

THOMAS JEFFERSON

HENRY GEORGE

ABRAHAM LINCOLN

democracy

CHARLES H. INGERSOLL
EDITOR AND PUBLISHER

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TWO MOST DESPERATELY NEEDED REFORMS GOING BEGGING

USE MONEY TO COLLECT OUR UNBALANCED BUDGETS, UNEARNED INCREMENTS

Money Perfectly Fits Tax Reform

I HAVE BEEN 'NURSING' THESE REFORMS FOR many years and I know them both as few people do. I have a very enthusiastic 'rise' from another reform publisher in Los Angeles which brings us to parting of the ways on success with the two foremost issues of MONEY and TAXATION which nearly EVERYONE recognizes as the most urgent of all our affairs.

These issues are such that they cover the widest field. Money is the most popular issue as making the most direct appeal for public interest. No one need ask what money means to them and the principles of its management are easy to completely understand.

It has however been lacking in the vital economic issues to give 'money' the substance as a separate issue. Taxation, on the other hand, is less popular in its appeal but of far greater importance in the application of the natural and constitutional laws that develop from the economic study. I am here giving a reprint of some articles in 'democracy' supporting this proposal. Joining the issues of MONEY and TAXATION would insure reform of both where now they are broken down.

MONEYISM AND ECONOMICS

I HAVE SEVERAL FRIENDS who are what I call "Moneyists" because they think, among a variety of other things, that "Money is really the Root of all Evil" I. E. that the kind, amount and administration of money crucially affects the persistence of poverty, war, etc.

I have other friends who, for political as well as economic reasons, agree with me that land and natural resources being the exclusive right source of social revenues or taxes, should have some definite relationship to money and its administration.

My own belief is that PUBLIC MONEY should be issued only against tax bills on land values and amortized or retired as such bills are paid. By "public money" I mean any issued by government.

This would leave possibly a greater volume of money to be issued against various forms of security, both public and private; but which only involves the government as "bankers," and are thus eliminated from the "money problem" as such. And it would also leave plenty of questions and issues for "moneyists" to continue debating and legislating: such as Wall St. money changers, economic royalists, and international bankers.

THE "NATURAL MONEY" OF H. A. JACKSON

FOR SEVERAL YEARS I have been trading ideas on "combining land and money" with this friend (3516 Large Ave., Los Angeles). So far we have not agreed as to land values being the ONLY basis for issue of money. I being content to cover those values only, with the money-needs that create the values.

He argues that elasticity of money-volume, reflecting that of industry and commerce will always also be followed by such rise in land values as to insure their adequacy as a measure of money-needs. But in money propaganda there is a "voodooism" that in-

MONEY NO SOUNDER THAN ECONOMIC SYSTEM

ONE OF THE FETTERES OF "money" is gold or other metal composition. This is dispelled by business practice, needing no such credit device. So "gold-standardists" retreat to "foreign trade" to support their ISM. But protectionists EXIST only to kill off such trade. So after killing or minimizing it a \$ billion loan is advocated to buy it back!!

Then the money-crit or MONEYISTS issue books, publish papers and form national political parties to indoctrinate eager victims of reverse-economics with the belief that money is indeed the root of all evil. To prove this however, they must become communists.

Because there's no more to the present money issue than here stated. I. E. that part of the State's need that is not redeemable: does not come back. But it is ready to come back from its monopolistic hiding place if redemption is tied to taxation of that monopoly.

So could money emerge from its present problematic confusion and its corrupt political skulduggery and become problem to budget balancing: and on the way across ending PRODUCT TAXES caused by MONOPOLY EXEMPTION.

clines one to draw lines I have mentioned.

I especially want to set up the line of Security of all money and hence its redeemability. This would extract most of what I call voodoo from money. And leave as a problem only the part of the Public Budget not devoted to self-supporting public enterprise.

This investment as in "utilities", that return nothing, such as schools, courts, police, streets, etc. are the main builders of land values which leaves no question as to soundness of using such values as the only basis of money needed for that portion of UNBALANCED BUDGETS.

MONEY AND THE LAND QUESTION

MONEY IS MUCH MORE IMPORTANT as a public problem than its many students and teachers make of it; but in a much different way.

As an exclusive and separate problem and remedy, it is distorted and exaggerated. But as related to other and even greater problems, and as tending to solve them, money not only becomes important in itself, but these other problems range themselves powerfully behind it.

One tendency of the 'money question' as it is now presented, is to have it spread itself over too much territory, and not, in this process, gather force and coherency; for simplicity is the first essential in teaching a new doctrine based on science.

Thus in going through the Money Year Book, the outstanding feature is its wide scope and variety of content, but lack of concrete statement.

In contrast to this, let us follow through a concise statement of the economic relationship of money:—

First, Money is a 'standard of value' that must be authentic; therefore, issued by government.

Second, It must be a 'medium of exchange', and therefore ample in volume for all industry, commerce and construction; but never to contribute to inflation by excess volume. There will be no danger of either extreme if issued 'for value received' and made redeemable.

Third, Money must be issued invariably for value received and therefore redeemable. It will then be the equivalent of a temporary secured loan, at interest; so there will be no excuse for shortage of volume, since money will be no risk or burden to government. Nor can there be any corruption relating to money, of which there is now much.

Fourth, Money should be only of paper (except for "small change.") Proof of the adequacy or such composition is in the fact that every solvent business issues its 'money' (notes, stocks, bonds) without metal security. The only reason advanced for use of metal is foreign trade, to discourage our kill which we maintain a 'protective' tariff.

Fifth, Issue of money could be direct or through banks, whose main business would be to secure money at wholesale in exchange for prime securities, and 'retail' it at a margin of profit, depending on supply and demand in a free market. Government would preserve this freedom of market by the issue for normal volume.

Sixth, Issue and redemption, in industry and commerce, would be by production, distribution, and sale. In construction, private and public, upon effecting permanent financing. In self-sustaining and self-liquidating government service, from liquidation and profits.

Seventh, This would leave but one 'money problem,' the redemption of public issues required for budget balancing, for non-liquidating and non-profit public service; for publicly-spent money, expense, that does not come back. Such money inevitably and invariably goes to building up land values.

