

# The Activist News

# Citizens for Limited Taxation

*The Commonwealth Activist Network*

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## The Massachusetts Taxpayer Activist's Newsletter

June 1999

# CLT Celebrates its First 25 Years!

**Q:** Where does the word “politics” come from?

**A:** From “poly” meaning “many,” and “tick” meaning “a blood-sucking parasite.”

*Submitted by activist Norm Paley*

# Tobacco Settlement “Reimbursement” Update

As the state budget grows toward \$22 billion, more than double what it was just ten years ago, the blood-sucking parasites have deigned to offer their host taxpayers some crumbs.

The House “working family tax cut” lowers the income tax rate slightly from its present 5.95 to 5.75 percent, then offers some of the rest of our promised rate reduction to favored “more deserving” taxpayers with dependent and child care deductions. However, it “pays” for this generosity by reneging on another promise to abolish the capital gains tax: the rate will be held at 2 percent. For those who have forgotten, the capital gains rate phase-out was done for Gov. Weld in return for the 1994 legislative pay-raise.

The Senate Parasite President's preferred package also reneges on the capital gains tax deal (while keeping the pay-raise), and gives away all of the income tax rate reduction to what the SPP calls "needy taxpayers" through dependent and daycare deductions, rental and student loan deductions, and the earned income tax credit that goes to people who don't even pay taxes.

On May 26th the National Taxpayers Union (of which CLT is a member) issued a major study of the Tobacco Settlement and what the states are doing with the reimbursement money. In its news release, "States Systematically Squander Tobacco Settlements, Study Shows" the NTU found:

“Politicians waged the so-called “tobacco wars” in the name of the taxpayers. Yet now that this long-shot bet has paid off, many of them are proposing a raft of new spending measures that will expand the role of government and strand future taxpayers in a sea of liabilities. Children’s health care, education, and loosely-defined “public health” programs represent the most popular initiatives. A number of states plan to or already have set up agencies or permanent trust funds devoted solely to the disbursement of tobacco

funds. Largely forgotten in the rush to fund new programs are the taxpayers, for whom the tobacco settlement appears more likely to provide bigger government burdens rather than well-deserved tax relief.”

Then on June 3rd the Boston Globe reported: “The move by



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## Parasites . . . Cont'd from Page 1

He also attempts to bribe low-income senior citizens to vote for overrides with a tax credit to help them pay higher property taxes. Any seniors out there who trust the Legislature to continue the tax credit after the property taxes increase?

These various tax cuts and hikes will be sorted out later this summer in House and Senate conference committees. The governor has pledged to veto any package that contains the capital gains tax increase; the question is, can his veto be sustained?

CLT could support some inflation-adjusted deductions, especially the rental deduction which we created with Prop 2½, but not until the rate is back to 5 percent where it belongs.

## Reimbursement . . . Cont'd from Page 1

Senate leaders is the latest installment in a raging debate over how Massachusetts should spend the estimated \$300 million annual income resulting from the state attorney general's settlement of a lawsuit against tobacco companies to recover money the commonwealth spent to treat tobacco-related illnesses." Compared to the House's plan "the Senate proposal appeared to appease most special interests, from advocates for seniors and AIDS patients to antismoking campaigners."

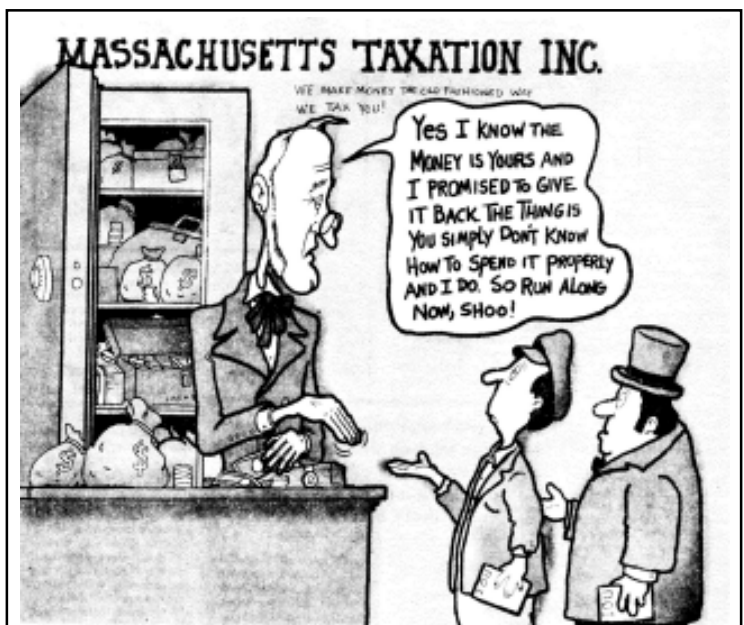
Three hundred million dollars every year of alleged taxpayer reimbursement, and the "raging debate" is over how to spend it!

