

democracy

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with the small "d"

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POLITICAL SCIENCE MUST MERGE WITH ECONOMIC SCIENCE

FOREIGN POLICY OR PRINCIPLE

HURLEY—ATCHESON—BYRNES

THE COUNTRY'S SCRIBES are, more or less violently, siding in this atomic scrap where a General-Diplomat is hitting hard at saboteurs of the precious little foreign policy, (and still less of foreign principle) we have. The next question is whether the scrap rates a REAL investigation or will end with that of Secretary Byrnes.

The fact that Pat Hurley's hard hits land on the two basic enemies of civilization Monopoly and Communism should insure an investigation of less wind and more substance than average. I might add Imperialism to Hurley's credit but it is so largely monopolistic in objective it's not a serious omission.

Iran in its vast oil and other resources is a perfect example of resource monopoly so obviously the first cause of all wars. Our equally obvious second enemy is communism; not so secondary either, as the fake remedy for monopoly, almost worse than the disease.

It is easy to understand how a capable War-General could be whipped or even brushed-off, in a battle of words or 'diplomacy' by two such defenders of our status quo as the Dean and the Secre-

EISENHOWER, MACARTHUR OUT OF IT

THIS WOULD BE A RELIEF if we could be sure, as soldiers have never made good presidents, here or elsewhere. But we haven't forgotten how Mr. Dewey and earlier, Eres. Coolidge, kidded us along for a couple of years with absolute solemn refusals to run.

In fact that has come to be the normal technic of determined candidates—to scatter far and wide 'I don't choose to run' and 'I positively won't' until we humble voters are worked up to such heat that the 'wont-be' has to be DRAFTED!

WORLD STATESWOMANSHIP

ELEANOR ROOSEVELT helps to prove my guess that there are more women to the square million miles in global-ness than men. In fact the war has given the fair sex a chance to redeem its lost prestige: when they have done little since acquiring the vote but 'vote his way'.

What use to add 25 million votes in the U.S.A. if there's no chance of different result? When a boy in Michigan, we subscribed to the 'Women's Journal' of Boston which advocated doing things. But now that women can, DO THEY?

GENERALS QUIT UNDER FIRE

JOHN FLYNN, IN THE JOURNAL, says Gen. Marshall made a very poor Pearl Harbor witness. And others have told how he helped very little to show us whether we are 135 million victims of war-mongery.

So it seems a very strange time to depart the Gen., especially just after a birthday party par-extravagance. China is our latest worry and one that will often remind us that the only 'foreign policy' is a Completely Free Trading Policy.

A LID ON INVESTIGATIONS

HOW TO STOP DISAGREE-able inquiries into things that have been held down a long time by censorship and other skulduggery. First is to turn loose a gigantic smear and rely on your press to laugh the 'defendant' down. This apparently has ended Pat Hurley's career.

Next is to get the 'prosecuting' attorney to quit and follow him out with some big partisans. This comedy of errors reminds (only, in reverse), of how Mr. Tugwell a few years back, bluffed his way through a committee.

The system falls 'between two chairs', partisanship and lack of ability in handling. A recent documented 'column' of John T. Flynn's gives reasons why neither of the Pearl Harbor attorneys should have been selected for obvious disqualification here suggested.

WHO NOW OWNS PALESTINE?

JEW, ARAB OR BRITISH? And just how did they acquire this? They say there are 3 ways of getting land, but I think there's but one in such bulk as a whole nation: which is STEALING (politely called conquest).

It'd like to take time out to see what Bible history tells of how the ancient Jews did it; and if the Moderns are not so wise. The Book says the land may only be held (as also says Jefferson), in 'usufruct'—for use—and NOT monopolized.

TRUST-BUSTING IDIOSYNCRACIES

MODERN DEVOTEES OF Teddy Roosevelt such as Arnold, Biddle and Clark having no conception of real BASIC monopoly, but having a big portion of a big bureaucracy to show in action, they SIZE-UP the most successfully efficient concerns for a kill.

The latest exploit is the Pullman octopus whose business is not only to make but operate wonderful cars. And the split-up: finding but one interest having any use for cars—the railroads—they must of course exclude them from the deal. Example, the N.Y. Central now is buying \$34,000,000 in cars. This is one of the penalties business suffers for protecting real monopoly.

CURRENT EVENTS AND STOCK PRICES

NEARLY EVERY DAY SOME headliner of Wall St. ties onto his record of the day's change of price-level the REASON therefor. There's seemingly no guesswork about it. The writer must have unlimited insight to the premier of economic laws—that of Cause and Effect.

I wonder how the composite stock-buyer so quickly arranges his mind and nerve to current events that make the rest of us guess, as to send the market up or down booming. I also wonder that anyone buys stock with our communistic outlook.

THOMAS JEFFERSON IS OUR prophet of democracy. His first tenet was 'no special privilege.' And we have let half of our wealth get into that form.

HOUSING IN N. Y. CITY

THIS IS WIDELY DISCUSSED, always in the guise of grandiose PROJECTS under some form of public subsidy or investment of new money; and never sensibly and conservatively considering money already invested not only in houses but in every public service from streets to hospitals.

In other words, New York, and probably every other city, has housing enough for all present needs if all existing houses were put in order and used instead of standing vacant waiting to be demolished to save taxes.

Row upon row, block upon block and mile upon mile of perfectly sound structures, bankrupted by taxation, are a menace to health and safety and an economic paradox: And are monuments to an insane tax system which taxes property and exempts monopoly.

N. Y. City discourages or prohibits every attempt of building owners to redeem and use their million of run-down holdings while it lets its meanest of monopolists, the groundhogs of \$ billions of land value, go scot-free of tax on this vast amount.

HOUSING FOR WHOM?

MOST OF THESE PROJECTS start with kindly reference to the common-man and wind up exclusively with the white-collar 'bourgeoisie.' When will someone (who is) start helping the man who MUST have help if he 'owns his own'.

This instantly jumps into attractive figures and takes on big-business shape and of best quality.

