

TOTAL TAX RELIEF

A Concept of Liberty, Justice and Equality

by
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A Hearthstone Book

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An inquiry into our present method of collecting taxes for all facets of government operation, with an alternative means of raising revenues for all government expenses.

DEDICATION

This book is dedicated to those of us who file income tax returns—the voluminous, complicated, frustrating forms—to those individuals, companies, and yes, even large Corporations, the sympathy of the writer is all-embracing. The purpose of this book will be to eliminate the income tax and its family of taxes including sales taxes, corporate taxes, *unitary* taxes, grocery store taxes, restaurant taxes, utility taxes, taxes compounded upon taxes, taxes with fancy names such as liquor, cigarette, lodging, federal excise taxes, import duties, state taxes, county taxes, city taxes, hidden and direct taxes and anywhere else that the tax collector's greedy claws will reach.

Another purpose of this book is to show how this nation can be prosperous, with full employment, and operate efficiently under a more equitable means of raising revenue for federal, state and local governments without taxation.

At this time I wish to thank my friends who helped me. For their ideas and suggestions, in writing TOTAL TAX RELIEF. Because of the nature of this book, they all choose to remain anonymous.

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FOREWORD

There comes a time in a person's life when an attempt to take an overall view of accomplishments, present undertakings and future goals becomes necessary. It is a time to be objective, to learn from mistakes, to be motivated by positive achievements, and to use these experiences to enrich the future.

On a much broader scale, people must also be able to look upon themselves as a unit, a society, or a nation.

This book will attempt to evaluate some important aspect of our current lifetimes and style, and present possible alternatives or solutions to some of the human errors that have evolved in our society.

Being human, we are subject to the imperfections of rationalization, ignorance, greed and gullibility. These traits become apparent whenever people have to deal with any problem that confronts them—especially when the problem is being dealt with by people as a group. Since man, through the years, has been conditioned to look at things from the point of view of a group, he sometimes forgets that he is an individual, and as such has certain qualities are the basic theories of our economy and form the foundation of this book together with its overall message.

These two theories are firstly, that man seeks to gratify his desires with the least amount of exertion possible, and secondly, that man's desires are unlimited, as explained in the text of *Progress and Poverty* by Henry George.

The fact that man seeks to gratify his desires with the least amount of exertion has manifested itself in many ways through the years. It is responsible for, among many other things, the invention of the broom, the wheel,

automobiles, computers and scores of labor saving devices. All of these devices are ways in which people have been able to achieve certain desires with as little effort as possible. We have even given these methods of simplification a name—PROGRESS

The second of these theories is common knowledge to all men, but most of the time the fact that man desires without limit is suppressed by society and labeled “wanton materialism.” Man may desire many different things, or a lot of the same thing, but the fact remains that man is always wanting something. For example, as children, when we walked into a toy store, we wanted everything in the store. As teenagers, we wanted fast cars, clothing and good times. Finally as adults we desire money, houses, success, and scores of other things without end. The scope of these desires varies, depending on the exposure one receives to the world in general, and the conditioning receive *since* birth. People have advanced incredibly over *the years*, and in fact, as each year goes by, man progresses more than the previous year. indeed, the ways which have been created as vehicles to achieve all of our desires grow in quantity and intensity every minute. Let’s look back twenty or thirty thousand years, when men still lived in the caves. If there was dirt on the floor, *one* just pushed it aside. As time went on, man discovered that by taking some grass or straw and using that to push obstacles aside, a surface like the floor could be cleaned without soiling one’s hands. This method of using straw was then perfected by binding the straw together on the end of a stick so the user would not have to bend over to sweep, and thus was born the broom. The broom was perfected over the years, by improving the method of bunching at the end, eventually making synthetic straw for the broom. As our living habits and quarters grew more complex, so did our need to clean, and with the coming of the industrial and mechanical age, men figured out a way to dispose of refuse on the floor other than sweeping it. The idea was, instead *of* having to manually sweep refuse into another *container* for later disposal, why not have a machine that could suck up dirt and other small objects on the floor directly into a bag which would be stored in the machine until it was full, then disposed of. This concept is better known today as the vacuum cleaner, and even its revolutionary cleaning methods are currently being replaced by more advanced machinery that can clean an entire house automatically through the use of a computer. All of these marvels evolved from the simple need of one of our ancient ancestors to have a clean floor in his cave. This cause-and-effect process is the main reason for man’s inventiveness, and it would be an insurmountable task to even begin to list every step of man’s progress through the thousands of years since we have walked the earth, and the moon. We shall now take a brief look at the last two hundred thirty-five years in the U.S.A. since it is in these years that man has progressed more than in the twenty centuries before them.