The NTU report concluded: "The tobacco settlement set a number of troubling precedents. Many of the private lawyers representing the states, who won billions in legal fees, were major contributors or friends of the attorneys general responsible for their appointment. A number of states, such as Florida, California, and Maryland, ignored decades of precedent and passed laws specifically designed to bolster lawsuits against the tobacco companies. The prospect of huge settlements has already spurred copycat litigation, including the Justice Department's pending action against the tobacco companies and the current wave of litigation against gun manufacturers. Finally, the tobacco settlement ushered in what former Clinton Labor Secretary Robert Reich approvingly terms the "era of regulation through litigation," in which the courts impose burdensome regulations and taxes that would never win legislative approval."

Welcome to the age of Taxation through Litigation.



**Pat Warnock of Marblehead**  
**CLT's 1999**  
**CITIZEN**  
**for Limited Taxation**



The Lowell Sun • May 16, 1999

## Upcoming Membership Poll

Watch your mail in a few weeks for a CLT Membership Poll. It will ask whether or not you want to participate in another petition drive to "Keep the Promise" and roll

back the income tax rate to 5 percent. If there is enough interest and support, we can then begin planning for another fall petition drive.



# 7th Warren T. Brookes Award



Jeff Jacoby's photo courtesy of Tanna Kasperowicz/Tinytown Gazette



Barbara awards Boston Globe columnist Jeff Jacoby (above) and WLVI TV-56 political commentator Jon Keller (above right) this year's Warren T. Brookes Award. CLT presents the award at each banquet to a person or persons who contributed in a significant way to advance the

cause of the taxpayers of Massachusetts. The public response to Jeff's and Jon's columns last June commenting on what would happen if the reports were true that CLT was closing its doors, along with your support, actually kept us alive to fight another day

## “Above and Beyond” Activist Awards



Chip Faulkner presents this year's “Above and Beyond” Activists Awards to (l to r) Sarah Blood, Allen Karon and Steve Olson. This new award was created to thank them for



the countless hours, days and weeks they spent as volunteers in the CLT Boston office during the tedious petition signature challenge by the teachers union.



# Comments from The Founder

## Edward F. King

### at CLT's 25th Anniversary Celebration

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First of all, I want to tell you it is very difficult for me to believe that 25 years have gone by. When Barbara asked me to speak to you this evening, my first thought was to regale you with the early history of CLT. I was going to tell you about our first office, our first paid employee, our early projects, the primitive index cards, the scorn with which we were treated by the press, by elected officials, and by other political groups.

But I changed my mind. A few days ago, during a telephone conversation, Barbara said something to me: "Some of our people are discouraged" she said. That simple statement changed my mind. I decided it would be more useful to discuss the change in the climate since the early days of the tax limitation movement.

In 1966, we had a vigorous election campaign in Massachusetts. There was a sharp difference between the parties. The Republicans were in favor of instituting, for the first time in Massachusetts, a limited sales tax of 3 percent. The Democrats were proposing a massive increase in the income tax. Both sides issued propaganda brochures with explanations of how much new revenue would be raised and what programs would be funded. Now here's my point. No one -- NO ONE -- spoke against new taxes. Not one voice was raised in protest! We got the 3 percent sales tax. Now, of course, it is 5 percent.

In the 1960s and early '70s, there were a number of very active political groups: Americans for Democratic Action, Citizens for Participation in Political Action, Students for a Democratic Society, the Massachusetts Teachers Association, various other public employee union groups, etc. All of them -- every single one -- were in favor of more spending and higher taxes.

In the 1960s and early '70s, there were no Don Feders, Warren Brookes or Jeff Jacobys at major newspapers, no Avi Nelsons, David Brudnoys or Jon Kellers on radio or television. Only one point of view was being heard. We debated which tax to raise, how much to raise it, and which boondoggles to finance next.

