

# **The Organization Executive Course**

by  
**L. Ron Hubbard**

**EXECUTIVE  
DIVISION**

**VOLUME  
7**

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**INCOME TAX REFORM**

Please write the enclosed letter to (1) your leading local paper and (2) your representatives in Congress.

America needs your help to survive and we need your help to spread and effect a postulate as a mass-postulate test. This test is to determine the amount of mest communication necessary to change the “mind” of a governing agency. In this last respect it is purely research. But it is also a good idea. Let’s do it. Your ability to postulate is workable, too. Please tell us if you have done it.

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Dear \_\_\_\_\_,

There comes a time in the history of any country when tax collection activities become a disease that its economy cannot bear. Such a disease is ordinarily healed by revolt, inflation or financial collapse. The primary source of disintegration in all governments, whether ancient Egypt or modern America, is tax voracity or abuses.

While fighting a cold front with communism, the US is violently cooperating with communist aims by destroying her individual confidence and initiative with a Marxist tax reform. The basic principles of US income tax were taken from *Das Kapital* and are aimed at destroying capitalism. Unless the US ceases to cooperate with this Red push, communism could win in America.

The reform of all income tax laws is needed for other reasons. (1) To increase government revenues in order to support defense. (2) To prevent spiraling inflation and another stock market collapse and (3) to return the US to the basic principles of democracy as opposed to economic tyranny.

The following program should accomplish all desirable ends. The only “losers” are the people now gaining tax bonuses and the Kremlin.

If America cannot act rationally on this matter of tax abuse, she is condemned to a crash, another depression and communist dominance in the world.

Income tax reforms that would stabilize US economy and could win an election:

Charge as tax 5% of all gross income and forbid taxes on net incomes.

Abolish criminal penalties for tax failures; substitute higher percentiles of gross for failures to pay.

Forbid use of employers' or taxpayers' time to actually collect taxes from others (no second party tax duties).

Forbid payments of bonuses or awards to tax personnel or informants for tax collections.

Make tax personnel personally liable for all public actions if illegal or damaging.

Forbid the payment of tax on tax monies paid; sums paid to internal revenue; tax payments to be an expense, all retroactive.

Delete the political aspect from income tax; make it a financial transaction, not an advance of the principles of Karl Marx aimed to penalize leadership or initiative.

Delete all criminal aspects from income tax law, not using penalties about taxation to arrest men whose other crimes are suspected but cannot be proven by other law agencies; the payment of tax, if it is to be effected, must not be associated in the public mind with the actions of gangsters.

Use the income tax amendment to collect taxes, not fight capitalism or the inequalities of ability amongst a people.

Forbid the invasion of privacy of personal transactions and activities in order to collect tax beyond the examination of a corporation's books by a qualified accountant.

Cease to penalize corporation executives exclusively because their accounts departments fail them—penalize only the accountants who refuse to work or who make the errors, since management today is becoming difficult where the person actually making the errors and omissions cannot be touched.

Forbid complex forms for taxation purposes; allow only forms which list income and calculate its gross percentage.

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If the ills of income tax practice are not cured by swift law, they will be cured by (a) economic collapse, (b) Russian victory, (c) a revolt of the people or (d) the abandonment of democracy in favor of a fascist state.

America can no longer afford the deadly disease of economic punishment in the name of income tax. This, more surely than H-bombs, is destroying her future.

The aim of the Kremlin is to destroy the US economic system. In 1911, the US altered her constitution to admit a Marxist tax principle. This was the first germ of the present economic disease.

It can be handled in such a way as to save civilization or it can be ignored with the consequence of total destruction.

A way has been hoped for that would give the government her revenues for defense without wrecking the economy. This is such a way since political popularity can be bought by it without sacrificing government revenues.

L. RON HUBBARD  
Founder