For here are as many million of houses to MANUFACTURE—not 'build'—as 'business vision' can take in. 25,000,000 is a conservative figure for sales of a concrete 6 room house, complete with land for \$1000, easy payments. Yes, of course, there's a 'story' that goes with this proposal. But it's a plain story without any fooling! And worth telling and hearing.

ELEANOR CHOOSES COMMUNISM

DEPLORING THE LAW'S DIC- crimination against labor and in favor of fascism, in spite of her and her husband's valiant service of a dozen years making political and labor racketeers operate as one on workers and the public, Eleanor concludes that of two evils communism is the lesser.

Without knowing too much of JUST what these isms are and as a pioneer fellow-traveller she has been one of the leading helpers to land communism firmly in domination of our 'free' individualism, nicknamed fascism. That this tragic transition has been conducted in the guise of patriotic zeal and crystallized thru world war and labor war is because of smartness of united fronters and gullibility of us Americans.

IT SHOULD NOT BE HARD to see that our trouble lies in our tax system: when it works at night and day, taking the job of business and wages of workers and giving them to racketeers, and monopol-

WRONG TEACHING: A MECHANICAL PARALLEL

THERE IS NO FIELD IN which there is more begging of truth, accuracy and principle than in OUR OWN TEACHING FIELD. This means our 1500 colleges and 12000 high schools; and especially in the subdivision of NEW SCIENCE, rather than those fully-matured and so removed from the field of controversy.

Wrong teaching, colorless teaching or absent teaching are equally tragic in their effects on the warp and woof of our life, economy and outlook. All as if, in the mechanical parallel, defective dies, tools and machinery were allowed to turn out billions of imperfect dangerous mechanisms.

I am using this 'deadly parallel' to emphasize what is most evident in the default of our college system relating to our 'new' science of economics: which this system should be first to build, stone laid on stone.

On this subject, however, the three stages of default may readily be proven—(a) of teaching Marxian anti-economics, (b) of teaching colorless economics which inevitably lead to economic roads of cur- divide. The exact money were changed and out- and stable more.

DILUTION OF FULL JOBS BILL

COMPROMISE BEING IN-herent in politics, it is hardly news that ANY legislation, no matter how beneficent, is diluted. So we the people are victims of a confounded confusion worse than the diseases aimed at. 600 congressmen who know no better than to pile all taxes onto industry (labor and capital) to the relief of basic monopoly would of course be much astonished and pained to see the devastation in lost millions of jobs resulting. So they 'compromise' by piling more taxes on, to get money from hard-working Peter to pay unemployed Paul.

'THE SLEEP OF DEATH' ANALYZED

THIS AND OTHER LEGISLA- tive-labor-idiocy is being quite generally denounced by GOP critics and some by neutral observers. But few of these do more than irritate the sore that is suppurating and breaking out in so many other dangerous places besides at Washington, D. C.

The very fact that Presidents help project such foolish measures that 600 law-makers entertain them and that public opinion at least tolerates them, should point the way to BASIC TREATMENT versus the polities everywhere being devised.

As bad as all this is, IT IS! And based on whatever fallacy, ignorance or corruption, it will continue TO BE and will finish its destructive job UNLESS we go behind all this and find its cause and cure it. We must go to the root.

It all stems from LABOR WAR: that stems from low wages and unemployment; that stems from short sale of labor products. The sales shortage is about half, which is due to heavy taxes on these products, which should be on national resources the only right place them.

CC OF N.Y. A CANCEROUS GROWTH

THOSE WHO REMEMBER some of the gruesome investigation details of how this footstool of corrupt Tammany and Fust politics was selling democracy at capitalism down the river to communism, are never surprised such incidents as the head of t N. Y. school system being visipally accused of altering vital official records.

The Legislative Committee report disclosed 1500 text-books largely saturated with Marx and which are largely supplied i Columbia University's Teacher College. Why Mr. Fuller of the S. Post after employing 4 Professors to read and classify these gems pseudoeconomics suddenly dropp the scent, he should be asked. G whole college system is in t front-line of communist transi and the 3 units (of 1500) a leaders in the Sell-out.

EXPERIMENT IN CORRUPT EDUCATION

THE CC OF N.Y. HAS BEEN a wonderful experiment static in the hands of still-higher ins. The worst thing mere iniquis is to deprive society seepage. B in our own economy are NOT to

ing to Basic Monopoly, and he to avoid this by pandering Marxism. Obviously if paper columnists, forums and pulpits c be kept in constant ferment by t Social-minded-isms of the vario Marx cults, public opinion w never come to any focus on t BIG THIEVES of some \$200 b lion of unearned increments.

So if the managers, or mouge. of our educational SYSTEM ha pen to be in close contact with t mongers of the two branches our dishonest economic syste i.e., product-taxation and bas monopoly, what could be more n ural than to have the illiterate a corrupt educators protect the ec nomic grafters?

I've been reviewing some 'democracy's' comments of ps years notably of the Rapp-Coude committee findings and the be ren outcome in finding much b where smoke and other sme rose to high-heaven.

TRUMAN BLUNDERS 'EN SERIES

SOME OF THE COLONIST notably Paul Mallou and Pet Edison, have started a serial r ord of the Presidential Errors. doubt if they will find this ve profitable if 'reality' is an el ment in their judgment. Th would take in all the other Pre dents, wars and emergencies.

It is a question of what we s to expect of Presidents, how c sistent criticism is; and if we s to seriously attempt an answer t have to do some fact-finding well as fault-finding. I'll ta us back to Cleveland and maybe Jefferson as as the last of the that stems from low wages and unemployment; that stems from short sale of labor products. The sales shortage is about half, which is due to heavy taxes on these products, which should be on national resources the only right place them.

WHY NOT USE BETTER MACHINERY TO MAKE BETTER PRODUCTS?

These are two kinds of Democracy: Political and Economic.

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CHAS. H. INGERSOLL, Editor and Publisher

1165 Broadway, New York City

COMBINE! SIMPLIFY! WIN

INCLUDING EVERYONE: BUT CAPITAL, THE ORGANIZER MUST LEAD

CLASSLESS

IS A CLASSLESS MOVEMENT TOO UTOPIAN?