HONEST—BUT!

"THE HONEST MONEY YEAR Book, 1940", gives the impression of great pressure for an unknown objective. That things are wrong with money is conceded; but that this is such a wrong in extent, and so intricate in kind as the Year Book indicates, seems improbable. The purpose is quite logical, of publishing 'everything' to do with money, and even to frankly asking for solutions. But finding 225 pages of pure miscellany on money and all subsidiary subjects, and no concrete statement of question, I conclude that money is not the large problem these specialists think it; and that ideas are rather vague as to what is wrong:—

(1) It seems to me obvious that money should be made only of paper, because commercial money (notes issued by any solvent concern) is made only of paper. Foreign trade is the only valid reason I have heard for metal. But this would disappear if we had free trade, as we should have.

(2) Naturally, money should be in ample volume for all production and exchange; and if it were issued properly, it would automatically be ample.

(3) Money should be issued only for value received, and if so issued, it would be neither too little, nor too much in volume.

(4) All money must be redeemable (payable). Being therefore only in the nature of a secured loan (like a debt) at interest, money will be no burden to government.

(5) Redemption would be (a) from sales of goods; (b) from permanent loans on construction; (c) from profits on public services; and (d) in the case of unbalanced budgets, from the taxation of land values.

(6) The only intangible redemption will be from the unearned increments, economic rents, or taxes, thereon. But these will be the best secured of any. And this redemption will effect the most pressing of economic and social reforms, in addition to a conclusive money reform.

COMBINED DOUBLE POWER

"YOUR HOOKING OF MONEY to taxing land values is ingenious and apparently sound," writes a friend. "But you start out to show how money should get into circulation, when the present system of subsidizing banks is killed, as

which at present pour into racketeers' pockets, until they have built a pyramid or monopoly which equals all the labor-and-capital-created wealth—200 billion dollars—in the U.S.A.

Eighth, All public-issued money, unsecured otherwise, to be made redeemable from tax payments on land, franchise values, and natural resource royalties. In other words, from the economic or land rents, the only source of public revenue hereafter. This security may be called the only intangible one. Yet it is the most secure of any, and completes the chain of safety inherent in this sound money system.

you say it must be. Will you please finish this job? I am only an amateur Money-IST, but let's see:—Government, the only creator of money, which is (1) a measure of value, and (2) a medium of exchange, (and as such should be made only of paper) and only issue it for value received. Hence it must—dollar for dollar—be redeemable. The question is how to induct it into and take it out of circulation in the three main branches of the money stream. These are: (a) production and commerce. The bank will deposit approved securities against its issue. The loan of money to business will be the bank's principal function, (b) permanent construction. Again, banks and financial institutions will loan cash needed during construction only, replacing—redeeming—it as permanent loans, in stocks and bonds, are sold, (c) for tax budgets; issued to taxing authorities against tax bills; redeemed from tax, or rent, collections.

A TWO-WAY JOB

THE CIRCULATION AND REDEMPTION of money will be the function of (1) banks and (2) taxing authorities. The movement of money—out and in—to the U. S. Treasury, through issue and redemption, will possibly be government's most important function and responsibility. Yet it should be without substantial stress, risk, or loss. (3) Banks will make money their main stock in trade. It will cost them the interest or dividends on their highgrade, long term, low-income securities, hypothecated at the treasury as security. It will cost their customers, the business, and other borrowers, its value in a free market, under the law of supply and demand. The novel feature here presented is that if, as and when this money system is adopted, concurrently will be required a method of collecting land values or economic rents by the government, to redeem the money issued to it to cover budget deficits. This will equal the non-liquidating or expense outlays of government. Thus, the money and tax problems will merge and be solved by a single tax, that will be taken from the only correct source of taxation, and displace the impoverishing consumer tables.

IT GLITTERS—WATCH OUT!

\$10,000,000,000 OF GOLD IS now in the U. S. A., over 70% of all in the world. The European war has been driving it to us, both for investment in war goods, which are now sold for cash, and for safekeeping against blitzkriegs. Time was when we would have thought that having this proportion of the world's gold would give us about all we could ask of the world's substance. We have found monopoly of gold undesirable and, if it were not for foreign trade, we need not have a dollar of gold in our money. If our foreign trade were unhampered by tariffs, enabling goods to flow freely, I doubt that any gold need be shipped back and forth.

WHAT OF OUR MONEY AND OUR LAND?

ARE HENRY GEORGE ECONOMISTS AND MONEY REFORMERS GOING TO JOIN HANDS?

There are two kinds of Democracy: Political and Economic.

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CHAS. H. INGERSOLL, Editor and Publisher
1165 Broadway, New York City



CHARLES H. INGERSOLL

50 years an industrialist and student of Scientific Economics. Co-ordinator, in 1892, of the 'watch that made the dollar famous', 500 million gold. Record broadcaster and lecturer, Economics and Taxation, nearly every State. President National Tax Relief Association. Ed. 'democracy', 1165 Broadway, New York City.

WHAT IS "THE MONEY PROBLEM"?

MONEY IS THE OFFICIAL provision of (1) a medium of exchange; and (2) a measure of value: for all transactions of commerce and wealth production. Sound money may only be issued against ample security as is any loan; and thus made repayable—redeemable with exactness.

The various demands for money or the volume required, need be no vital part of the problem since there can be no loss to the government; nor any investment, if money is only of paper as are all good securities. It is only an administration of credit loaned to responsible persons.

For production by business employing labor largely, is the first money-need: to be met thru banks which would secure it by deposit of securities with the U.S. Treasury. Contractors, for housing, stores, factories, public works utilities, etc., would thru banks or otherwise, supply securities of these enterprises to get their money.

And this procedure under standard credit practice, would meet no problem in private or public loans UNTIL the unbalanced budgets of our 3 or 4-story governments were encountered: and this only because their practice is unsound.

MONEY PROBLEM MERGES WITH THE BUDGET PROBLEM

GOVERNMENT, THE SOLE issuer and loaner of money, as also a borrower (from itself) requires the same close examination to which it and all loaning institutions, subject all of their borrowers. Government needs scrutiny most because not all of its enterprises are self-supporting and profitable.