INTRODUCTION

Human progress through the years has been as amazing as it is complex, and each year that passes, people invent twice as many items than the year before, in greater complexity. It is within these last two hundred years, however, that inventions have really come of age. There was a time in in which certain discoveries or creations, like fire or the wheel, took decades to develop. Nowadays, a complicated formula can be figured out by one of the modern micro-chip computers in a matter of seconds. Indeed, we are in age where the words “new and improved” are everyday terms.

The beginning of this modern boom of material progress can be closely tied to the founding, creation and growth of the United States of America. It was shortly after the founding of our great country that communication over great distances became possible, and the burst of creative ideologies which became known as the Industrial Revolution occurred. It was during this time that most of the conveniences that are taken for granted today were developed, and grew along with the new country known as the United States. Let’s take a look at the progress of man and the United States through the last two hundred thirty-five years, and what is in store for the future.

Every story must have a beginning, so we shall start with the year 1750. This was a time when the colonies were still young, and the land mysterious. But the foundations of what was to come were already being built. There were two main cities during this phase: Philadelphia and New York. These two cities were first connected by statecoach in 1756, giving birth to interstate travel. Philadelphia grew very quickly, and the city had the privilege of having the very first gas street lights in America installed in 1757. The next twenty years brought about many changes when the growing population (the 1770 census showed a population of 2,205,000) began to tire of being ruled by a long distance monarchy. They desired a country of their own—a free country, without the tyrannical actions of King George, who had very little respect for the colonies. The list of grievances of the colonists was put on paper along with a statement of secession, and their Declaration of Independence of 1776 saw the birth of the United States of America. The formation of the U.S.A. as we know it today was put together in the Constitution which,

with its final ratification by Rhode Island in 1790, is still the supreme law of the land. The new Americans did not only acquire a new government, they also gained what was to become their greatest natural resource; LAND.

At last with their own country, the new Americans were still progressing by leaps and bounds, with the invention of the steamboat in 1787, the sewing machine and the water-powered cotton spinning machine in 1790, the cotton gin in 1793, and the electric battery in 1800.

By the time the turn of the century rolled around, the young U.S.A. began to stabilize with its new Constitutional Government and subsequently founded a capital in 1800, in Washington, D.C., This new capital would serve the sixteen states then in the Union: Delaware, Pennsylvania, New Jersey, Georgia, Connecticut, Massachusetts, Maryland, South Carolina, New Hampshire, Virginia, New York, North Carolina, Rhode Island, Vermont, Kentucky, and Tennessee.

The population by the year 1800 was 5,308,483, and these citizens were to partake in two great history-making events that took place early in the century. The first one of these great Louisiana Purchase in 1803—the largest piece of land ever purchased in a single sale. The territory covered from as far south as Louisiana, to as far north and west as Idaho and eastward to the Mississippi River. This entire tract of land was purchased by the U.S. from France for a mere \$15 million.

The second development to have such importance in the 19th century was the invention of the electric light in 1810. The first fifty years of the century proved very crucial in many respects, with huge boosts in growth of physical size of the U.S. and many labor-saving inventions and developments. Some of these were: Cement in 1824; the opening of the Erie Canal in 1825; the first passenger steam locomotive in 1830; the reaper and the electric generator in 1831; and the telegraph in 1837. As one can see, the pace of progress was beginning to pick up during this time. By 1850 the U.S. was truly spreading “from sea to shining sea”—with the Spanish cession of Florida in 1819, the annexation of Texas in 1845, and the Mexican cessions of 1846 and 1848. These acquisitions paved the way for statehood for many a territory. The territories that became states in the first half of the 19th century were Ohio in 1803, Louisiana in 1812, Indiana in 1816, Mississippi in 1817, Illinois in 1818, Alabama in 1819, Maine in 1820, Missouri in 1821, Arkansas in 1836, Michigan in 1837, Florida in 1845, Texas in 1845, Iowa in 1846, Wisconsin in 1848, and California in 1850. Naturally with this tremendous growth in size, there was a boom in population with a 437 percent increase over the 1800 census, making the 1850 total 23,191,876.

By 1850, the young Union began settling into its own, and there were many sad times to coincide with the great strides being made in progress. Just as there were two main developments in the first half of the 19th century, there were also two major developments in the latter half, although not as pleasant as the first two. It was in 1861 that brother took up arms against brother in the Civil War between North and South. A tragic time indeed, for during this dread time occurred the greatest setback in modern times. In the heat of the Civil War, the budding U.S., short of money and as yet inexperienced in governing such a vast country, adopted a bill authorizing the newly formed government agency, that would later be known as the Internal Revenue Service, to levy a tax on the hard-earned wages of the citizens of the United States. The tax was short-lived, as it was voted out of the government on the grounds that it was unconstitutional, but the dread income tax would resurface later, as will be further noted. The latter part of the 19th century was not completely marred by the events of the Civil War and the government policies that arose out of the war. Great creations were developed during this time to make our lives easier, such as the fabled Pony Express, which began making historic Far West mail runs in 1860, The typewriter made its debut in 1867, and just nine years later in 1876 came the biggest breakthrough in the history of communications: the telephone. Even though the invention of the telephone was the milestone of the century, there would be another great development two years later in 1879—the invention of the electric light bulb. Now the U.S. was truly in the modern era. The phonograph was invented in 1877, the first skyscraper was built in 1884, and the Kodak camera came in 1888. The last decade of the 19th century saw the discovery of the X-Ray in 1895 and the wireless telegraph in 1896.