I MEAN FOR AN INSTITUTION like GM which can issue a reasoning statement such as this page ad: and this 44 page presentation.

Does not the GM's whole position aim to be CLASSLESS? And is it not so in fact? Or at least in its sincere theory?

If GM's position is not a classless one in aim, theory and fact, is it not purely because of some error in calculation which it will inevitably correct on discovery? Can an institution of this size and character be any less than classless?

Check over the GM personal, financial, economic and social interests and see if any class is divergent. (1) I would put first your public, your customers, your consumers; (2) Your ordinary employees; (3) Your management; should include foremen and executives; (4) your stockholders.

Without trespassing on ethics or other refinement, it occurs to me that you cannot sustain your general position without including all these elements in your enlightened selfish theory.

SELF-PRESERVATION DEMANDS IT

THERE IS A CLASS OMITTED from our schedule above which is by this process of elimination brought up for action. Capital is, mostly unconsciously, protecting BASIC MONOPOLY, being the natural resources which are also the natural sources of all taxation.

The first step to end class is to end such taxation as we have against all on labor and capital, products, and about doubles their cost and price and halves volume and employment.

But these taxes can't be ended until this natural source is cleared for social service and detached from a few parasites where now it has built some \$200 billion of most damaging monopoly. Financial interest in this privilege by GM or stockholders I am sure is not great.

I doubt if careful research will find otherwise. But if I am wrong it becomes a GM question and its total business interest set against a speculative and separate interest of individuals. If it happened that many billions of monopoly were located the question might demand serious consideration.

DISTRIBUTION OF WEALTH—IS THE JOB

THE GM AND OTHER CORPORATIONS—big and little—are not conscious that they are emmeshed in the age-old social problem of Distribution or Division of Wealth, in their contests with unions.

And of course the rank and file of LABOR are even less conscious that they are being made the pawns in this BASIC CLASS WAR which may continue for another 1000 years, unless Fate throws in Intelligent Leadership.

WEALTH PRODUCTION has been proceeding on a mass basis which means according to Science and Economics, progressively say for 200 years. During this time economists have (among very few things) agreed that distribution of the wealth produced had not had the benefit of Science.

There has been no excuse for this failure except the default of an over-stuffed educational plant. GM, using the scientists and sciences at present employed, could hardly spend a week in getting the scientific answer to this fateful riddle if it were not fenced off by fate's convention.

RE-EDUCATION

RE-EDUCATION OF LABOR (AND CAPITAL)

I WONDER IF BIG CAPITAL such as G.M. and Am. Tel & Tel. and Western Electric are not unconsciously taking the initial steps in this process? If the old and eternal verities are actually the basis of our human life whether we know it or not—if the TRUTH shall make us FREE—well, why not do it in page ads?

This is not flippance: I have no illusions as to the void between the current contributions of these and other great concerns and the abstractions of science and economics which go to make up the truth required to free labor and capital: and thenceforth—to free ALL SOCIETY—all people—of their economic ills.

Nor do I acknowledge the impracticability of this aspiration. This page GM ad sets forth the essence of economics and social relations in their rudiments. The G.M. and Telephone Co. object is to explain to everyone exactly their position in all the ramifications: especially to the whole public.

These are 'Lessons No. 1.' By the time 25 such lessons were delivered in this 140 million unit classroom, capital itself would become educated to the point of gathering in all the available loose ends to manage the whole class.

WHAT RE-EDUCATION IS DEMANDED?

THIS SHOULD BE ADOPTED as a premise: that our vast educational system is either a non-asset or 100% liability. Proof of this is the FACT that we are in an economic mess, and if we can't see clearly that our colleges have put us into it, we certainly can find no evidence that they are doing anything to help us out.

We know the colleges (a) have heavily added to teaching and total tuition; (b) that they are 100% for unions, which in turn are 100% Marxism! (c) we are especially sure they are doing nothing to rescue democracy from its mire, and particularly the capitalist individualism that is integral with it.

We have fresh before us a capitalistic advertising campaign of power and success very suggestive of this project:—the sale of some \$200 or \$300 billion of bonds. The 'opportunity and 'chance' was not comparable, however, in pure ballyhoo for war.

With a working-public a consuming-public not to mention a business-public so innocent of knowledge of simple basic economics as they are left by a pile of bricks and mortar called our school system—the opportunity is crying out loud.

WHY IS THIS COURSE SO OBVIOUS?

IF \$2000 IS TWICE AS SENSITIVE as \$1000 how sensitive is a billion or \$100 billion? Meaning: if some billions of property rights can't defend themselves, what could? And THE point is that it's exactly at this wage-profit dividing line where the whole economic problem must be settled.

And there is no other ORGANIZED force in the universe but capital available to settle it. In 100 or 1000 years 'labor' and the common man may be educated up to it. But now capital needs only to call its engineers together and set up a factual formula.

Here it is:—(a) Wealth (everyone's necessities) is produced by labor assisted by capital. (b) Ownership derives from production. (c) Hence all wealth belongs (as produced) to labor and capital. (d) The wage system will exactly divide the product if it is unhampered.

(e) But now product taxes about halve wages and profits by doubling costs and prices reducing buying power, disemploying millions.

LEADERSHIP

J. L. LEWIS, C.I.O., G.M. AN U.S.A.

J.L.L. ALWAYS DOMINATE the play. And with a different type of morale or morals he dominates the REALITY and the good of ALL labor and all people—masses and classes. It means that he could supply new kind of labor organization put over a CLASSLESS P. GRAM in industry.

This program is perfect theory and principle, and so requires just such leadership as to prove its equal perfection in practice. It is a program of TAXATION: first of itself, let then its co-partner in all production, capital; and then EVERYONE.

Now Lewis is the danger authority for making universal automatic extravagance in wages and other costs because the consumer pays all and is helpless non-resistant. This was the but-expressed logic of the Frank Thaler settlement of the \$60 million building strike: and all coal strikes.