Government functions, as to this inquiry, are two: — (a) profit-making and self-liquidating services; and (b) free service to citizens. So far as function "a" goes it is as good as any of its many money-clients: but as to "b" it has no credit-standing whatever.

We are proud of our government; and many of us (say 20 or 30 million) think the more things we do in this "b" category the

WHAT IS THE STANDARD OF MONEY-VALUE?

PROF. HANEY OF NYU and N. Y. Journal frankly asks this, ending quite a general talk with: —'you may not agree with my standard (presumably gold) but you will agree that 'some standard is necessary.' The professor is an economist but doesn't always make his economics square with science or even common sense.

By 'standard' he seems to follow the crowd in meaning 'Security.' If so, I can't agree with his standard if it's gold. Nor that ANY standard is needed if security is meant: any more than any solvent business house needs to secure its 'money' (checks, notes, etc.) except with its own signature.

It's something else than money that requires standardizing: and an economist should be telling us what. This talk, like all those of the large brood of 'MONEY-ISTS', makes of money something apart from our 'economy': when it is integral with and just a shadow of it.

When our economic system is reversed and put on its two feet its money will take care of itself (as with the other solvent concerns). But with a system that breeds, sustains and increases Basic Monopoly by UNTAXING it and piling all taxation on to industry, burying billions of gold in the ground or any other standardizing of money, will do no good.

WILL GOVERNMENT BACK "SOUND MONEY"?

LET US "RE-CAP": MONEY is only a credit-utility provided by government. The essence of credit is TANGIBLE security. All business enterprise readily conforms: at once removing risk of loss and danger of too much or too little money.

Government, as the biggest borrower of money, takes its place as the only money-problem for two reasons:—(1) half its "assets" are INTANGIBLE: in values of resources, utilities and land. (2) Government is maladministering its estate by failing to collect and by letting the vast income from these highest-value monopolistic pockets.

MONEY and its problem is, in fact, a crucial test: uncovering our public violation of the first principle of ECONOMICS. Here this violation is proven in two obvious eruptions: (a) unbalanced budgets; (b) discredit for money: not "AA" but down around LL.

The cure for this only money-problem is to narrow the unsecured part of the public issue of money to the appraisement of the valuable land of the country, estimated now at \$200 billion largely untaxed: and require redemption from 160% tax payments.

more splendid we are. But just now "we are playing the banker-role": And holding the line on this "money problem".

We are approaching it as a budgetary problem. And because we know that the best credit risks in business are those who have budgets and balance them. And because we know it is our government which has made a laughing stock of this first credit principle budgets.

WHAT KIND OF MONEY?

THE FOREMOST EXPERT IN Money—Prof. Kemmerer—is telling 400 bankers at Princeton that in spite of its instability, gold is a better standard than paper. His argument is based mainly on foreign trade, which is the only argument I know for metal money. The argument has three overwhelming defects:—

(1) Foreign trade is, according to the prevailing world theory of 'protection,' a thing to be discouraged, if not prohibited.

(2) Metal money makes money, metal, and mines into a big graft.

(3) No sane and solvent business man thinks of metal as security for his 'money' (notes, stocks, etc.). Why then should Uncle Sam?

Is this another case of an 'expert' gone wrong? Is the idea of 'stability' compatible with the gambling and monopolistic allurements of metal money, in scores of billions of dollars?

THE GET-RICH-QUICK GOVERNMENT

PROF. LEWIS HANEY LETS us behind the scenes of our national finance. He is an economist at NYU but not so seriously as to disqualify him as columnist for the Hearst chain. Dr. Walter Spahr of the same institution seems to be equally frank.

Under the caption of EASY MONEY, Haney explains how Mr. Kaiser could so quickly acquire \$17 million at no interest and could hardly avoid taking 85 million of over-subscription. This starts our real inflation he thinks. Kaiser learned how to use New Deal and war to make money and now is cashing in.

New Deal excesses in vote-buying, AAA, WPA and Social Security and an abandoned policy of debt-building, required low interest rates. This was secured by manipulating the banks thru the reserve system. The government thus gets and spends these enormous sums at little cost.

This has taught the big and smart concerns to make inflated loans at low rates. And now the dice is on. I'm asking what the pay-off will be for the bank-officers when the stockholders and depositors see they hold the bag. And what the relation of this is to the Spahr-predicted repudiation.

THE LOW WAGES OF CAPITAL

THESE, MEASURED BY LOW interest rates are one of numerous puzzles in present world-wide financial and economic confusion. Prof. Lewis Haney of the N.Y.U. and the N. Y. Journal specializes on this subject, and lays the low rates generally to the New Deal deficit-financing and manipulating the banking system.

Money, being but a reflex of commerce and a measure of the value of capital invested therein, should also reflect the wages of labor. This might indicate, in the low prevailing interest rates that even with the big unnatural wage-boost and big union-revolution, the total overall wage-level is still subnormal.

It is axiomatic in economics that wages and interest, the payment for labor and capital, the two sole producers of wealth, rise and fall together. If this law is not now prevailing in this situation it is because of numerous unnatural conditions and controls referred to.

The Haney theory that N. D. financing brought into play devices of the Federal Reserve rendering MONEY CHEAP, is very plausible and important. This had undertakings involving astronomic borrowers also on a big scale. And two very big influences in its favor: big business and monopolistic the popular economic fallacy that cheap money is a sign of health and a public benefaction.

"ARE NOT SINGLE TAXERS GOING TO JOIN WITH MONEY REFORMERS AND MAKE THE GREATEST COMBINATION OF PUBLIC NEED WHICH HAS EVER BEEN CONCEIVED?"

This asks the publisher of one of the most influential journals of the 'Freedom and Plenty' of Los Angeles. HUGO R. PACK.

The answer is prompt and positive:—the Editor of Small 'd' 'democracy' has been for years preaching this merger of related issues and is printing herewith his ideas of making the joint issue operate perfectly in the two foremost necessities, Sound and Adequate Finance and an Economic System of Taxation. Let us start building a system which a party can get and stay behind!

