fact that he lost \$864,193 of his own money last year trying in his own way to save the nation.

A self-made man who "escaped" from a seminary at age 10, White worked as a bellboy in New Orleans at age 11 and was picking oranges in Florida at 12. "I'm a true capitalist," he says. "Work or starve. I believe if a kid



wants to go to college, let him work for it. He shouldn't expect the government to give him a free ride."

White purchased a huge computer from Kansas City and uses a beaten up IBM typesetter to put his publications out. Working about 16 hours a day, he does everything — put simply, he's "the boss" — with a little help from his wife, Donna, a bookkeeper, a bodyguard-runner and some high school students who work afternoons stuffing envelopes.

He says he sees his wife and daughter for 1½ hours every morning, and rarely gets out of his house, except to take his family out to dinner once a week and make frequent speaking trips on weekends to the some 1,000 Duck Clubs scattered about the country.

While White is convinced he must succeed or see the country collapse, he despairs over his chances for success. He recalls sending 70,000 copies of "The Duck Book" to professional doctors, lawyers, etc., and getting replies back from a mere 1 percent.

"I feel like I'm dealing with a bunch of dummy sheep who are walking off the cliff," he says. "The people have been completely brainwashed by the media. ... The middle class has been wiped out (by inflation) at the rate of 5 to 10 percent a year for the last 10 years, but they can't see it. That's why it's so frightening."

Bob Beardsley of Woodstock, one of about a dozen "Duck Book" readers in McHenry County, agrees wholeheartedly with White. His brother showed him a copy of "The Duck Book" and, based on past experiences, Beardsley knew what he was reading to be true.

"This country has really gotten off the track and on the road to socialism," says Beardsley, who adds interest is growing to start a Duck Club in the county. "We've gotten so far away from the Constitution it isn't even funny. The government has created a dependent class of people specifically to keep themselves going and in power."

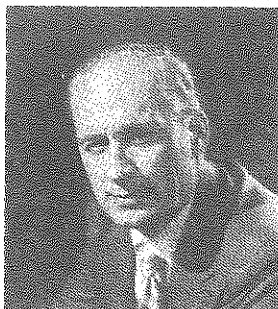
For those interested, Robert White may be reached at P.O. Box 1928, Cocoa, Fla. 32922, telephone (305) 632-8654 or (305) 636-4823.

Nuff said.

Paul McElroy writes every Friday in the Daily Sentinel.

The Money School

By Harry Hone



ROBERT WHITE: A MAN WITH A MISSION

Robert White of Cocoa, Florida, seemed to appear from outer space. Unheralded, he seared across the political and financial scene like a fiery meteor.

This driven man is a unique personality. He is at one and the same time, a study in contrasts. On the surface, at least, he has little or no affinity for anyone else in this world other than his young wife Donna, and his adorable, impish little daughter Katie.

And yet he is also a populist. His inner compulsion to revitalize and re-incarnate an America that fits his dreams, has appealed to an amazing number of confused and discouraged Americans. Americans who have been ready to give up hope for a promising future for themselves and their children.

He achieves his populism in a way that can only be described as "redneck mysticism." I believe, now I have written it, that this categorization of the man must be original. I also have a feeling that Bob White would agree with me.

I first met him in San Diego. He called and asked me to speak at a financial seminar. He had read The Money School columns and liked what he read. His invitation to speak was the result. I quickly discovered he had burdened himself with a self-endowed crusade to save his beloved American from what to him had become an ever growing and persistent menace to Liberty and Freedom. His enemy and his targets were the "One World" socialists and liberals who were determined to turn the USA into the USSR. My conversation with Robert White was brief. I discovered he had no time for fools or charlatans.