It is nothing new that the consumer pays all wages and taxes. But as to these and excesses all other costs, non-resistance automatically will tend to make pervasively fatal. The reason the Lewis influence is easily accomplish.

ANOTHER SEAM IN LABOR'S

AS IF TO BURY THIS ISM deep as to end its career it comes to the surface ANOTB conspiracy against freedom competition—a deal with G.I. greatest competitor, Ford, to sure its operation while close down the greater enterprise.

If our D. of J. does not proceed against the CIO as a facility monopoly it will be because scales of justice have got askew. The CIO is the only union against those it dislikes and its favorites—again we are on time.

Another headline bearing this warning tells us that great Chrysler plant is in from the far-flung GM walk. The labor octopus here show new power which adds one number of tests of where it is found the wisdom to resist temptations to misuse of power.

Or where and when will cap and all that it stands for see labor-cooperation must be complete with capital by removal of all tax burdens to both, we may only be done by shift them to their common enemy, monopoly.

FINING WILD-CAT STRIKERS

LABOR RACKETEERS learn every new trick of expiring the public and their mill of 'subjects' as Pegler calls them but they are dumb to any apt to see the bigness of organ. ALL labor for maximum production and earning.

So finding themselves unable control the REVOLUTION turn loose on civilized society they devise the scheme 'FINING' the rebel unionists a day per head. And of course they will have the NLRB, U.S.S. Court, the Army and behind their enforcement and lecture.

Our editors, columnists ministers will sigh at this idea: forgetting that IF one the sense to take all taxes labor's products the volume sale would double and so wages and wages. And the put on monopoly would at same time end that.

(f) All the people create values enough to pay all taxes which values now go to build source monopoly which also bargains production.

PROBLEMIZE

BASIC TREATMENT OF PROBLEMS

THE WORLD AND OUR COUNTRY have what may seem like scores of problems: and belonging to different countries, peoples, classes and interests. But intelligent study shows the problems are far, except in name, fewer than supposed because of their interrelationships.

It is also found by close examination that the troubles of England, France, Russia and even Japan, Italy and European small-nations, are not far different from ours. This, of course, cannot be seen so long as war hysteria prevails.

As showing the leaders of our warring interests, such as GM and CIO at this moment, why they must go into fundamentals if they are to get a settlement anywhere, see how closely the labor-communism of England reflects our labor-bureaucracy. And also how little difference exists between their socialism and our bureaucracy.

The CIO are fighting for wages, never mind anything else. They think, however, that they wouldn't destroy capital and wealth. And the British type of laborist is more consistent in this attitude, in protecting their GM investments, in paying liberally for capital—banks, mines and utilities—they take over and in warning the 'Cecho-slavs' not to hurt industry.

UNIVERSALIZING THE PROBLEMS

ANOTHER PHASE OF THIS confusion that spells facility unless and until it is cleared by the CIO is: the Attaching of labor to capital really means a grudge against capital, but which all the more aggravates. The GM is full out go against the goal of all industry, as being maximum production; and that industry will not seek a dollar of profit at the expense of its 60 to 100 million workers and customers. But it has not yet found out that the actual embargo on production, to the length of probably 50 per cent, is the product or consumer-tax.

Nor has GM, or any other leader of industry, found out that this unnatural tax-system has a natural one waiting and ready for its displacement. And that a shift from one to the other would double production and remove the cause, basic monopoly, to boot.

So what is basic treatment of this COMPLEX, seemingly involving different countries and interests, when examined, quickly boils into the one universal problem of wages, jobs or 'labor'; and its cause, of capital's entanglement with monopoly, thru the medium of TAXES on itself and labor, by way of product-taxes.

The treatment is obviously to UNTAX their mutual products \$25 billion in U. S. present) and to do it by UN-EXEMPTING \$200 billion of basic monopoly, now not taxed. This, at the same time, would double consumption, business volume, profits, wages and employment.

THIS CONSIDERATION OF PROBLEMS

THIS PROCESS OF SIMPLIFYING by unifying all the many confused and diffused questions that are perpetually agitating the human race is best demonstrated by following thru the GM-CIO contest, to clearly see how many other troubles involve the same basic factors.

Go by over this same ground because it is fundamental will be no waste of time:—'Communopolism' is a word I have coined to help to understand our universal complex—that which pervades our global and domestic tangles:—Monopoly the cause and Marxism the false remedy.



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 sold. Record broadcaster and lecturer, Economics and Taxation, nearly every State. President National Tax Relief Association. Ed. 'democracy', 1165 Broadway, New York City.

STRIKING AT HEART OF NATION

SEEMS A GOOD THING FOR top executives, 600 lawmakers and 3,000,000 of U.S.A. Pentagon rank and file to get a good dose of the bitter medicine of labor DISorganizers. And with the latter's usual intelligence they seem to agree with me.

The fact that Mr. Truman, nor anyone he can muster to command, coax or wheedle bus-drivers to drive buses—avails nothing, also suggests the possibility of opening up some eyes to the need of open labor, not just for the sake of labor, but just for the sake of the nation.

but which all the more aggravates. The GM is full out go against the goal of all industry, as being maximum production; and that industry will not seek a dollar of profit at the expense of its 60 to 100 million workers and customers. But it has not yet found out that the actual embargo on production, to the length of probably 50 per cent, is the product or consumer-tax.

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WHERE LEADERSHIP HALTS

IF IS NOT OBVIOUS WHERE leadership halts most, in labor or capital: the former in providing a false remedy and the latter in not seeing and removing the cause. Or, in right order: capital in not seeing and ending its tangle with basic monopoly; or labor in accusing and destroying its twin-producer, capital, instead of the guilty wage-thief, monopoly.

But our present purpose is to become fully aware that 'communopolism' is a merging problem: and therefore requiring but one simple remedy. Monopoly is the growth, by the subsidy of tax-exemption of \$200 billion in U.S.A. monopoly of vital needed resources.

Communism is a futile attempt at remedy of monopoly's exploitation: futile because pursuing the wrong thief—capital. The finger rests on the capital-leader because he is educated: (2) he does things.