A RESTATEMENT OF THE LAND VALUE MONEY SYSTEM

There is no money problem relating to tangibles, such as goods for consumption, or permanent construction, public or private, since all these make money automatically redeemable, either from sales, from income, or from permanent financing.

Nor is there any money problem related to self-liquidating or profit-making public service.

This leaves as the only problem—money that's required for 'unbalanced budgets,' i.e. for running government in all its non-income departments, — notably schools, courts, police, fire, etc. All other money is practically self-issuing and self-redeeming.

But money spent for these free public services never comes back; so it lacks the first requisite of sound money—redeemability. So it constitutes a money-problem.

There is only one answer to the problem of unbalanced budgets. It is now being met with taxation. But that is not meeting it; that's a mere side-step, and leads on to the consumer's back what cuts his 'buyingpower in half, and so makes millions of unemployed.'

But that deficit is paid in response to the public service it has paid for; paid even in advance of the rendering, by the building up of LAND VALUES, the income from which is ECONOMIC RENT; and here is the solution of your only problem relating to money; and at the same time the only problem relating to unpaid public service deficits and consumer taxation. The answer is (1) to tax these deficit-created land values; (2) issue money against these tax bills; and (3) redeem this money with the cash collected in payment of these bills. This might be called unearned increment money.

CAN A BANKRUPT LOAN MONEY?

THIS QUESTION IS IMPLICIT in the very gingerly put suggestions of B. Baruch, Wall Street financier and Prof. Buchanan of the U. of Calif. That it's about time Uncle Samuel got himself a financial statement with balance sheet of assets and liabilities (especially assets).

Will Lissner in the N. Y. Times, with even greater gingerliness uses Prof. Buchanan (Charlie McCarthy fashion) to get this suggestion part-way across without actually saying it or anything else. Mr. Lissner, by the way, edits a 'Journal of Economics,' subsidized by the Henry George School and Schalkenbach Foundation.

In 1,000 words, this composite of 'research' and reporting carefully avoids such subjects as REFUNDATION as suggested by Prof. Walter Spahr and EASY MONEY GOVERNMENT by Prof. Lewis Haney (both of N.Y.U.). Government parlaying \$10,000,000,000 of loans with a known public debt approaching \$90 billion and without knowing its own financial position should attract someone's attention.

NOT AUTOMATIC

MONEY is circulated—or put into circulation—is a mystery that the wisest of money-ists seem quite vague about, some of their answers being just comical. I suspect the answer is, 'through our national banking system'; and that when we get that answer we will not find it very sweet-smelling, nor any reason why we should not go ahead in the hunt for a sensible and economic answer to our question. I like to say that money can never circulate—or issue—except in exchange for value received, dollar for dollar! If this be true, it solves the money 'problem' for (1) all commercial transactions as mere bookkeeping; a mere secured loan; also (2) all government 'investment' in assets—self-liquidating redemption by other forms of security. This leaves the only money problem that of (3) redemption of the intangible or expense phase of government expenditure. There is therefore but one problem—that just started; and but one answer—redemption by collection of the only element created by the government 'deficit'—tax budgets—the economic rent of land!

THE OUTSTANDING FEATURES OF THIS SYSTEM WILL BE:

tures of this system will be:— (1) the permanent security of the public against inflation, by eliminating fictitious credits that cause it. (2) Next will be the public collection of unearned increment, which all economists recognize as required to eliminate business depression, unemployment, poverty, and war.

Finally, (3) overshadowing all, will be the elimination completely of a consumer-tax system, by the collection of these social revenues, which system doubles costs of purchases, halves volume, business turnover, and employment.

And this leaves for those most familiar with the present money and credit system to go into details of reforms, the basis for which this sound system would furnish.

This program at once supplies the key to unlock 200 billions of monopolistic wealth in the U.S.A., where now it is destroying our country and its people. And this program furnishes the solution of the 'iddle of the Sphinx'—just as the 'money advocates' quite generally present it. It explains, by ending it, the mystery of why we have millions of workless paupers, while our machines—to the running of which they are still necessary—are producing untold billions of wealth.

Money may be made the fusion and the flux that will reconcile right and left, conservative and radical, social and individualist, superficial and fundamental, viewpoints. It may be made to supply the working political program for basic economic reforms.

A Third Party, based on this economic concept of money, may now be launched, with assurance of survival.

SOME FUNDAMENTALS IN ECONOMIC SCIENCE AND HEALTH

"LAND" BY LIAM O'FLAHERTY, RANDOM HOUSE

IS URGED FOR READING BY Waldo J. Weirnick, (1315 Bates) Los Angeles. It is evidently in the class with a number of movies as leading into land reform and even into revolution such as in Mexico and Spain where landlordism has driven peasants and share-croppers to desperation.

The friends of a half century, Waldo and I being individualists, do not pull punches when airing our differences, the favorite of which is over cost and price being piled onto rent of land and onto product-taxation.

But I find this friend and many others are tangled in their statement—(1) there is no question in my mind as to these taxes being added 100% PLUS: that's almost the whole curse, (2) not as to excess or monopoly rent—companion to the taxes.

The only question in dispute is the failure to distinguish between this kind of rent and normal economic rent by the teachers, text-writers and even authors who call ALL rent exploitive, when economic rent is beneficent and has never cost anyone a cent. This, of course, takes all attention of critics from Monopolists and Speculators in land.

ECONOMIC OR MONOPOLY RENT

MR. WEIRNICK COMPARES Canada wheat land at \$25 an acre with U. S. land at \$250 and asks if Canada doesn't produce (30 times) cheaper wheat? No: not a cent cheaper any more than cheaper lots in N. Y. C. sell groceries cheaper than Macy whose rent and land-price are 100 times greater.

That is if in each case it is economic or honest rent. If, however, the rent due to thousands of acres of monopoly, is excessive or "monopolistic," it may make prices 10 times higher. The whole principle of rent and economics is involved in this answer.

You ask 'are not land costs and tax levies also added to cost?' If you can't see the difference in these elements you have got to start your economies over. And watch the "bewildered" like Beckwith's, Horatio and many cultists in the eastern E. G. S. S. E.