Then came 1974 and CLT. Today we debate which tax to cut and by how much. We do have Proposition 2½ as our protector. We do pay \$25.00 per thousand for our auto excise instead of \$66.00. We do have a place at the table of discourse.

Conservative columnists abound. Talk show hosts who are pro-taxpayer fill the airwaves.

Discouraged?

When CLT was founded, it was our intention to form a permanent organization to protect the taxpayer. Why permanent? Because we knew that, as long as there are people who are smart enough to understand that they can vote themselves and their friends a share of someone else's earnings, and thus avoid the indignity of working for it -- and there will always be such people -- then we would need a permanent organization. The police departments are permanent because criminality is permanent.

Our defense department is permanent because aggression and tyranny are permanent. The medical profession is permanent because disease and injury are permanent. And CLT is permanent because parasites and free-loaders are permanent. From King George to Tom Birmingham, there is no break.

Discouraged? Nonsense.

I have a feeling that when we reach the Pearly Gate, every American will be greeted, not by St. Peter but by George Washington, Thomas Jefferson, Patrick Henry and Nathan Hale. Discouraged? How will you answer George Washington, whose soldiers survived brutal cold, starvation and disease to face down the greatest military machine that the world had ever known? If he asks you what you have done to defend this Revolution and keep the faith, what will you say?

Thomas Jefferson was 6 ft. 5 in. tall, a veritable giant of a man. His passion for limited government and individual freedom was as big as his frame. Would you like to look up at him and tell him to his face that you get "discouraged"?

Nathan Hale regretted that he had only one life to give for his country. Would you use the "d" word around him? I think not.

Patrick Henry said "As for me, give me liberty or give me death." And he meant it. For had the revolution failed, he would surely have been hung for treason against the Crown. Could you possibly look him in the eye and say "discouraged"?

Make no mistake. You are the heirs to The American Revolution. You must safeguard and keep what they fought to win.

This is no time to be demoralized. This is no time to be discouraged. There is nothing that arouses a barracuda like the smell of blood. Make no mistake. We are surrounded by barracuda disguised as do-gooder liberals who want our money to fix the problems that they define with the solutions that they design. We must not let them smell blood or sense fear. Because that would be their signal that they can have their way. And their way means always more. More spending, more taxes, more misery.

I remember during the recession ten years ago: they said "we need to keep our programs in place now to help people who have been hurt, who are out of work, who are needy." Today with a strong economy, they tell us: "we need money for infrastructure, we need money for a rainy day, we need money for education, we even need money to subsidize millionaires who indulge in sports."

The message is clear. There is never enough. There is no good time to reduce taxes or cut spending. Your wallet and your checkbook are always in open season.

You're thinking of being discouraged? Remember Thomas Jefferson. All six feet five inches or him.

And don't you dare.



# The Outsiders' Track

By Barbara Anderson

**T**he Outsiders celebrated their 25th anniversary on May 20th. Thanks to all who shared the evening with us. Special CLT member-entertainers made the event more a party than a fundraiser: Libertarian **Carla Howell** sang her original piece about taxes, **Richard Freedman** and his friend **Ilana Gerard** did "Freedom" from Shenandoah, and my trio partners **Phil Bator** and **Norm Paley** (Reform Party) dedicated "The House I Live in" to all our 25-year members.

The first CLT Chairman, **Don Cassidy**, an investment author who now lives in Colorado, spoke briefly about current economics, then our founder **Ed King** gave an inspiring speech (*see previous page*) about "never wanting to tell **Thomas Jefferson** that we got discouraged."

Along with the four major awards given to "above and beyond" activists, small personal awards were given by me to friends who have been especially helpful this past year: two sheets of the new **Ayn Rand** stamps to Objectivist and ballot committee treasurer **Phil Bator**, a **Bill Clinton** watch-the-nose-grow watch to Plymouth County Republican Club leader **Dave Wilson**, a Thomas Jefferson coffee mug to **Sen. Bob Hedlund**, and a box of medieval knights to taxpayer warrior **Sheldon Price**, who created a spreadsheet program for CLT that allows us to more quickly process your membership checks.

Everyone enjoyed the outrageous display of anti-Prop 2½ campaign material from 1980, compiled by **Chip Faulkner** from the CLT files. He ended the evening with some funny campaign stories, then we all sang "God Bless America" as dinner organizer **Loretta Hayden** served the dessert, appropriately labeled ... "let the pols eat cake."