Here the tragedy of false and absent education where 1500 colleges and 12,000 high schools have been busy for 100 years is most apparent on this subject: NOT education in economic democracy but education in capitalism is.

BRASS TACKS HAVE BUILT INDUSTRY: AND WOULD SAVE IT

THE FORMULA FOR FULL EMPLOYMENT AND HIGHER WAGES IS:—

- (a) INCREASED EMPLOYMENT—COMPETITION OF labor-demand with labor-supply.
- (b) Decreased unemployment—competition of labor with itself for jobs and low pay: Reversing the situation of 2 men for every job.
- (c) Increased demand for what labor produces—things everyone wants.
- (d) Removal of embargoes on such demand: demand is unlimited unless embargoed.
- (e) Removal of causes of lowered demand: there is no effect without a cause.
- (f) Labor and capital being the exclusive factors of production MUST cooperate in efficiency—meaning highest production at lowest cost: hence maximum volume of sales to consumers.
- (g) ANY overreaching for gains or advantage of either party notably in wages or profits DIRECTLY undermines the mutual effort.
- (h) Outside of what labor and employer can do to advance this formula is a factor which is of almost equal force: i.e., taxes on their total product estimated to double costs and prices and therefore halve the sales, production and hence the employment and 'wages' of both producers.
- (i) These taxes (25 billion a year pre-war) do not belong (economically) on products of industry because they cannot be paid by either producer; but only by the consumer, with the devastating effect here noted.
- (j) All taxes being for social needs should be taken from social sources.
- (k) Labor and capital must join forces to shift this embargo from their mutual shoulders to those of their worst enemy the monopolists of the raw materials now in double demand for the maximum production of wealth this formula calls for.

THIS SIMPLE PROGRAM ONLY NEEDS SOME LEADERSHIP AND INITIATIVE

GM INDIVIDUALISM VS. CIO SOCIALISM

THE ARGUMENT SPREAD before us with Wilson-Sloan for the affirmative, and Reuther negative, is coming close to the ESSENCE of this paramount question. So if the argument can be kept going the whole globe may be delivered from its confusion.

But man's greatest danger is from compromising the TRUTH: one side or both may look for an easy spot for agreement. And especially is the danger of using the whole consuming-public and (or) the whole working-public as the basis and victims of compromise.

Great intelligence is shown in these two 'statements': GM in upholding our individualist status quo. And Reuther's in making LABOR primary and yielding nothing to tradition. It certainly sounds like a finish-fight, as both say it is to be.

Isn't that the safest way to handle it for both sides: and so come right to brass-tacks? Can it not be FACTUALLY stated that it is wrong and right and why? Ordinarily the one who started it would 'bear the onus', but let us ignore that except to determine who shall lead off, and agree that it is Labor.

THE EDITOR LEADS THE DEBATERS. I AND C

L) LABOR IS THE PRIMARY producer of all wealth and as such is entitled to all he produces, minus what he pays you, capital. I therefore demand an increase in the dividend by 30%.

C) But while you state the economic theory perhaps, you know that we have not adopted it in practice: so your demand of 30% is arbitrary. Suppose we do two things: First, start along our own arbitration or bargaining. Second, set about finding ways to increase BOTH our earnings.

L) Agreed. Let our first meeting be now. Let us take your recent offer as the starting point of No. 1: and so start No. 2.

C) Very well. I now propose that we exclude from consideration any raise in consumer prices. And thereafter take up consideration of how such prices may be reduced to the end that demand for our mutual product may be substantially increased.

L) Right. This brings up the question of taxation which of course has a definite bearing on consumer-prices; but which for some reason both, capital and labor seem averse to acting logically on.

MEETING OF MINDS ON ECONOMICS

C) YOU ARE CORRECT: these consumer—or product—taxes are all added to our costs and prices. And the only reason why we have them is that no one seems to know what to do with them.

L) That is true. Yet it seems obvious that as taxes are for social needs (government) if there are social sources from which they could be drawn that should be done.

C) Yes it is stated that there is some \$200 billion of such social values (i.e., created by society or all the people).

L) The complete statement is that this big fund now goes to speculators and builds monopoly of the very resources we use in producing all our wealth.

C) We are reluctant to disturb our friends who have so long enjoyed this 'special privilege.'

L) Which is most important to 'disturb' them or take these billions from 135 million consumers, compelling them to pay so much for what we make that they can only buy half their needs and so let us go half-paid and millions unemployed?

ALTERNATIVES FOR CAPITAL

C) CAPITAL, AS SUCH, HAS no interest in these forms of monopoly provided their franchise earnings, royalties and economic rents only are collected, leaving capital in possession of its industry and locations.

L) That would be the obvious condition: and further that all your present multiplicity of taxes, including those on profits and incomes, would be ended.

C) Then our taxes or whatever we paid to the public treasury, might be reduced.

L) The theory is that they would be eliminated: i.e., that there is enough in the social fund to take entire care of government.

C) That is, of course, a new concept, that of economists: giving us a firm glimpse of really FREE INDUSTRY.

L) Yes, and labor is the first element in this new concept of industry.

C) Certainly, capital only wants its role of ORGANIZATION, giving labor its highest incentive wages and deriving its profits entirely from the advantages gained by capital's use.

L) That is clear enough, but there will still be that division of product. In fact we shall be for the first time engaged in an exact division of it. How will that work out?

HOW TO DIVIDE WEALTH PEACEABLY

C) YES, THIS IS THE CRUX— in fact where we are hung right now. How can we divide them more peaceably than now?

L) The economist says the natural law of supply and demand if unhampered will do it with practical exactness and with little friction.

C) Well we may concede a big difference in atmosphere if there's a bigger fund to divide. The essence is not the exact money wage, but the year in and out: and stable employment.

L) Differences will be merged into greater questions than in present disputes.

C) The threat of unemployment will be absent and strikes will be unknown. Employers will pay all they can in fairness to their investment in order to maintain volume, which is their only way of paying dividends.