Sorry I can't untangle a lot of these wire-puzzles you are asking but you are only repeating your fallacies which are all answered by the first few lines above. Find how to measure monopoly and product taxes and you can answer your own questions.

HOW CAN WE PUNISH OUR CROOKED JUDGES?

IS THIS TOO HARSH? I call to witness four great men and to be fair, not all ancients—first, Westbrook Pegler. Then three great lawyers, Robt. G. Ingersoll, Clarence Darrow and J. P. Altgeld. They did not believe in punishment PER SE.

And so not good witnesses 'per se'? But if there's punishment coming to anyone it is for the crime of selling out justice. This is not within the human ken except as shown by someone such as Pegler. That is insight that must be acquired.

These great lawyers saw the futility of punishment, even to force of arms and the milder forms of force used so piously by moralists and reformers. "Crimes Against Criminals" was Ingersoll's way of expressing his attitude.

So what? Shall we become anarchists? Well I sometimes think that may be forced upon us. But I would propose as these men have, to adopt the most practical doctrine of justice and do the best to live up to it and get as many as you could to do likewise.

The greater achievement of the

WHAT IS HYGIENISM?

IT IS THE PRACTICE OF hygiene, which is the natural search for Health or the Reliance of Nature for Cure of faults in the Human Body.

The Enemy of Hygiene is the Drug system of Pseudo-cure backed by the Medical Profession, 1500 Colleges, the Hospitals and the billions of Commerce in the False Remedies.

Now of course I understand that this is, along with our false education in our Body Politic—our Economics, the same destructive treatment of our Human Body and that neither crime is generally recognized. And therefore that this is just a CRY IN THE WILDERNESS.

And while Economics is obviously a matter of teaching and the fault is with our teachers, Hygiene has several other embargos I have mentioned hanging on its neck, including teaching and teachers. For none others than Hygienists have denied all medical and most surgical cure, insisting cure is wholly a matter of teaching the patient the natural way of health.

So the Human Problem becomes that of how fast can knowledge of Hygiene be spread? The thing that we may ENVY the present system is its ACCESSIBILITY. It is not a cure and is practically devoid of ANY utility of that sort, it IS handy.

And I think if all the effort now spent on Hygiene could be concentrated on getting it into the hands of laymen for their own self-cure, it would be a great achievement.

RIGHT OF INDIVIDUAL MINERS TO QUIT

I AM STEALING THIS ARGUMENT from David Lawrence—and as usual, before reading what he says. From my common sense view it seems obvious that there IS NO ARGUMENT—that that RIGHT TO QUIT cannot be challenged on any theory of law or justice.

The only reason for logicians such as this one giving consideration to it is the extravagant and ridiculous 'rights' assumed or granted to mass or collective miners and which should not have an ounce of effect on an individual's status.

When mass employees have so many assumed and actual controls over their strikes, picketing, sit-down, rioting, collective bargaining, etc., it seems logical that individuals should have restrictions put on quitting.

BUT that's where our law—up to the USSC—breaks down—these controls are so largely assumed instead of actual that while unionists have lost their right to quit en masse as a stated legal proposition of such attempts as the Taft-Hartley Law, through the breakdown of our common-law and legal decisions, the strikers can do about as they please.

What is required is somehow to get for life and property respect for law and order which has been enforced from time immemorial until the last decade or two of lawlessness. The legal last word is 'a strike' means a crowd, say of a score or a million people, and that cannot be done except by forming a conspiracy. Only if the million miners can quit without speaking or writing to each other we must say OK to a law against quitting.

SINGLE TAX CURE is obviously because it, while ending the monopoly, effected the abolition of taxes on all wealth production—the products of labor and capital—which cost them half their mutual earnings, reduced consumer-purchasing-power and caused labor-war and poverty.

THE SHORTEST WAY TO TRUTH

ONLY A RELATIVELY FEW people know the truth as I have stated it. And so only a woefully few are teaching the TRUTH respectively of Hygienics and Economics. And considering the destruction resulting to ALL of humanity, the need for teachers of the vital and simple facts is indeed desperate.

Any alling one now may only have relief by going possibly hundreds of miles to find a 'Health School' or finding a 'drugless physician' nearby, but not well equipped to practice. The call is most insistent for more institutions analogous to the sanitariums, or clinics.

Naturally, when such places are located both the effort and cost are excessive. This system (refusing the title sanitarium) is generally contrasted to that of seeking an M.D., millions of whom are competing or with the commercial system of passing patent remedies over the counter.

So the truth, problem as to HEALTH is that, not of building vast and often remote places where that truth may be available, but bringing Hygiene to the People where the Principle of Selfcure may be approximated. This of course is recommending the teaching of 'HEALTH SIMPLIFIED' as one of my friends is attempting to teach 'Wealth Simplified' where regulars have complicated ad lib.

This is as Dr. Herbert M. Shelton (San Antonio) is doing in his Hygienic Review (1.50 per an.)

A. W. MADSON, EDITOR 'LAND AND LIBERTY' 4 GT. SMITH ST., LONDON, S.W.1.

SENDS US A REVIEW OF 'The Government's Worst Exploit.' Madson is an economist of rare attainment who has seen his Empire thru many desperate emergencies.

Under Madson leadership the Liberal Party has come nearer to passing legislation for the specific taxation of land values than has happened in such areas elsewhere.

With patience and precision he follows the devils course of the Labor government pointing to a few of its most obvious failures and their consequences. It is rarely given to human perceptions to witness an Empire's travail from worldwide opulence to the desperation revealed in A. W. Madson's current report.

UPTON CLOSE AND WAR HYSTERIA

MR. CLOSE, COLUMNIST and broadcaster for the N.E.C.—National Economic Council, is a true conservative: because he uses his fine brains to get to the realities of world emergencies which popularly cause hasty conclusions.

The air is full of fear of war quite commonly called INEVITABLE: Two quite definite and closely related provocations are obvious:—Russia's behavior related to the world-wide peace effort. And the general spread of communism.