I discovered he is an iconoclastic, obsessively driven man with a mission. A man who believes time is running out for an America that was. A man who is also running out of time himself. He believes he has beaten back an attempt by a dread cancer attack to cut his herculean efforts short. Everywhere he goes, his colostomy goes with him. Although physically burdened, he has a Mensa like mentality that sharpens comensurately with adversity. He believes, as does President Reagan, that the Republican bedrock of the founding fathers is being relentlessly eroded away by artfully disguised adherents of the Second and Third Internationals. He believes the scene is being set for the whimpering take over of the USA by the USSR. Current world events throughout the world seem to give substance to his deepening beliefs.

THE DUCK BOOK AND THE DUCK CLUBS

He has now engaged the Titans of the establishment publishing world in his ongoing battle by his introduction of "The Duck Book." Through this monthly magazine he is also organizing "committees of correspondence" under the aegis of his *Duck Clubs*. These have rapidly become a nationwide network of concerned citizens against a potentially dangerous ideology of "collectivism."

Bob White may be "too much" for some people, and not "enough" for others. Without even trying, he can drive you away or draw you closer.

His incurable iconoclasm gives you, if nothing else, pause to sit up and take notice. After all, he points out, you only have *one* country to lose. And according to Bob White timetable, you have barely two years left to save it.

To determine for yourself if Robert White is your cup of tea, and if his ideas to preserve your's and your children's future can find lodgement in a corner of your mind, you can learn more by sending him \$5 for a current copy of The Duck Book. Send it to Robert White, P.O. Box 1928, Cocoa, Florida 32922.

While suggestions are in order, why not persuade yourself to attend our Money School Seminars. You'll find them to be a friendly meeting place for people who just like yourself are seeking answers and information in order to find a way out of the pervasive and confusing financial situation that is afflicting us all. For details write The Money School, P.O. Box 473, Williamsburg, Va. 23185.

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Ron Holland on Trust Issues

By Robert H. Meier

Ron Holland is currently the director of James U. Blanchard & Co., Inc. retirement consulting division and president of Retirement Consultants, Inc. His firm is listed in Howard Ruff's new book "Survive and Win in the Inflationary Eighties" for retirement planning. Holland is also associated with the Westol Company, pension design and actuarial firm out of Beverly Hills, CA and serves as an advisor to the National Committee for Monetary Reform (NCMR). The NCMR is dedicated to a return to Sound Monetary Policy with an end to inflation based on the Gold Standard.

Holland is a former bank vice president, trust department head, speaker and researcher in the field of retirement planning and trust services. While head of the Greenville Trust Department of First Citizens Bank, SC, he became concerned about the poor investment performance being turned in by banks and trust departments. He established one of the first flexible retirement programs in the country, which allows individual plan participants to make their own investment decisions. In two years the program at First Citizens:

- Doubled the amount of assets under management from 5½ to over 11 million dollars.
- Resulted in over 800 new trust accounts.
- Transformed the department from a loss position to a very profitable situation.

He has been quoted in the "WALL STREET JOURNAL," "TRUST NEWS," "BUSINESS WEEK," "NEWSWEEK," "TRUST AND ESTATES," "MONEY MAGAZINE," "FORTUNE," "COLLECTOR INVESTOR," on national radio and in many other national publications discussing the need for and importance of trust diversification into hard assets, such as gold, silver, diamonds and coins as protection against inflation.

Meier: When you were head of the Greenville Trust Department, you established one of the first hard asset retirement programs in the country. Could you tell us why you started the program and what the effects were on your trust department?

Holland: I originally developed the program just after I was placed in charge of the Greenville Trust Department. I felt the best way to attract new business was to offer something different. I believed many people had a desire to invest a portion of their retirement funds in collectibles as a way to stay ahead of inflation.

A Self-Directed IRA and Keogh program was established which allowed individual plan participants to make their own investment decisions. In two years of operation, the program transformed the department to a profitable operation with over

800 new accounts. The trust department more than doubled from 5½ to over 11 million dollars. Over 90% of our new accounts were from out of state.

Meier: What impact is inflation having on traditional trust department investments?

