Freedom and Social Justice

by Alexander R. Jones

IRS Motto: "Seizure Fever — Catch It"

Internal Revenue Service employees revealed in a Senate Finance subcommittee hearing, June 23, that their bosses routinely ignore orders from Washington and base their promotions on the number of property seizures from deliquent taxpayers. Testimony revealed that one Los Angeles IRS manager went so far as to have a "Seizure Fever — Catch it" sign on the door to his office.

The subcommittee is considering a bill called "Taxpayers' Bill of Rights", which would make it illegal for seizures of property and revenue collections to be the basis of promotions within the IRS.

Senator David Pryor, Democrat from Arkansas, and chairman of the subcommittee, pointed out that the fear of the IRS is so great that even some of the Senators are reluctant to sign for fear that they will be targetted by the IRS for audits.

"The American people MUST contact their Senators and urge them to support this bill now," said Paul DesFosses, President of the Coalition of IRS Whistleblowers, an organization of over 8,000 former and current IRS employees and concerned taxpayers.

"With support and pressure from their constituents the Senate can get the IRS back under control. The IRS is an agency out of control, terrorizing our citizens and our own lawmakers. A courageous few have started this movement, now more must take action to get this agency abiding by the Constitution," stated DesFosses.

The bill would shift the burden of proof over to the IRS to prove that their tax assessments are correct. It would require that the IRS read the taxpayer their rights whenever there is a dispute and would require notice or in many cases a hearing before property can be seized.

Robert M. Tovias, president of the Treasury Employees Union, representing over 102,000 IRS employees, blames management saying that the setting of unrealistic quotas, fostering "statistics-worship" and using heavy pressure tactics are responsible for the"seemingly irrational IRS actions with regard to taxpayers.

Des Fosses concluded by saying, "The Taxpayers' Bill of Rights outlaws such 'irrational IRS actions'. Again, I urge anyone who pays taxes to call or write your Congressmen today and tell them to vote Yes' to a Taxpayers' Bill of Rights. You vote matters."

MONEY MANAGEMENT

A weekly column on personal finance distributed by the Oregon Society of Certified Public Accountants

Mutual Funds: A Primer for the Uninitiated

Open-end or closed-end? Front-end load, back-end load or no-load? Agressive growth or growth plus income? To the uninitiated, the world of mutual funds may, at first, seem mind-boggling. But the concept is actually quite easy to understand, according to the Oregon Society of CPAs.

Put simply, a mutual fund is a financial service that pools the money of individual investors, or shareholders as they are called, to purchase a specially selected group of investments. Fund managers invest the shareholder's money according to the objectives of the particular fund. Mutual funds are designed for both large and small investors, with many funds accepting minimum opening deposits of $500 or $1,000 or even less. And you can sell your shares quickly, often by just making a phone call.

The mutual fund industry has given small investors the opportunity to participate in big-ticket markets such as mortgage-backed securities or the common stock of major corporations with stable records of earnings and dividend payments. Buying shares in a mutual fund gives you the chance to have a wider selection of investments than would normally be possible for a small investor. And this allows you to spread your risks—one poor performer isn't going to drag down all the rest.

A mutual fund also gives you the advantage of having your money invested and managed by a team of professional managers who study the invetment market every day.

The majority of people invest in open-end funds which create new shares for investors as money comes in. The price is set daily by the funds net asset value per share—a fund's total assets after deducting liabilities, divided by the number of shares outstanding. Closed-end funds issue a fixed number of shares which are then traded either on an exchange or over the counter. The price of the shares may sell above or below the net asset value, based on supply and demand.

Mutual funds can be differentiated by the way they charge. You should be fully informed as to how much you will be paying to have your money managed. All funds charge investors for brokerage commissions and daily management fees, usually in the form of an annual management fee collected from the fund's assets.

"Load funds" are sold through brokers who charge a "load" or sales commission when an order is placed. These up-front loads vary, generally ranging from four percent to eight and one-half percent of the total price of the shares you buy. "Low-load funds" refer to funds that charge an up-front fee of one percent to two percent. In return for the load charge, you should expect expert advice as to what fund is the most appropriate for your financial objectives.

Yet another type of load fund is the "contingent deferred" or "back-end load fund" which has no up-front load but, instead, charges a redemption fee. Back-end load funds charge a certain percentage if you redeem your shares within a certain period—similar to the "early withdrawal penalty" charged by banks for CDs that are redeemed prior to maturity.

"No-load funds" are marketed by the funds themselves. When you purchase a no-load fund, there is no sales charge. The management of no-load funds will provide information on the types of funds offered, but you will not have the personalized attention of a broker to assist you, as is the case with load funds. It is up to you as a prospective investor to select a fund, write for a prospectus and contact the fund to place an order.