Close counsel is not novel: it is only PATIENCE. Peace is always in the keeping of Poise. Those who are most fearful of war are those who credit USSR and Communism the most: and in both a civil and military sense.

And, of course, those who are tolerant of war or war-mongers, are in their element with an hysteria of fright of such things as a communistic octopus or an Atomic gargantuan mystery. Our greatest weakness is Economic imbalance and that is visited on us by an educational system corrupted by Basic Monopoly in which it is SPECULATING.

THE SCIENCE OF ECONOMICS OR POLITICAL ECONOMY

THIS IS THE NATURAL LAW governing the Production and Division of Wealth. Labor is the Producer: the major portion of product, however, deriving from the organized production, is by the capital subdivision of industry.

The first stage of this process, PRODUCTION, being well standardized needs little help from this relatively new science of economics. But the last stage, the DISTRIBUTION or division of their product, or its proceeds, between the two branches of labor-in-production, has yet to be standardized with the following ill effects:—

(a) The worker, with hand or brain, receives only a fraction of his natural wages and is often unemployed and verging on poverty; (b) business, industry and commerce wobble from 'boom to bust' and practically all disappears in bankruptcy every few years.

(c) On these conditions labor-power prescribed by Marx and promoted by political and labor racketeers—THRIVE. And (d) world-war also recurs regularly and 'naturally', from Poverty, Tariff Walls and Resource Monopoly.

The essence of the economic function in overcoming this industrial and social confusion relates to the element of automatic and collective creation of a value that about equals all wealth and property—and the disposal of that value.

C. & O. R. R. REFORMATION

SHADES OF COMMODORE Hm. H. Vanderbilt who said nothing mattered and even the Public Could be D...d. 'The C. and O.' are adapting the 3RRRS to full page ADITORIALS so common nowadays in our Adult Education, giving us the low-down on the Steel Highways.

ASTONISHING FACTS:— (1) with crops rotting on ground causing near-famine and inflation we (2) have only 3/4 the number of cars of 20 years ago to supply double the transportation, (3) some trains on 8 main coast routes instead of making best time move at snail's pace because of an 'agreement' such as Tom Clark SEEMS to be looking for.

This is described as a species of FEATHERBEDDING perhaps 'caught' from the president of unions, those of the railways. And which our D. of J. is so used to not noticing as to let such agreements starve 145 million people in peace-time.

Railways are objects of pity to all humane persons including Wall St. investors, but their Rip-Van Winkle-sleep performance is being disturbed by a new kind of exploiter who is picking up for a song a few of the bankrupt roads and trying to see to it they WILL RUN.

'WOMEN'S VOICE', 537 S. DEARBORN ST., CHICAGO

'WE THE MOTHERS OF America' are favored by Lyrl Clark Van Hynning's dramatization of the collective maternal voice.

She is an Editor of remarkable quality. Her spirit of independence is irrepresible. She has marshalled the women of the country in a stubborn resistance to war, to draft and to training, which may be decisive at some tragic emergency.

She has an acute political sense but does not allow it to cause her to forget the bearing of political economy on civic interests. Her editorials show this rare quality to greater extent than almost any others in this country.

NECESSARY TO SUSTAIN CIVIC HEALTH

THIS IS THE VALUE OF ALL Land and Natural Resources. This being of the Earth itself, is of Divine or Natural origin, obviously designed for all the 'Children of Earth.' But more clear and absolute is this, when it is realized that this actual value is created by presence of all the people and all their activities.

It is therefore a SOCIAL VALUE—meaning that because created by all, or SOCIETY, it normally and economically belongs to them all.

The remedy must center in INDUSTRY which consists of labor and capital who, as sole producers, must be the divisors of all wealth or products. And since every person is a consumer harmony in these dual processes of production and division must be—First, aimed to lower prices and maximize buying power. This cannot be done without removal from producers all unnatural impediments and replacing them with INCENTIVE.

There are two obvious steps required to effect this, both needing only co-operation of labor and capital. First in removal of taxes on the mutual product which now double cost and halve sales, employment and wages. And second: place the taxes on the social fund created by all; and thus end the monopoly of the resources now twice as urgently needed for production.

SCHOOLS AND PEACE: TRUMAN

OUR PRESIDENT HAS ONE quality which could be very serviceable to him politically and to 145 million people economically—he turns up quite obvious truisms and talks as if he might get them to come true. Example:—increased wages SHOULD not increase prices.

The Lincoln Electric Co. (1000 workers), Cleveland, over 30 years raised wages 400% to nearly \$6000 a year average, REDUCED prices 60%, sustained profits and built a \$83 million volume. BUT Mr. Truman gave no consideration to the conditions of wealth production existing at this great industrial station.

Now the President is calling attention, tho not in words, to the FACT that war has a cause and that it's the business of our Schools (including so-called colleges and universities) to know that cause and so insure peace.

TAX AS A WEAPON AGAINST INDUSTRY

WITH ALL ITS POVERTY and beggarly financing, England seems to learn nothing from experience. Having its ports open to the world gave it world leadership in commerce, industry and finance. And made it a great Democratic Empire.

But its House of Landlords wished on it a Protective Tariff to further fence off from the ONLY sound source of taxation, the LAND, its natural obligation. I had then brought the sale of our Dollar Watch (at a Crown \$1.20) up to a large figure.

Like the present crisis in the American Movie, this sales tax confiscation destroyed all such progressive activity and brought Britain, in due course, its two wars and bankruptcy. Offense enough to provoke destruction of Tory-protectionists.

But Laborism is Marxism which has no understanding of MONOPOLY, even of the earth itself: nor, of course, how monopoly uses the TAX WEAPON to entrench itself, to destroy industry—labor and capital—and to do it by doubling prices and halving buying power, jobs and wages.

THE STATUS OF LAND VALUE TAXATION BY J. RUPERT MASON

A NEW TEACHING MANUAL NEEDS TO BE BROUGHT UP TO DATE WHICH MEANS SET BACK TO THE AUTHOR OF ECONOMICS

TO A FEW OF ANTI-TAXERS!