As to the physical growth of the U.S., it was nowhere near the gain acquired during the first half of the century, but it was nonetheless important, especially with the additions to the Union of Minnesota in 1858, Oregon in 1859, Kansas in 1861, West Virginia in 1863, Nevada in 1864, Nebraska in 1867, Colorado in 1876, North Dakota, South Dakota, Montana, and Washington in 1889, Idaho and Wyoming in 1890, and Utah in 1896. (*See Chart—the United States of America.*) There were also important territorial acquisitions made during the latter part of the 19th century, including the purchase of Alaska from Russia in 1867, the signing of the Treaty of Paris in 1898, which not only ended the Spanish—American War, but also gave the U.S. the territories of Guam, Puerto Rico, the Philippines and Hawaii.

THE UNITED STATES OF AMERICA

State Date admitted to Union

State Date admitted to Union

Alabama	Dec. 14, 1819	Louisiana	April 30, 1812
Alaska	Jan. 3, 1959	Maine	March 15, 1820
Arizona	Feb. 14, 1912	Maryland	April 28, 1788
Arkansas	June 15, 1836	Massachusetts	Feb. 6, 1788
California	Sept. 9, 1850	Michigan	Jan. 26, 1837
Colorado	Aug. 1, 1876	Minnesota	May 11, 1858
Connecticut	Jan. 9, 1788	Mississippi	Dec. 10, 1817
Delaware	Dec. 7, 1787	Missouri	Aug. 10, 1821
Florida	March 3, 1845	Montana	Nov. 8, 1889
Georgia	Jan. 2, 1788	Nebraska	March 1, 1867
Hawaii	Aug. 21, 1959	Nevada	Oct. 31, 1864
Idaho	July 3, 1890	New Hampshire	June 21, 1788
Illinois	Dec. 3, 1818	New Jersey	Dec. 18, 1787
Indiana	Dec. 11, 1816	New Mexico	Jan. 6, 1912
Iowa	Dec. 28, 1846	New York	July 26, 1788
Kansas	Jan. 29, 1861	North Carolina	Nov. 21, 1789
Kentucky	June 1, 1792	North Dakota	Nov. 2, 1889
Ohio	March 1, 1803	Texas	Dec. 29, 1845
Oklahoma	Nov. 16, 1907	Utah	Jan. 4, 1896
Oregon	Fe. 14, 1859	Vermont	March 4, 1791
Pennsylvania	Dec. 12, 1787	Virginia	June 25, 1788
Rhode Island	May 29, 1790	Washington	Nov. 11, 1889
South Carolina	May 23, 1788	West Virginia	June 20, 1863
South Dakota	Nov. 2, 1889	Wisconsin	May 29, 1848
Tennessee	June 1, 1796	Wyoming	June 10, 1890

The end of the Spanish-American War saw another century come and go, and now the 100-plus-year old U.S.A. became the “Continental United States” with the admittance into the Union of Oklahoma in 1907, and New Mexico and Arizona in 1912. It might be said that the United States “drove” into the twentieth century in the automobile, and is flying into the twenty-first century in the space shuttle. This can be exemplified by the developments of the automobile between 1900 and 1905, and the famous Wright Brothers airplane ride at Kitty Hawk, Maryland, in 1903. This century, however, would find the entire world at war during its first half on two separate occasions. The First World War, from 1914 thru 1918, and the infamous World War II, from 1937 to 1945, which to this day is known merely as “THE WAR.”

As to the U.S. itself, the year 1913 saw the reappearance of the dread monster that had been declared unconstitutional just fifty years before. The income tax had become a permanent flaw in the prestigious growth of our country with the passage of the Sixteen Amendment. The income tax began as a small and relatively unnoticed measure, since it affected very few people. But our nation’s inability to search for fairer methods of collecting revenues for the government caused it to grow, and grow, until it has become what it is today.

Curious and coincidental as it may be, just sixteen years after the passage of the XVI Amendment, came the blackest point in the history of our country—the crash of the Stock Market in 1929, and the subsequent “Great Depression”—which would last for nearly ten years, and would be the cause of countless suicides, loss of homes and businesses, and increased government involvement in the economy.