To be fully informed as to what load, brokerage and management fees you will be paying, it is essential that you carefully read the fund's prospectus and Statement of Additional Information.

How Do I Choose?

At last count there were well over 1,600 diffferent funds to choose from. Most funds fit into basic broad categories distinguished by their investment objectives. Among the most common are Aggressive Growth Funds, Growth Funds, Income Funds, Growth Plus Income Funds, Balanced Funds, Bond Funds, International Funds, Money Market Funds and Specialty Funds.

Before you begin the process of selecting a fund, you must know what your objectives are and how much risk you are willing to take. If you're looking for capital growth and have no need for current income, perhaps a growth fund could meet your needs. If you're a very conservative investor dependent on current income, an income fund might be your best bet. If you're well versed in a particular field or industry, a specialty fund investing in your area of expertise might appeal to you.

Because individual investors may have several needs and because the economic environment changes, most funds are part of diverse fund families. This means that you can move money from one fund to another with just a phone call and sometimes at no charge. For example, you can start off with half of your money in a money market fund and half in a growth fund. Then, if the conditions seem right, you can switch part of your funds to a growth plus income fund.

If you wish to open a front-end or back-end load fund, you may want to turn to a broker. If you wish to open a no-load fund, you might consult the many mutual fund performance ratings charts appearing in various publications such as Forbes and Money magazines. Don't be tempted to look for the fund with the highest annual performance. Instead, consider a fund that has performed respectably over the last five or ten years. In either case, read the prospectus carefully before investing.

What about Tax Reform?

The new tax law, which eliminates the preferential treatment of capital gains, is likely to have an impact on investment strategies. Beginning in 1988, income derived from capital appreciation will be taxed the same as that from interest and dividends, eliminating one of the key tax advantages of growth funds. At the same time, lower tax rates give new luster to income-producing investments.

Beginning in 1987, you will have to pay taxes on your share of the fund's management costs or advisory fees. In the past, these charges were deducted from earnings before the fund's results were reported to shareholders. Beginning in 1987, this figure will show up on your 1099 form and you will have to report it as income. And since the new limits on the deductibility of investment expenses will apply to mutual fund shareholders, you will be able to offset the amount with a deduction only if management fees and other itemized miscellaneous deductions add up to more than two percent of your adjusted gross income.

CPAs suggest that you give careful consideration to your financial needs and objectives before investing in a mutual fund.

Looking for a CPA in your community? Call the Oregon Society of CPAs for a free state-wide referral at 1-800-255-1470 toll free.

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A NEWS SERVICE
OF THE UNITED CHURCH OF CHRIST
COMMISSION FOR RACIAL JUSTICE

Judicial Book Burning in Alabama

The days of Nazi book burning came immediately to mind with a recent Alabama court decision. Judge w. Brevard Hand, a federal district judge in Mobile, Alabama, has now banned more than 40 textbooks in the Alabama public schools because, he says, they promote so-called secular humanism. Included on the Judge's list are 30 social studies books, 9 history texts and even 6 home economics books. Judge Hand has thus used the weight of his judicial office to impose his right-wing religious views on every student in Alabama.

As a result of this decision, all books which do not fit into the judge's myopic view of the world are now being taken off the shelves. For example, the home economics textbook "Teen Guide" is being removed because it encourages students to develop self-responsibility.

With his decision Judge Hand expands on the court case filed by the religious right last year in Tennessee. There, a group of parents won their fight to prevent the public schools from exposing their children to so-called dangerous books like "Cinderella", "The Diary of Anne Frank" and "The Wizard of Oz." In other states the religious right has focused on Black-oriented books like "Manchild in the Promised Land" and the works of langston Hughes.

The religious right's attutude on racial matters, generally, is no secret. Keep in mind that Judge Hand's decision occurs within the national context of right-wing opposition to affirmative action. In this, as in other matters, the religious right has received strong support from the Reagan Administration.

Judge Hand himself dismissed a discrimination suit brough by Black employees and used the opportunity to express his regret that the "apparent present-day philosophy when considering laws affecting race relations imposes on this generation the past deeds of our forefathers." One Alabama lawyer was quoted as saying, "I thing [Judge Hand] has always seen himself as defending a particular sort of Southern ideology, a 'Gone With the Wind' ideology, fighting for the... underdog white Southerner whose culture is being undermined by integrationists and by technocratic central government."

No wonder Jefferson B. Sessions called him a "superb constitutional scholar" whose "integrity is above reproach." Sessions, remember, is the U.S. Attorney, also in Mobile, whom Reagan nominated for a federal judgeship. Sessions was subsequently rejected by the Senate Judiciary Committee because of his racist views.