REGARDING THE DISPUTES about whether title deeds to land, under our laws grant "ownership" of land, in any absolute sense, or whether the inherent sovereign power of each State to regulate and control the private tenure of land within its domain is abdicated in favor of any person or corporation holding a land title deed, our highest Courts in a very long line of cases have steadfastly adhered to the view that there are certain powers that no sovereign can surrender, and remain a sovereign power. Among these inherent powers confided by the people in their State governments, is the power to collect revenues necessary to pay government expenses, and to borrow money in anticipation of collecting taxes, whether as direct ad-valorem land taxes, as taxes upon the value of land and improvements, or by excise.

Even the leading centralist Alexander Hamilton in The Federalist, Essays 32, 33 agreed that the authority of the States to tax land values, after the adoption of the U. S. Constitution would continue "independent and uncontrollable" by the Congress "in the most absolute and unqualified sense." Although Congress has, on four occasions imposed a federal direct tax upon the value of privately held land, and it was never disallowed by the Courts, the last such federal tax was in 1861, and economic pressure from the feudal interests even then was strong enough to force its repeal, before it had really been exercised. (12 St. 232).

Virtually all of our States have always publicly collected some of the rent value of land, by way of an annual direct ad-valorem tax, even if most such state laws included buildings and improvements as being subject to the same annual tax. This species of tax has always been levied and collected by most local governments (counties, cities and districts) to meet their necessary expenses. Their authority to impose such taxes is derived from the State, and in no respect from Congress.

In a number of States, local bodies have been allowed to exempt buildings and improvements from this tax, and no State is prevented from getting all its necessary revenues by way of a "single tax" upon the value of the land within the domain of the State, by anything in the U. S. Constitution. This is very important, because it is believed by many that private appropriation

of ground rent is a federally secured right.

In a few states the state courts have held that the rents, issues and profits of land may not be taxed by the state, unless the tax is also levied on buildings and improvements, but this is because of something in the State constitution, which can always be repealed by vote of the people in the way provided for amending the Constitution of that State.

I believe there are about 10 states in that category. California is NOT one of them. Neither is New York. Just what the new Constitution has done to N. J. I am not sure. Do you know? I am told that the new Missouri Constitution has done to N. J. I am not sure. I am told that the new Missouri Constitution adopted 1946 was a blow to Georgism. I know there are vigorous efforts to amend other State constitutions in California, for example, to make further adoption of the principles of Georgism impossible.

We have in this state a number of tax laws that embody the principle of taxing land values, only the one most widely used is Stats. 1943, Chap. 888, Secs. 20600/27758. (Water Code). In short, the main source of revenue for our States and for their local units of government was, for a very long period of time, the very same source advocated by Henry George, popularly known as "single tax". It was in use long before George was born, or wrote a line. The fact that buildings and improvements were subjected to the same annual tax, in no way changes the basic fact that ground rent was and is also taxed into the public treasury every year, to some extent. The feudal forces have been busy getting states to impose what are known as "local property tax rate ceiling" and getting a ceiling upon the rate of tax that some states can now levy on land values.

The California Chamber of Commerce issued a table showing in full detail the taxes collected in California by the federal, state and local governments in each of the years 1934 to 1944. It shows that in 1934 about 50% of all taxes were raised as "local property taxes." These are direct annual ad-valorem taxes on land and improvements.

Usually the improvements average about 50% of the assessed value of the land and improvements. By 1944 the feudal forces had been so successful in keeping these taxes down, that their percentage of the total taxes collected dropped to less than 8%, from 50%. The shift is atomic! Not that local property tax rates have been cut, but the proportion of LV taxation to the total taxes has been shifted so far that our economic and political structure is visibly collapsing, because of the pressures stemming from this fundamental shift in taxation.

As for those who want ground rent publicly collected in lieu of taxes on earned incomes and the fruit of man's work, but who insist that the taxing power of nation or state not be invoked to collect it, I have met several who changed their minds when they discovered that some of the rent value of land has always been publicly collected in most states by using the taxing power inherent in each of our States, have admitted they did not clearly understand that fact and agreed that whatever tools can be used to lessen or stop its private misappropriation should be used.

I know of no power now vested in the States or Nation which can be used to publicly collect ground rent, except the power of taxation. If you hear any other power suggested that might be used, I

will appreciate your letting me know of it.

In short, a land title deed grants the holder an exclusive right of possession, as against any other person, but gives him no right to pocket the rent value of the site, if that value is demanded by state, county, city or nation under a federal, state or local tax statute.

Instead of weakening the case for "single tax," all of the above and all that I have previously written definitely strengthen the case. I have long wished there might be more consideration paid to the constitutional principles that govern and control the sources of revenue our nation, states and local governments can lawfully tap.

We have different ideas on how to help more people understand the inequities and injustices in our present federal and state tax laws, and the importance of getting much more public revenue from those holding land title deeds. But there should be no difference of opinion about the governmental power that can and should be used to publicly collect the ground rent, when there is only ONE such power! Whether it is called a tax or an "assessment," both stem from the tax power. (See 164 US 112.)

I believe special privilege and monopoly is on the defensive, everywhere and that we should bury relatively unimportant disputes and emphasize the basic principles we agree about. Let us have our differences, but not ventilate them too much in print!" (Signed) J. RUPERT MASON

THE BASIC ECONOMIC FACTS. CORRECTED

POVERTY IS CAUSED BY LAND MONOPOLY which in turn is caused by failure to subject economic or land rent into the public treasury. The way in which Land Monopoly causes Poverty thru failure of its rent collection is:

- 'Rent' tends always to INCREASE wages. This mistake in economics goes with the HGSSS text-book break that productivity has nothing to do with rent.
- You may say ownership if you will qualify it by saying:—"when ownership leads to monopoly," but this is unnecessary and misleading; MONOPOLY is the only right word.
- Reversed demanded. Every monopoly of land or its rent (clumsy again) tends to increase rent until it becomes abnormal and creates low wages and poverty.

FAILURE TO COLLECT OUR DUES

FIRST, DIRECTLY, THAT this failure to collect Land Values and Rents puts a high speculative premium on title-holding or ownership of land which creates a monopoly of a very high proportion of land-area and NEARLY ALL of land-value; and the NATURAL RESOURCES from which 2,225,000,000 people subsist.