Holland: Inflation has had a very detrimental impact on most conventional investments. Stocks and bonds make up the major part of trust investments and the returns offered by these investments have been miserable. For example, over the last 10 years, bonds have had a compound annual return of 3.8%, stocks 5.8% while inflation has continued its destructive path through the economy at a rate of 8.3%

Conventional investments have not retained purchasing power and have lost their preeminence as a store of value investment. After all, we invest to preserve purchasing power and hopefully increase it through appreciation and interest until some time in the future. If our investments fail to meet this objective we would be better off spending money than investing it.

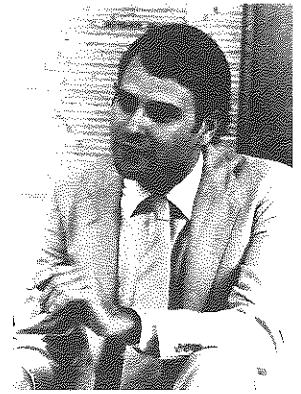
We keep hearing about the stock market being the last undervalued investment left. I believe this is correct but the stock market will probably remain undervalued. Remember earlier this year when the DJIA hit 1000 and everyone became very excited? We tend to forget that when adjusted for inflation, it was really only around 400.

The government and corporate bond market is in a shambles. Prices have fallen to market values unimaginable a few years ago. If you think this is bad, consider the municipal bond market. There is some question as to the ability of municipalities to pay off future bond issues in light of the tax revolt and Reagan's cut on Federal fund grants to cities and towns.

I cringe when I think how many billions have been lost due to the bond market collapse. Coupon rates of five or six percent were once considered excellent investments, but not anymore.

Stocks and bonds, the old widows and orphans friends, just don't work anymore. Today bonds are just certificates of confiscation. Anyone holding bonds for long-term and not trading purposes is

“For too long, many of us have been guilty of making investment decisions for clients based on economic projections from Washington and on data from brokerage firms dealing primarily in stocks and bonds. It is time we diversified out of purely conventional paper investments into assets which will perform well if these overly optimistic economic projections fail to materialize.”



going to lose unless inflation is brought under control. How many more widows will suffer because their earnings and life-style are dependent upon a trust fund invested in eight percent bond investments while the cost of living increases by 10 to 15% each year? Older Americans are being ripped off by the effects of inflation on trust funds. It doesn't matter whether the funds are in a personal trust account or a retirement plan, the outcome is the same. Something must be done soon because the silent thief of inflation is ravaging the security and financial independence of older Americans.

Meier: Why does inflation increase demand for collectibles and result in price appreciation?

Holland: Stocks, bonds, and other conventional investments are denominated in paper currency, which is constantly being devalued by government as the money supply is inflated. If the government will not control the supply of paper money, more investors will buy tangible assets with a limited supply. Their reasoning is, if the government can't produce it or artificially increase its supply, the asset should theoretically appreciate equal to or faster than inflation rates. The increased demand for collectibles has caused prices to rise dramatically. Therefore, hard assets should continue to be a hedge against inflation.

In summary, an increase in demand for something of limited supply will result in price appreciation. There is no limited supply to dollar denominated investments, so investors move into gold, diamonds, coins, etc., which have a limited supply and price appreciation results.

Meier: It's easy to criticize inflation and government policies, do you have any concrete proposals on how to end inflation?

Holland: Yes, there is nothing mysterious about inflation, its causes or cure. Inflation is simply an increase in the money supply brought about by the fiscal and monetary actions of our government. The blame for rising prices is often thrown on borrowers, unions, greedy businessmen, etc. There must be some limit imposed on the growth of the money supply in this country. The limitation can be based

on growth of GNP, some formula involving several or many indexes, anything that restricts the unlimited creation of dollars would help. Personally though, I would prefer an eventual return to the gold standard as the ultimate safeguard to a sound dollar policy. The ability of the Federal Reserve System to manipulate the money supply at will must not go unchallenged. American consumers perceive it in their best interest to borrow for most purchases either through charge cards, direct loans, etc. and the FED is always ready to oblige with more money. This is a large cause of inflation and all of this outstanding credit is not good for the consumer or the lender.