Judge Hand's action must be exposed for what it is — judicial book-burning. Though a Nixon appointee, the judge typifies the kind of narrow, racist, right-wing judiciary which the Reagan-Meese team continues to put in place on federal benches throughout the nation. There will be many more decisions like the one in Alabama. Each time such decisions are handed down we must challenge them. For the Alabama decision represents a fundamental violation of our human rights. To paraphrase Dr. Martin Luther King, Jr., "A human rights violation anywhere is a human rights violation everywhere."

Letters to the Editor

We Must Reverse the Poison That Flows into Our Children's Minds

Concerning "Portland's Street Gangs: Born of Poverty—Nourished on Vendetta," 8/19/87. Not only have the Black communities around this nation been conditioned to be visually oriented, but there are growing indications that this conditioning is producing "Mentacide"—a programmed self-destruction of the emotional apparatus needed to function. In the Black teenager this trend has reached crisis proportions.

To study the effects of mentacide, we must view it through the medium in which is is manifested most clearly: that of visual orientation. An obvious vehicle that lends itself to such study is the analysis of Graffiti. To the passerby, graffiti is considered that obnoxious, offensive drawing or scrawl written by uneducated and debased individuals whose minds reside in the gutters and bowels of society. Of course, as studies have shown, nothing could be further from the truth. Studies have proven that graffiti has been around just about as long as man himself.

From the early inscriptions on the caves in the Caucasoid Mountains of what is now called "Europe" to the walls of buildings of ancient Turkey, these attest that graffiti and wall writing has been around long before the time of Christ. Black Egyptian hieroglyphics must be considered of historical importance, since not all inscriptions were done by the so-called learned men/women. There is much evidence to support the fact that the common citizen vented his or her feelings through clandestine writing on out-of-the-way structures. Reisner, in his book "Graffiti, two thousand years of wall writing", states that graffiti was common among the ancient Mayan civilization on their temple walls. Although the comments were reflective of the beliefs and customs of the day, there was no pornographic content in their inscriptions.

Today we know for a fact that graffiti is engaged in by all so-called classes, so-called ethnic groups, all religious groups, children and adults. Although I recognize that different parts of the nation reflect different economic, educational and religious values systems, there is enough uniformity to ascribe certain consistencies in reflected thought. The analysis of graffiti in these areas gives us a candid look at unconscious, as well as conscious, thinking, in addition to throwing light on the conditioning process which I mentioned.

Reisner has adequately documented the graffiti of the intelligentsia as being philosophical, metaphysical and existential in nature. If one pays careful attention to the content of graffiti in and around predominantly so-called Christian caucasoid university educational systems, the intellectual philosophizing of the caucasoid Anglo-Saxon Protestant becomes evident. Though much of the content is in rhyme, it is riddled with sarcasm and cynicism.

During periods of great social and political turmoil, the content of graffiti assumes a political nature. The Vietnam conflict produced such a change, and graffiti was almost exclusively dominated by it's reference.

Moving away from educational centers and affluent neighborhoods, finds the character of the graffiti changing. Although it still remains witty, the content becomes cruder with more references to sexuality. Indeed, sexuality and Racism are the predominant themes in most non-Black lower- and middle-class enclaves around this nation. One also notices a complete absence of worldly or philosophical rending in Black graffiti. Unlike the non-caucasoid areas whose world extends beyond the confines of communities in which they live, Black adolenscents have relatively little perception over and beyond the one-dimensional world as they see it. The rise of Black gang activity has been associated with several sociological phenomena, not the least of which was the advent of the current wave of violent and sex-filled films on the Tube. Art work finds it's way into gang-related and control-oriented scripts on repeated occasions and serves to give a graphic illustration of the despair and sense of hopelessness that Black youngsters experience in a Racist so-called Christian caucasoid society. The industry is controlled by caucasians, the image was created by caucasians, written by caucasians, giving their version of the indestructible, super-sensuous, baaad-ass caucasoid "nigger" image.

As a result of the deification of the street hustler, the sexual stud and the so-called invincible caucasoid male with super abilities, super women and super cars, Black teenagers have begun to incorporate these images into their psyches, acting out in real life what in reality is nothing more than a fantasy experience.

Dr. Jamil Cherovee

Portland Observer

The Portland Observer (USPS 959-680) is published every Thursday by Exie Publishing Company, Inc., 1463 N.E. Killingsworth, Portland, Oregon 97211. Post Office Box 3137, Portland, Oregon 97208. Second class postage paid at Portland, Oregon.

The Portland Observer was established in 1970.

Subscriptions: $15.00 per year in the Tri-County area. Postmaster: Send address changes to the Portland Observer, P.O. Box 3137, Portland, Oregon 97208.

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Oregon Newspaper Publishers Association

USPS 959-680-866
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