Second, more directly and more immediately, this private rent collection leaves government's only the recourse to the taxation of private property, wealth, capital and LABOR PRODUCTS for Social Purposes. These taxes cause at least 100% of inflation in cost and price and therefore a shrinkage of the same ratio of mass buying power, consumption, volume of business and of EMPLOYMENT.

MONOPOLY AND PRODUCT-TAXES

IT IS HERE THE TWO BIGGEST world-positions hinge.—First, we let speculators, monopolists or parasites have and HOLD AT RANSOM this half of our total USA estate. That should scarcely need comment.

Second, it is this social and

economic crime that all the Marxisms are IGNORANTLY and DESTRUCTIVELY AIMED AT. Briefly repeating:—"We allow our world to be MONOPOLIZED. Which has caused an interlop-economist to enter world affairs with class-war which makes our monopoly worse."

TWO KINDS OF RENT

THE IDEA THAT RENT increasing (in amount or proportion) causes poverty is a vast mistake in economic teaching: or in stating the Henry George doctrine.

This is because economic or productive rent (as described by Ricardo) cannot cause poverty, low wages or other damage. The only kind of rent doing this evil is excessive speculative or "monopoly rent" as described by George and named in his Rent Chapter in Progress and Poverty.

Normal rent becomes excessive rent thru private collection thereof, resulting in monopoly of rent and its source, Land.—If it were worth while to always explain this when making this familiar statement that "rent causes poverty," etc. the practice might be continued; but since there are other simpler ways of stating the cause of poverty why adhere to this clumsy practice or its fallacious preceding one, amounting to deliberate misstatement and correction.

THE GREATEST CONCERN OF ECONOMICS

THERE IS PROBABLY NO more abused word than "economics"—as to its real meaning—unless it is 'Democracy'. But as with all words the essential is what is their meaning to those ACTIVE in their use. So Economics means PRODUCTION. And the Greatest Concern of Production is THE EARTH from which EVERYTHING is produced.

So what happens to the earth is the primary concern of the Science of Economics or Political Economy. If payment for the contribution of all the raw materials of production, the land's share therein, were compelled, as are the shares of labor and capital, it would equal either of them.

But therein lies the unmeasurable importance of the earth's share:—if our economics were on straight, call it one-third of all production, normally \$200 billion for U.S.A., would come to us 143 million consumers AS A FREE GIFT OF NATURE.

This soundness of economics would consist of making all our multifarious taxes on ourselves, on all we buy, into a tidy bundle and placing them squarely on the broad monopolistic shoulders of a few parasites who have bluffed us into letting them collect the vast rental revenue—uses of the earth.

A FEW PARASITES ARE BOSSING ALL OF US

NOT LITERALLY, BUT THEY are actually ordering our lives. They are smart enough and strong enough to have all the taxes loaded onto us, all the people—consumers—by exempting themselves from what is the only natural place for all taxes, the VALUABLE LAND OR NATURAL RESOURCES.

'Few parasites' may need clarifying.—They must be clearly identified as monopolists and not owners or title-holders of the earth, the latter being potentially nearly everyone; and the former, whose major interest is in natural resources, are not over 2 to 5 in 100 people.

These are parasites because, as collectors of income from land values they collect income belonging to the other 95 to 98 people who create those land values. And this MIS-COLLECTION is what

monopolizes the land and all its unmeasurable resources.

Some 'economists' do not make this distinction, School No. 1 condemning 'Land-Owners' as public enemy No. 1, and School No. 2 designating 'Title-Holders' as such. They both also verge on teaching Common Ownership or Ending Private Ownership of Land, which is the Marx-Stalin-USSR-British both theory and practice. And as just stated, it is an attack on nearly all the people.

A CONTRIBUTION TO "DEMOCRACY"

To the Editor:

While our government is sending billions of dollars abroad for the purpose of saving Europeans from communism it may be in order to call attention to the first great victory for communism, in his manifesto advocated the adoption of ten measures the most important of which was a "vigorously graduated income tax". This was shrewdly devised by him as a powerful method by which to rob those who have for the benefit of those who have not. The income tax was enacted by Congress in the year 1913 and, becoming more effective year by year, produced in 1947 personal and corporation income taxes amounting to \$25,308,000,000. Legitimate taxation is payment by the citizen for equivalent values in services rendered by the government. The income tax is not legitimate. It is confiscation, pure and simple. Being supplied with this huge amount of public revenue Congress has had to invent a multitude of ways, all of them destructive of free enterprise, in order to get rid of this money. This in turn has made additional taxation necessary thus causing a steady increase in the cost of living. One recent example has been the appropriation of seventy-five million dollars for school lunches. The remedy is simple. It is to repeal all special privilege legislation in accordance with the Henry George principle of "equal rights for all, special privileges for none."

Wichita, Kansas
July 13, 1948.

HENRY WARE ALLEN

FREEDOM IS UNMOLESTED LIFE

FREE MEN — FREE MARKETS, Ed. The Pittsburgh Press.—Real freedom includes immunity from guns and clubs of politicians collecting billions of taxes for any purpose they please, constitutional or unconstitutional.

And immunity from blockade of the streets and sidewalks by gangs of ruffians against inoffensive private citizens trying to earn their livings, or trying to deliver their products to people that need them.

The first duty of honest government is to protect the lives and liberty of the people, not to encourage rackets to loot or beat them up.

ERNEST O. KOOSER,
Somerset, Pennsylvania.
1/19/47.

IS OLD-AGE A DISEASE?

THE HEADLINE SAYS EX-perts are looking into diseases of old age whereas I thought it was something to be very thankful for, if not proud of.

I belong to the school that doesn't believe in old age. And that demonstrating this successfully depends on sidestepping 'Experts', M. Ds, hospitals, also dope and operations. The idea that after 60 one is living on borrowed time is especially defeated. X Science is extreme but not so much so as being killed to cure you!

J. O. HAMCOLIN
50 E. 65th St.
New York, N.Y.

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