History has shown us time and time again that when a nation allows its politicians instead of the free market to control interest rates and the money supply, inflation is always the result. President Reagan's gradual approach to ending inflation will not work. Margaret Thatcher and her monetarist advisors in Great Britain have failed in their attempt to bring inflation under control through this approach.

Congress and the President will cave-in to the special interest groups and the steps necessary to bring inflation under control will not be carried out. Reagan's programs have bought us more time and that's all. A day of reckoning will come. The sooner we acknowledge the possibility of this eventuality, the more secure our trust accounts and clients will become.

Meier: In your public speaking and articles, you voice serious concern for the safety of our Social Security System. You have called Social Security "The Ultimate Government Pyramid Scheme." Would you elaborate on your reasons for this concern in light of recent news articles about the vulnerability and future insolvency of the system?

Holland: First let me state that I disagree with the many economic experts and politicians who are predicting the imminent collapse of our Social Security System. This publicity is just a political ploy to shore up the weakened system with more of our tax dollars. This will turn into an annual event as taxes must

Holland on Trust

continued

continue to be raised and benefits cut in future years just to keep Social Security from collapse. A long drawn out death is more in the cards for Social Security because after all, benefits are backed by the U.S. government and it has the solution to every problem, print more money. This is how we will pay off the trillions of dollars of future benefits. The question is what will these future benefits buy, probably very little.

Social Security works like any other pyramid scheme. Those that participate early receive the most benefits relative to their contributions. A good example of this is the first person to retire under Social Security was a woman who started to receive benefits on January 1, 1940. She lived until 1975 and collected a total amount of \$21,000. While working, she had contributed \$22.54 in Social Security taxes. This was definitely a good deal for her but what about the individuals, corporations, and small businesses paying taxes today to overcome the deficit in the system? Too bad for us. In the typical pyramid scheme, later victims discovered the con and got out or refused to join. After all, there are only so many suckers born everyday.

With Social Security it's a little different. Participation in a wealth transfer scheme doomed to failure is forced on most working Americans today. That is, most Americans, not our representatives in Washington or the Federal bureaucracy. It is ironic but understandable, that the same people who force us into an unsound Social Security System, take away our hard earned money through taxes, and regulate our personal lives and businesses, are currently safe outside of Social Security with Federal Retirement.

As I said earlier, there will be no massive collapse, the end of Social Security will be long and drawn out. It will gradually unofficially cease to be the cornerstone of retirement security in this country.

In the near future the following changes in Social Security will occur:

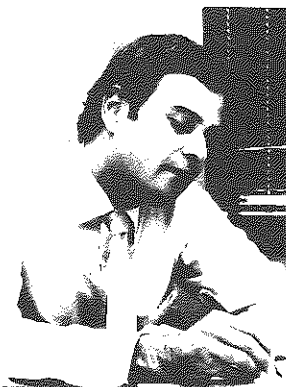
1. We will continue to see increased Social Security taxes for employees and employers.
2. Delays in the Social Security retirement age to 70 and beyond.
3. Increased dollar benefits with a decreased purchasing power. We will have the illusion of increased benefits and cost of living adjustments but the monthly benefit will buy less and less.
4. Partial funding from general revenues of the treasury and interfund borrowing, resulting in still higher tax rates.
5. The deficiency between the system's income and benefits will be made up by deficit spending. The result will be more printing press dollars and inflation.

6. The inclusion of Federal employees and their retirement program into Social Security. Public pressure will bring this about and they will be in the same sinking ship the rest of us are in.

The eventual failure of Social Security should be considered as a possibility by the banking industry. Banks should strengthen their own retirement programs to better protect employees retirement security. A more aggressive program of marketing bank retirement services would also benefit the entire nation.

Meier: What investment policy does your firm follow in today's market?