L) Workers will favor concerns that offer the best all-around service.

C) The labor market will be reversed from now when sometimes for years there are only partly enough jobs to go around. There should not logically be enough workers to go around.

L) This looks most favorable for labor: but with the employer's facilities for indefinite technical expansion, the 'machine' should keep pace with labor. And this is a new viewpoint: labor beating the 'machine.'

ABILITY TO PAY

THIS IS ONE OF THE MOST cherished fallacies of our college cult. It has done more to keep our professors in the fog on the subject of taxation than any other barnacle of economics of which our academic system is running over.

And now the evil of this jingle of words is trying to spread into the field of commerce and industry—labor misleader Walter Reuther says wages must be gauged by employers' ability to pay.

As to taxes, my answer has always been that taxes should be 'bought' as in everything else, for what they are worth: or what service to the taxed person the government taxes paid for rendered. That no merchandise is priced to suit the ability of the buyer.

As to wages, the law of supply and demand must adjust them: and the only business of statecraft is to see that this law is kept in good free working order. Wages are now kept down by the taxation of their products on which taxes should never be seen.

THE MEANING OF UNLIMITED PRODUCTION

PRETTY BIG WORD THAT and to others than the authors the GM 'tract' I would hardly use it. Here is the translation: of whether if we get DE-limited—or limitation such as tax bureaucracy and unions off our necks—and thereby get production halved and production doubt will we overproduce?

Let's dally with the rudiment of such volume—the desire of a million people for 'things'—they ever be over-supplied? Answer: none of the alleged case of over-production have proven since, by and large, prices have always been twice what people could pay. "Man (and woman): the only animals who are not satisfied."

More broadly reasoning: is natural for a man, a group, 'state', or a whole human race to make more of things than it needs or want?

So we say: if demand is limited and not interfered with high prices, we only need to rewrite low prices. Would a taxman then bring them down about half? This, then, is the crux for labor's (and humanity) grudge. Also the small business man's—and the big one's. YET: where will we put the taxes?

A PLACE THAT WANTS AND NEEDS TAXES?

THIS IS TOO MUCH? Not for logicians who also know how to survive in business, with a fair chance. The 'place' is basic MONOPOLY. The two (and only 100%) enemy of everyone, including the biggest business can hold all the consumer-tax that now impoverish all, with little inconvenience to a few peo-

The worst thing monopoly does is to deprive society of its natural surplus—its own—tax or profit tax income which about equals total tax budget of some \$25 billion a year pre-war. This deficit is the only reason for so insatiable a thing as a tax on products (wealth) that can only be paid by the consumer, doubling his price and halving his purchases.

So shifting the tax to monopoly from products in a two-edge fence of society: (a) it insures maximum production of industry full employment and double value to buyer; (b) currently with the process, the ending of monopoly frees the resources required to this doubled production.

It is not easy to say which these objects are of most importance, they are both so vast. Suffice it to say that combined they are in the single move, to synchronize perfectly and so the economic field of problems.

★

LIFE INSURANCE RESPONSIBILITY

TOP OFFICIALS OF THE association of all the companies saying radical things about principles and practices in government, its wars and debts.

Half of their total combined assets of \$50,000,000,000 being war and other U.S. bonds make them think of 71,000,000 policyholders for whom they are trustees. They should indeed understand our politics and economy. They assert we are individual and must be conservative about socialism. This is wise and true BUT if they don't understand it we have a social obligation of some \$200 billion in natural resources which should balance the present economic account the present confusion in chaos enveloping sets.

PROPERTY only essential Karl Marx ferrier, us process

WHOSE NOT TO REASON WHY?

JUST FINISHED, WORD: for word, the pamphlet written by the President and V.P. of the General Motors, Messrs. Wilson and Anderson: and I find it close to 100% in logic and form. It answers completely not only the union statements and arguments, but those of their USA departmental backers.

There is no answer to GM's proposition that in a free society, enterprise and industry, they must conserve their earnings to make on their earnings and build more facilities. And that on natural law must be the safe reliance that by such a course only can they give most employment and highest wages.

But—can these enterprisers rely on logic to sustain them? Can they safely overlook the fact that this whole labor movement is illogical, unreasonable, unjust and uneconomic? Can they avoid a large measure of responsibility for such an insane movement ever starting?

Or, more to the point, for letting it grow to its present revolutionary proportions? Or, still more to the point, can they keep their logic from taking them NOW to the largest acceptance of this responsibility and forthwith starting the only possible back-fire to it?

WILL GM STICK TO CAUSE AND EFFECT

IF THEY DO THEY WILL WIN and deserve to grow on-and-on. If they abandon their logic or fail to travel its full distance, their great structure will almost certainly be levelled by the forces of rebellion and chaos: goaded on by an unjust underlying condition which GM did not create.

This is a matter of 100% self defense. And likewise 100% logic. And I don't make these statements lightly.—(1) Apart from all questions of logic or justice you are called on to root hog or die: (2) Your course is not an impasse: it is clear and open IF you

WHAT ARE MANAGEMENT AND FOREMEN'S FUNCTIONS?

GEO. SOKOLSKY GIVES A telling analysis of the labor-management belligerence on these most questions. He comes near—but not quite—to dishing up to both parties their ultimatums in the labor-war. Ford very neatly defined the foremen's duties in his union contract.

These were obviously to assist in organizing labor to highest efficiency. And, as Sokolsky says, that is just as obviously the business of the Employer, using all the machinery of capital.

And what he calls a moral issue is the duty of both these sides to give to their customers, the 135 million consumers, the maximum of quantity and quality. He quotes 'America' in an ignorant generalization. But he does not get to the tap-root.

This is the vital position of the consumer and what he must pay for all products labor and capital make. It costs about double due to its bearing some \$25 billion of taxes.

Can it be disputed that this DOUBLING HALVES the quantity they buy: and that the halving also halves the volume and profit of business: and consequently the employment and wages distributed?

will follow the Goddess of logic.

