

from

Was Grandpa Really a Moron?
Critical Inquiries for a New American Century

by

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Regarding Tax "Reform"



An astonishing number of Americans continue to call for the enactment of a "national sales tax" (such as the so-called 'Fair Tax'). These poor folks have let themselves be suborned into thus endorsing the notion that the federal government has a legitimate claim on an unlimited portion of every American's personal property-- enforceable by one means or another-- in exchange for nothing more than being spared getting a headache filling out a bunch of tax forms each year (or going to the trouble to learn the truth about the law).

Understand, the sole "benefit" pitched by boosters of this shell-game "reform" is that the individual paperwork burden would diminish. Everyone would still have just as much of their property taken. What this is really all about is distracting Americans from consideration of the real issue-- that is, who actually has a lawful claim to all that money-- by dangling a minor symptomatic relief in front of them. It is with these folks in mind that I offer the following comments...

"Every reform is only a mask under cover of which a more terrible reform, which dares not yet name itself, advances."

-R. W. Emerson

Now that the current income tax structure has been deciphered and revealed to be benign in 'Cracking the Code- The Fascinating Truth About Taxation In America', it falls to all of us to actively and strenuously resist any attempt by the tax beneficiary crowd to replace that structure-- which they are coming to recognize as fatally compromised, for their purposes-- with an alternative, such as a national sales tax or value-added tax. Such alternatives-- all of which would seek to maintain spending at or near current levels-- would quickly be riddled with exceptions, special-interest pay-offs and so forth; as well as the subsidies and associated means-testing necessary to forestall what would otherwise be an intolerable burden for the poor. They would quickly become indistinguishable from the current regime in complexity, bureaucracy, and injustice. More importantly, depending upon how such an alternative was instituted, we might never be rid of it.

After all, a broad-based federal sales tax or VAT-- which would be functionally involuntary in nature (thus, direct), and would lack any effective connection between the federal government and the object of the tax as well-- is just as much prohibited by Article 1, Section 9 of the Constitution as is the general tax on receipts that most Americans misunderstand the income tax to be, and thus would be unconstitutional without an amendment. However, with the income tax having been broadly misunderstood-- and thus obnoxiously misapplied-- for so long that many Americans have reached an, *"Anything but this!"* attitude, there is every danger that the general public could take the position that if a Constitutional amendment would rid us of that current regime, then so be it.

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Should that happen, not only would we abandon an existing statutory structure which, as actually written, is dramatically better than even the wildest promises made by those who tout "reform", but the evils we suffer under today-- by virtue of mere ignorance, something easily remedied-- will become evils we suffer from tomorrow with no remedy available at all. Thus, calls for such reforms really amount to efforts to better secure the benefits enjoyed by clients of the state under the current mis-administration of the existing law.

Some will argue that, since the income tax-- if administered as actually provided for in the law-- can't bring in nearly as much revenue as is delivered to government under the current reign of misunderstanding, a replacement such as one of those touted by the "reformers" is unavoidable, whatever its faults. This is simply not true.

Even if current levels of spending are deemed desirable or necessary, the Constitution has always provided perfectly adequate methods by which the money can be raised. There is no limit to the size of a lawful apportioned direct tax-- and such a tax can be sought as often as circumstances require. A revenue tariff is also available, and capable of bringing in very large amounts indefinitely. These are the methods provided for by the founders, and they are quite sufficient. They also happen to be far more accountable and politically rigorous than the open spigot of money into the federal coffers that the mis-administered income tax has become, and thus far less desirable to the political class.

In fact, one of the most pernicious political-accountability-evasion aspects of the mis-administered "income" tax enjoyed by the state under the current regime-- the concealment of the true tax burden by means of the "withholding" system-- would be exacerbated enormously by a national sales tax, or VAT. "Withholding" arranges things so that most Americans never really perceive the total amount

being extracted from them by the state. Instead, most quickly become unconscious of the degree by which their earnings are incrementally diminished over the course of each year (precisely as was intended by the system's designers), and actually celebrate the return of a pittance each spring in the form of a "refund". Under a sales or VAT tax, the amount extracted is broken into vastly smaller incremental hemorrhages guaranteed to quickly slip under the radar screen and remain there.

One of the awkward realities of life is that the freedom of the people, and the convenience of the state, are generally mutually exclusive. We can provide for only one or the other. I know which one I choose, and with no second thoughts at all, even if inconveniencing the state should occasionally prove to inconvenience me as well. I have the benefit of the trenchant words of Thomas Jefferson to help me keep things in perspective: *"I would rather be exposed to the inconveniences attending too much liberty than those attending too small a degree of it."*

I hope that everyone will join me in vigorously opposing all efforts at "tax reform", and instead, dedicate themselves to the support of simple, lawful taxation, as provided for in the Constitution.