Special thanks to **Bob Bryne** who pumped up all those green and white balloons decorating the tables, and to **Howard Foley** who provided the party-favor pens. Welcome to all the new CLT members, who responded to our April prospect mailing. We asked them, "Do you belong?" with people who wish they had a voice in their own government, and think there should be a limit on the amount of taxes they pay?" And they answered "Yes!"

Some of those new members hail from Acton, where I was invited by **Judy Bombara** to address the **Acton Citizens for**

**Common Sense** in April. They defeated the school override, 3800-3000. And CLT activist **John Madfis** e-mailed us the good news that his **Westwood Committee for Fiscal Responsibility** defeated an override by 24 votes in April, and the bad news that the town is going to try again in June. I know how he feels. CLT's 1999 Citizen for Limited Taxation, **Pat Warnock**, is leading our effort to defeat the Marblehead override for a new school this month.

**Chip Ford** and I recently enjoyed reunions with former WRKO freedom-fighters **Gene Burns** and **Chuck Adler**. We had lunch at an Israeli restaurant with Chuck when he visited

Boston from Winnipeg, Canada, where he has a radio talk show on CJOB and is starting a second career with EXCEL communications. We put our counterparts at the **Canadian Taxpayers Federation** in touch with Chuck.

Our friend **Gene Burns**, still a talkmeister in San Francisco, was the inspiring guest speaker at the Libertarian State Convention, where we were the guests of

**Dave and Kate Rizzo**. Dave, by the way, is running for Marblehead/Swampscott state rep in 2000, and Chip has volunteered to be his campaign manager in his free time.

Speaking of WRKO, **Bob Katzen**, who was with me on Tuesday's **Jerry Williams** show earlier this decade, is now doing the 10-midnight shift on Saturday night.

Chip Faulkner spent a reunion evening with the world-class petitioners in the **Newton Taxpayers Association**, who have pledged to help with the income tax rollback petition this fall. He also met with the **Concord Coalition for Good Government**, a local taxpayer group fighting an Prop 2½ override, and distributed CLT flyers at the Dover Town Fair.

Meanwhile, Chip Ford and I attended the **Gun Owners Action League** dinner and GOAL's rally on Boston Common, sharing its support for the 2nd Amendment and its opposition to the new Massachusetts gun-owners control law.

Complaints about the state **Department of Revenue**? CLT friend and DOR Commissioner **Fred Lasky** has appointed **Joe McDermott** to head the new taxpayer advocate office. The number is 617-626-2201; tell him CLT said to call.



The CLT Trio: (l to r) Barbara, Norm Paley and Phil Bator



**House Members Who Voted With the Taxpayers  
for the State Income Tax Rollback  
April 28, 1999**

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**DEMOCRATS**

Rep. Atsalis (D-Barnstable)  
Rep. Dempsey (D-Haverhill)  
Rep. Finegold (D-Andover)  
Rep. Fresolo (D-Worcester)  
Rep. Hynes (D-Marshfield)  
Rep. Travis (D-Rehoboth)

**REPUBLICANS**

Rep. Marini (R-Hanson)  
Rep. Gauch (R-Shrewsbury)  
Rep. Jones (R-N. Reading)  
Rep. Rogeness (R-Longmeadow)  
Rep. Brown (R-Wrentham)  
Rep. Caffyn (R-Mashpee)  
Rep. Clevin (R-Chelmsford)  
Rep. Cresta (R-Wakefield)  
Rep. DeFilippi (R-W. Springfield)  
Rep. deMacedo (R-Plymouth)

Rep. Finnegan (R-Newburyport)  
Rep. Frost (R-Auburn)  
Rep. George (R-Yarmouth)  
Rep. Gomes (R-Harwich)  
Rep. Hahn (R-Westfield)  
Rep. Hargraves (R-Groton)  
Rep. Hill (R-Ipswich)  
Rep. Hyland (R-Foxboro)  
Rep. Kelly (R-Dalton)  
Rep. Lepper (R-Attleboro)  
Rep. Locke (R-Wellesley)  
Rep. Murray (R-Cohasset)  
Rep. Peterson (R-Grafton)  
Rep. Pope (R-Wayland)  
Rep. Tuttle (R-Barre)  
**INDEPENDENT**  
Rep. Gately (I-Waltham)

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***LAUNCHING OUR SECOND 25 YEARS!***