

"Taxes For Revenue Are Obsolete"

Dear Taxpayer,

Haven't you always assumed that the actual purpose for the imposition of the federal income tax was the raising of revenue?

Is it conceivable that the income tax could actually have been imposed for subtler, more nefarious purposes?

In 1946, Beardsley Ruml was the chairman of the powerful New York branch of the Federal Reserve System - the *dominant* branch and, for all practical purposes, *the* "Fed" itself.

As the man who during World War II had personally designed the Ruml "pay-as-you-go" system of tax withholding we have today, he was certainly familiar with the true nature and purpose of the federal income tax.

In an astonishing paper titled "*Taxes For Revenue Are Obsolete*", read before the *American Bar Association* and published in the January 1946 issue of *American Affairs*, Mr. Ruml told the truth.

He openly stated that two of the purposes for the income tax were:

1. To help stabilize the purchasing power of the dollar, and;
2. To express public policy in the distribution of wealth and income.

In the introduction to Mr. Ruml's article, the magazine's editor offered the following summary of the Chairman's views, stating:

"[Chairman Ruml's] thesis is that, given control of a central banking system [such as the Federal Reserve], and an inconvertible currency [not backed by gold] a sovereign national government [such as the United States] is finally free

of money worries and needs no longer levy taxes for the purpose of providing itself with revenue.

"All taxation, therefore, should be regarded from the point of view of social and economic consequences".

(emphasis added)

Here is a verbatim reproduction of what Chairman Ruml stated in his article in *American Affairs*:

"... the most important single purpose to be served by the imposition of federal taxes is the maintenance of a dollar which has stable purchasing power over the years.

"Without the use of federal taxation, all other means of stabilization [of inflation] ... are unavailing.

"The dollars the government takes by taxes cannot be spent by the people, and therefore ... can no longer be used to acquire the things which are available for sale.

"Taxation is, therefore, an instrument of the first importance in the administration of any fiscal and monetary policy".

He also stated in that same article:

"The second principal purpose of federal taxes is to attain more equality of wealth and of income than would result from economic forces working alone".

Mr. Ruml was admitting *in writing* that the true, hidden purpose of the income tax is to hold down or "stabilize" inflation and guarantee wealth redistribution.

So there it is, the "dirty little secret" behind the income tax: it's *true* purpose is to protect the unbacked Federal Reserve paper currency by inhibiting the inflationary effect of ravenous government spending.

By transferring purchasing power from the people to the government, the income tax offers a safety valve through which inflationary spending can be released.

By lading excess dollars from the money supply through confiscatory taxation, the hyperinflation that would ordinarily result from fractional reserve banking can be delayed.

I say "delayed" and not "avoided", since the day of reckoning is surely at hand.

Now you, too, know the deep, dark secret of the high priests of the Federal Reserve.

Rest assured that most of the "pop" TV economists and vaunted Ph. D.'s in economics with their slide rules, spreadsheets, and econometric models don't have a clue as to the wide-ranging consequences and momentous impact of what you just read.