Holland: To keep the client ahead of inflation, we normally commit a portion of the funds into collectibles. Now everyone is aware that collectibles increase in value during inflationary periods but there is a misconception that these investments perform poorly during periods of relatively low inflation



Real competition and not government protection is the only way to reverse the trend of low profits, more government controls and the eventual status as a quasi-national industry like much of the banking industry in Europe.

rates. The statistics fail to bear this out as shown in the 1978 Salomon Brothers Study. For the eleven year period from 1968 through 1978 inflation averaged only an annual rate of 6.1%. This is less than half of today's inflation rate. During the period bonds stayed even at 6.1% while stocks as shown by the Standard & Poor Composite Index only managed 2.8%. During the period, numismatics appreciated by 12% each year, gold 16%, diamonds 12%, and silver 9%. Over the long term, collectibles outperform inflation and conventional investments. We believe inflation will not only continue but grow during late 1982 and 1983. A prudent investment policy would suggest some collectible investments for inflation protection.

Our investment philosophy is simple. We bet against the government's ability to bring inflation under control. When Treasury or some government economist releases another projection or comments, we assume that they're either wrong or we're being deceived. No amount of talking, arm twisting, slogans, etc. will get our economic house in order. It takes tough talk backed up by tough action, and tough action is political suicide. I don't believe a majority of Congress is going to vote themselves out of office regardless of the long-range outcome of their actions.

For too long, many of us have been guilty of mak-

ing investment decisions for clients based on economic projections from Washington and on data from brokerage firms dealing primarily in stocks and bonds. It is time we diversified out of purely conventional paper investments into assets which will perform well if these overly optimistic economic projections fail to materialize.

Meier: So far we have discussed the investment management and problems associated with personal and retirement investments. Is there a place for collectibles in estate planning and the management of personal trust accounts?

Holland: Collectibles should play a more important role in the management of these accounts and their acceptance will increase over the next few years. Currently there is little knowledge and understanding about collectibles by most trust officers and this has been detrimental to many clients and their beneficiaries.

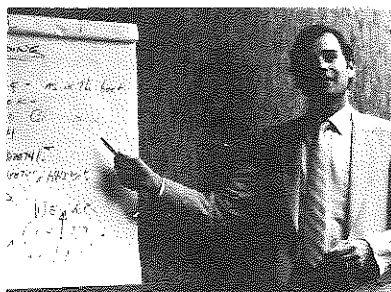
liability by trust beneficiaries and retirement plan participants with the following concern.

Why did you fail to consider some diversification into collectibles when publications such as the Salomon Brothers Study and others clearly indicated the exceptional appreciation potential of collectibles during inflationary periods? Now my portfolio has lost half of its real value when inflation is considered and I feel you should have prudently invested a portion of the funds under management into collectibles for protection against continued inflation.

This is where the real investment liability is going to come from if my scenario for another increase in inflation is proven correct.

Robert Meier is currently president of his own research and money management firm in Chicago and has contributed several articles to the Illinois Banker.

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Let's consider an estate that has a substantial coin, art, or stamp collection; gold and silver investments, etc. Here the trust officer is faced with two very difficult decisions without the proper background and experience necessary to always make the best decision. The trust officer must determine an accurate market value of the collectibles for estate valuation and tax purposes. Also, he must decide whether it would be in the best interest of the beneficiaries to manage or liquidate the collectible investments.

All too often the solution has been an immediate sale of the collectibles based on a lack of knowledge by the trust institution of collectibles in general. This action usually hurts the estate because collectibles have far outperformed conventional stock and bond investments in recent years.

I am not trying to minimize or gloss over the liability associated with collectibles but the time for ruling out the consideration of collectibles as prudent investments just because of a lack of expertise is over. There is justifiable concern about the potential liability associated with the liquidity, grading, storage, and accurate market values of collectible investments but I submit that five years from now the liability will be viewed from an entirely different perspective. Trust departments and investment managers will be threatened with investment

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and worth dying for,
it's certainly worth voting for!**

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