The fact that your position is chargeable to phoney statesmen of the 18th or 17th century, or to K. Marx of the 1850's, won't change the logic of saving yourselves. And it happens that the only possible salvation lies exactly in the path of DESIRABILITY.

The old grudge of labor goes back to all the unemployment, low wages and poverty of the past. There's but one cure for such a grudge, i.e., unlimited employment and production of everything. And there's but one way to get that: it is to translate your perfect philosophy and logic into ACTION of Untaxation and Unemployment.

SPECIFIC CURE MUST FIT INTO THE GENERAL LAW

WHICH MEANS THAT BUSINESS MUST ORGANIZE TO HARMONIZE WITH LABOR

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 \$5 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 dance 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.

★

CIO AGAINST MILITARY TRAINING

STANDPATERS WILL SAY this is just another coffin-nail for union DISorganization. But I say it is going back to first principles when Marx was PACIFIST and called on workers of the world to arise and get the oppressors off their heads. Now if CIO will use some sense in identifying these oppressors—

That will justify and make practical this pacifism. The plight of all the workers—not the small organized minority in unions—is that as victims of a corrupt politico-economic system they are used as "cannon fodder" to sustain the system that destroys them—thus finishing their destruction.

WHO needs only sensible leadership to settle first the tax-monopoly conspiracy against labor. And if this simple change of shifting taxes from labor to its worst enemy, monopoly, does not automatically end all war trends, they will yield to slight persuasion.

When some labor leader sees the point that LABOR is almost everyone: which leaves NO ONE for labor to fight but a few real parasites—not over 3 in 100 of citizens—there will be a leader that will be society's first demonstration of Leadership and Statesmanship.

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PROF. LEWIS HANEY'S 'ELEMENTARY ECONOMICS'

SUCH A CAPTION BY AN economic professor of one of our greatest colleges, the N.Y.U., should mean a lot for the average man whose education, even in college, has given him only the haziest notion of this strange world's meaning.

The professor does a good job of analysis as he usually does; and explains PRICES as the only basic economics that have worked. This means in his formula a free working of the natural law of supply and demand. This with scarce goods and plentiful cash spells high prices or inflation.

Good as far as it goes but certainly covers very little of ELEMENTARY ECONOMICS. It can only serve to help the bureaucrats modify slightly another of many emergencies that occupy all their time. This is a good average let-down for New Deal, which adroitly and unconsciously, avoids seeing any Old Deal.

Elementary Economics must show the way to WEALTH PRODUCTION without the interference of unemployment, poverty or wars (all Old Deal habits). This may only be done by untaxing production and taxing (GOP-born) monopoly. How well our college teachers know this and cover up; or how abjectly innocent they are of Elementary Economics — I WONDER!

★

COMPULSORY ARBITRATION—A RED HERRING

THE JOURNAL-AMERICAN and many other zealous labor-reformers who suffer disappointment at the various failures of voluntary arbitration, official mediation and numerous other fulfillings of bureaucracy, demand force behind arbitration as a complete solution.

Keeping the labor problem in a state of flux by the New Deal policy of 'trying everything' still appeals to many sideline advisers who may win the President to try forcible third-party settlement when every attempt at the voluntary form has failed.

All the parleying, and on legislation and continuing resistance to peaceable settlement, spells failure for any means short of mutual agreement and satisfaction. Both sides naturally resent the proposal to let a stranger prescribe what they know is wrong.

Labor's grudge is the stumbling block: MAGNIFIED by racketeering and communistic (Marx) leadership. Capital must be smart enough to see this and apply the only cure, which is to organize labor to untax both of them so volume, profits and wages will double.

★

THE ATTACK ON SINGLE TAX

IT HAS ALWAYS BEEN THE style among the cultists in economics to affect a superiority to "mere SINGLE TAXERS." So, in effect, the cultists join the ranks of the ignoramuses and reactionaries, who, without them, make up maybe 90% of our ill-fated people.

The Single Tax is a most appropriate and exactly descriptive name, suggested as such by Henry George for the method originated by him for universalizing the use of economic land rent in lieu of all of our present destructive system of PRODUCT-TAXES.

It is not as a mere (and perfect) name that these two words are to be defended. They describe an economic process of the greatest natural ingenuity for 'separating the sheep and goats' the Producers from Parasites.

The use VS monopolization of land inevitably enters this discussion for it is 'the cult' that, along with communists, commands that 'land be made common property' and that 'private ownership of land

DO INTEREST AND RENT INCREASE PRICES?

A READER CHALLENGES my negative statement on this subject and sends along a carbon from my old friend George Rusby to sustain his position. Popularly the answer is 'yes.' So before reading this carbon I will more exactly state the case to see if my 'science' plainly defeats popularity.

There are two positions present each sustaining an opposite answer, if clearly stated. My answer which is NO, relates to NORMAL interest and rent; 'economic' both should be called. Respectively they are the earning or income of capital and land.

If these elements do earn these returns—say 5% of the capital value of the property or land used to produce certain wealth, in cooperation with labor, what basis can there be for any increase in price of such product? I can see none; and this conclusion is reached by using only logic or common sense.

But if Mr. Rusby looks for authority, and especially for an economist and one whom he cannot question, let him turn to the chapter on Rent in 'Progress and Poverty' by Henry George and read these words: "... but there is a rent that should be called monopoly rent" etc. which is necessarily what is meant by this and other teachers in spreading this obvious fallacy.

★

A MAN OF STRAW!

THAT'S WHAT THIS RUSEBY carbon proves to be. First, because in its sub-head it ASSERTS my own position; and then it sets up a new one which seems not to have got to my correspondent's perceptions: "why do these elements go into the line but not increase it? This answer is that they don't go in; they only seem to."

If this author and teacher had not 'saved off his limb' by denying the monopoly rent of H.E. and presumably the USURY everyone knows about, his escape could be but an accident; where now he must use nearly 1000 words of 'ECONOMICS COMPLICATED' in floundering.

He dives into the tangle of 'margin of production' and its more tangled wage and price theories, private rent collection, different kinds of interest and quite a bunch of other irrelevancies and idiosyncrasies to get nowhere in proving a simple phenomenon or man of straw.