The Second World War saw the end of the Depression, and the war came to an end with the development and unfortunate deployment of one of the worst weapons ever invented by man: the Atomic Bomb: Not only the bomb kill countless thousands in Hiroshima and Nagasaki, Japan, but it gave birth to the era we are presently in, the Atomic and Technological age.

As we wind down this preface to the present, we see a world changed by the increased awareness of all people by improved global communications, especially with the development of the television set, invented in the early 1940s but popularized in the 1950s.

Many of our modern terms came about in the early 1950s also, as did the emergence of the “Super Powers,” and the “Cold War” with the rapidly growing Soviet Union. The threat of nuclear war became a reality after Hiroshima and Nagasaki, and the attitude of the world in general changed to a very defensive one.

Technological growth replaced physical growth, since there were few areas of the world that had not been explored and mapped by this time. In 1959, the last growth spurt of the U.S. brought statehood to Alaska and Hawaii. Since that time, technological growth has given us the modern wonders of the computer, that amazing machine that once used to occupy entire rooms of space, but now requires only the space of the head of a pin to do the same thing. Computers are amazing labor and time saving devices, and they are playing an increasingly more important role in our everyday lives. For example, banks have utilized computers to store account numbers and balances for some time and through time this banking computer system has spread from bank to bank, and from bank to private enterprises. Such a private enterprise is today’s modern grocery store, many of which have

automated tellers in the storefront which can give cash from any personal account in any bank that is a member of the system. The computer can take deposits, give balances, give credit card cash advances, and even take Christmas Club payments in some areas, all of this in operation 24 hours a day. Hospitals have also used computers to improve their services by putting patients' records into data banks, which are the computer's equivalent of filing cabinets. A patient's records can immediately be requested and will show a patient's entire medical history in case of an emergency, and quite possibly save a life in the process. Even the mail has been improved by computers, as there are companies that use computers to send mail instantly to another computer. This is done through the telephone system and by sending a picture of the letter through the phone to a printer in the receiving city. The computer mail process saves time and money for many businesses who need information fast.

Together with the great computer age, the twentieth century brought us space exploration with the launching of Sputnik in August of 1959. The Sputnik satellite also launched the space race of the 1960s which culminated in the American space program's Appolo moon landing in 1969, and subsequent moon walks by men.

Can anyone imagine the vast technical knowledge required to solve the problems that were involved in traveling to the moon, landing, walking, driving a special vehicle, gathering some rocks and returning safely to our "Mother Earth?" Knowing what we do, would it be possible to solve the problems of world unrest, war, poverty and unemployment through the use of logic and technological science?

So here we are in 1986, and George Orwell's vision of two years ago did not come true—totally that is. We may not have Big Brother, but government agencies can monitor most of our moves through surveillance cameras, and computer records of our everyday lives, such as how much we have in the bank, how much we spend, and how many clothes we have. We may not have the five minute hate sessions, as described in the book *1984* where entire cities congregated for an intense five minute "hate" session, where obscenities were shouted and arrogance was shown towards "the enemy," but the growing tensions between Americans and Soviets have an uncanny resemblance to the ritualistic aggression sessions depicted in Mr. Orwell's great work. We may not have outlawed smiling, but when one is called in by the I.R.S. for an audit, one does not smile. Indeed, we have evolved into a complex society which has experienced an incredible amount of growth and productivity over the years, as we have seen. Yet, with all of the fantastic achievements we have made in the last 235 years, there is one area in which our country and others have not been able to move forward, an area which is the most crucial to the survival of humanity, and that is unemployment and poverty. It is somewhat ironic that man has been to the moon and back, and explored outer space, but as of October 1984, there were thirty-four million people, in the U.S. alone, who are under the poverty level. There are homes selling for eight million dollars in Hollywood, California and there are still people living on bus benches and out of shopping carts. This is a complex situation with no easy solution, and it also raises the inquiry: "If the above-given facts concerning the progress of our nation and the condition of our people are true, have we really progressed?"

The following chapters may provide an answer to this problem by analyzing government taxation policies, land speculation and land hoarded. These factors, I believe, contribute to the existance of the many who work all of their lives and still can't make a decent living. In addition, there are millions who never surpass the poverty level.

CONTENTS

1	The Internal Revenue Service	19
2	Tax Deviates	28
3	Tax Avoiders	33
4	Tax Rebels	38
5	Our Land And Its Treatment	46
6	L.O.V.E./Lease Our Valuable Earth	57
7	Requirements to Bring About L.O.V.E	73
8	The Restrictions on Competition in Our Licensing System	88
9	The Denial of Our Equal Rights in Living	97
10	Our Planet Earth Today and a Brighter Tomorrow	112
	Addendum	122
	Bibliography	128

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