'Rent' meaning normal economic rent, measuring land's productivity, could not be made a charge against cost or price when its amount was forthwith returned to the producer in the crop's quantity or quality. The same principle applies to normal interest upon the facilities of production.

Excessive monopolistic rent and collected privately, inevitably adds to cost and price, as does usurious interest. Temporary entry of either economic rent or interest to cost or price would be mere book-keeping or loan transaction.

and that denies taxation as a prime issue. This cult, which thinks the only way to destroy land monopoly is to communize land ownership naturally is unable to distinguish between land ownership for use and ownership for speculation and monopoly.

★

THE PROFIT SYSTEM IS outworn, say the socialists. The answer of business is weak; and because the profits of monopoly are badly mixed with those of business.

THE GLOBAL LAND QUESTION

HERBERT T. OWENS, IN THE 'Sonora Deal', Toronto, gives a fine review of this basic question, the settlement of which would sweep with it about ALL other 'questions' that menace the human race. This may seem too 'sweeping'; but not when you think of 2,250,000,000 people getting all they have from that land.

Mr. Owens mentions Russia, Poland, Germany, Czechoslovakia, China, Turkey, Yugoslavia, Mongolia, England and others as showing 'progress of the land movement.' And tho there are some variations, the process is to 'break up the large estates and distribute them,' confining it generally to agricultural and wild lands.

The question of how much value any or all these have as contributing to the ending of land monopoly in the economic sense is very doubtful. The denunciation of private land ownership (like the same of poverty or sin), is most likely to be the best result.

The objections to 'land nationalization' which this is as far as it goes, are: (1) the land is bought or (2) expropriated; (3) it is only a minute fraction of all land, in value; (4) its benefits reach but a few and not the most needy or deserving; (5) the process is political and bureaucratic, subject to their usual graft.

MORE A GESTURE OF 'LIBERALISM'

THE QUESTION IS NOT shall we denounce landlordism but shall we end it? (And the same is true as to poverty and sin.) There's not much virtue in reforms that are noisy but do nothing to disturb the conditions' noses about. Let's apply this test to English nationalization as reflecting all of them.

The nationalization will pay a 'tax' price, and probably plus a 'bonus' for the mines, franchises and royalties—the monopoly elements of what they take over; paying in bonds which will thereafter draw interest equivalent to economic rent; thus perpetuating and approving instead of ending, monopoly.

Land, natural resources and utilities are natural marks for socialists, who have a distorted understanding of the word SOCIAL; a natural because of an inherent popular feeling or instinct, that the monopoly element SHOULD be socialized.

So they readily socialize industry and all, paying as much for the socially created values as for private property. Some think these are first steps to the economic and just solution; and it's possible that Marxists can go on thru bureaucracy and chaos to clarify and simplify, but I can't see how.

FROM RICH TO POOR—COMMUNISM

LANDLORDISM OF GERMANY is said by Herr Hoernie of USSR agricultural dept. is wiped out by breaking up 7000 estates, 4 million acres, into 300,000 15-acre bits; for that many of some 80 million people, or for 1 in 250. The land equals about 1/500th of our USA area.

This optimistic report is similar to those emanating from the Soviet and to be expected in due course from communist Britain. This slight fractional redistribution follows the uncredited and impossible scheme of land nationalization which like all emotional bureaucracy expropriates or buys land for a few needy in place of paying all land-income to all citizens.

The economic method is to disturb no ownership or possession but merely to tax ALL land to the full amount of its economic rent or earning value. These estates

CLEAR LINE BETWEEN ECONOMICS AND COMMUNISM

TOM L. JOHNSON, MAY of Cleveland, member of Congress utility magnate and steel-mill around the turn of the century was one of few big business men whose knowledge of economics; statecraft attested his bigness.

He, as a disciple of He George, understood the principle of looking to social sources (in values) only for social (government) income; to the complete relief from impoverishment by tax of industry (labor and capital) and all consumers.

One of his telling arguments chided the comparison of a one to one of its skyscrapers when the buildings, elevators and of services made its top-floor off of the same value and rental its ground-floor. Just as street buses and schools made outly lands relatively as valuable as the centers; and so should be tax 100% on that value.

Recently a new cult has grown up in this modern field of Scientific Economics, sponsored by L. D. Beckwith and Prof. Will and Otto, self-styled 'The West School.' This cult makes use of the Tom Johnson analogy. But it seems to me their right it is not valid because their principal contention to support a 'school' is that land has no rent; but that it is only the serv such as mentioned which are 1 for when one 'buys land.'

CAN A PARADOX BE EXPLAINED

WHETHER THIS BE A judged a mere play on words (which is most charitable) or an obvious fallacy, it is clear it with no land values as a test for the Johnson comparison; otherwise 'unanswerable' statements call for flat.

Of course the Johnson analogy is somewhat unanswerable. Based on his ambitious attempt at conversion of it into a principle or economic fact, to take it out of two-sided field of discussion, proposed something that took into the communistic field, which is the most grievous error 'Georgeism' because of the so what natural popular confusion Socializing Social Values 'Socializing Everything'.

He proposed to supply street-car service free just elevator service is called free buildings. This led him as a step to inaugurate the far three-cent fare which supplied great city with its political life for years after he passed on.

His economic critics called proposal pure communism as Mr. Beckwith's critics; for he proposed the same thing for city of Stockton, Calif., so seems to be the destiny and continuation of both his bus-line and land-value cult—COMMUNISM.

★

ECONOMIC DEMOCRACY means the natural law which craves that everyone must have what he earns. Political democracy means the tangle of statute creating the labor warfare what labor and capital can from each other.

may be likened to our farm wild land which we reckon as being little value and leaves practically 100% of monopoly value untouched.

The tax method of rent curing would automatically give EVERY citizen his full share of the COMMON WEALTH and to every land USER free of what he needed at its no value; and also leave every monopolizer of locations his choice moving or paying; in the case he would have to go to and employ labor to raise rent.

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