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democracy

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DEADLY PRODUCT-TAXATION IS THE CENTER OF THE ECONOMIC STRUGGLE

'THE WESTERN SCHOOL' PROVES THIS IN ITS ELABORATE LAST-DITCH FIGHT—THE TAX QUIZ!

There can be no conclusive action in the field of economics or political economy, so long as the various 'schools' are at odds. By schools I mean not only our 'bricks and mortar', 1500 colleges and 12,000 highschools which are furthest off the economic high-road; but also the 'schools of thought' which approximate the truth.

This truth is, broadly, that depression, unemployment, poverty and war (domestic and foreign), are caused by the STEALAGE from industry (labor and capital), of about half their earnings. This job is neatly done by BASIC monopoly, using the system of product-taxes to do the trick.

This truth is not complicated and the various schools, assuming the task of tearing the mask of confusion from this evil situation, have little excuse for differing among themselves, causing the 'unenlightened' to refuse their remedy. This remedy is obviously to shift some \$25 billion (USA pre-war) taxes from the friends, 'everyone', over onto the enemy, monopoly.

We here give a sample of one of the admirable and lifelong efforts of 'PROPAGANDA FOR TRUTH', with some discussion of realities and illusions that have developed in its long travail; and in some other such efforts.

BECKWITH'S TAX QUIZ

L. D. BECKWITH FOR MORE than a quarter century publisher of two papers devoted to the reform of taxation and 'land tenure' at Stockton, Calif. has apparently reached another mile-post in a lifelong career devoted to 'the good of humanity.'

This turning point is what he regards as a practical method of teaching the simple and obvious truths of a rather new science, that of POLITICAL ECONOMY, whose very simplicity seems to baffle many attempts to have it acceptably purveyed.

Beckwith's latest (for he has concededly tried many) is that modern publicity miracle, the radio. He is already employing 3 stations and planning indefinite expansion, nation- and world-wide. The novelty of his plan is not in this vehicle however.

That has been used before in this cause. It is first in the doctrine or theory he is teaching under this also seasoned caption as headlined. And in his method of financing which is to organize units of 10 local businessmen, each to 'sponsor' a series of broadcasts.

BECKWITH'S A TRULY GREAT ENTERPRISE

AND IN THE TWO NOVEL points referred to he exhibits qualities that deserve success. They are (1) unlimited independence of thought. And (2) the conception that this cause involves above all others the fiscal interest of business, capital and wealth; and also that it is above all other causes.

A decade ago the writer launched a campaign of almost identical purpose and plan except as to important details; and it is his purpose now to employ that powerful theory of comparison to try and help this rival to succeed, as well as to account for his own partial failure.

I assume our aim is the same; that aim in fewest words being to shift all taxation from labor-products to basic monopoly. LDB at this time criticized me for dilution of the philosophy or science.

My rejoinder was that I had been accorded by some 30 stations,

in 3 or 4 states, over 6000 15 minute FREE spots as a 'sustaining program' by what he called dilution where he got only relatively few changes with his pure economics while spending his few hundred dollars and without perceptible results.

WHAT TO TEACH IN ECONOMICS—AND HOW?

THE QUESTION WE THEN debated was what part or phase of this novel science was it practical to teach by radio. And how much 'a dismal science' as this has been dubbed, should be mixed with live current events' and well-known persons to gain the attention of how many people?

And I challenged his idea that I cheapened my cause by catering to pertinent cultural entertainment. I countered by saying he dissipated his effort by going over the heads of the radio audience. He paid 'big money' for a 10% audience while I got some 90% attention FREE.

The war ended (both ends) of this argument and in recently congratulating him I expressed the hope that changed conditions would now make him successful. So I have been 'broadcasting' my current events tied to economics thru this small 'd' 'democracy' medium and watching hopefully the Beckwith and several other ways.

His tax broadcasts contain so much over and above taxation that I am reading some of them rather closely to see if there are simpler and clearer ways of stating this tax case, which is so obvious that no one seems able to grasp it.

SIMPLIFYING ECONOMICS A FAVORITE PASTIME

BEFORE QUIZZING L D B about his tax quiz I will refer to some history of the economic movement. This seriously and in the last ¼ century, has been built largely around the figure of Henry George, using in the last two decades a school system bearing his name.

Apart from some fair questions of 'mistakes of geniuses', other questions of text-writing and management have entered the picture. And it is my opinion that

these incidents and others have made the teaching task too hard.

There can be no dispute that Economics or Political Economy in its scientific phase is simple and obvious; and that it has been made so by George. But that as philosopher and statesman he never overcame the embargo his his interpreters loaded onto his works as teaching-texts.

Some of the 'Simplifiers' have so tangled the George text as to justify a rather natural confusion between his socialization of social values and the Marx socialization of everything. This confusion has not only gone to the layman outside but has got the inside teaching mixed; and some branch schools are reversing economic doctrine.

ALL THERE IS TO TAXATION

WHAT IS THERE — WHAT can there be—to the economic essence of taxation which is what all the Beckwith quizzes, now about 30, are called? Beckwith has thrown over George, Ricardo and most other authorities and makes no secret of his ambition to run his own School of Economic Science.

So he is not expected to be bound by my pronouncement under this head. But some phases of this science—even 'as exact as any', as LDB insists—can be safely exhibited by what I know as the commonest of sense.

He likes to array undisputed and indisputable facts, duly numbered, and here are a few related to TAXES.—(1) Taxes are to support social housekeeping or government. (2) They should come from social sources.

(3) Our taxes are mainly on products (4) of which they double cost and price (5) this cuts buying in half (6) and makes depression (7) unemployment and poverty (8) We have such taxes only because we exempt basic monopoly (9) which is only caused by such exemption (10) the phases of taxation and exemption are equally important.

A 'CONTINUITY' ON TAXATION

WHY DOES LDB CONDUCT his quizzes under the 'tax-title' rather than 'rent', 'title-holders', 'land-title-value', etc.? Because he knows even a radio audience knows what taxes are when very few know very little about these other subjects.

That's just why 'democracy' talks more of taxation than anything or everything else. And why—as shown in the above 10-number formula its talks present a continuity or arrangement of sub-heads to yield the most information on TAXATION from a certain time and space. And now that merciless parallel column may show whether 'democracy' or 'The Forum' is doing the best job.

A more important reason for the wisdom of 'The Beckwith Tax Quiz' than its being easiest to teach, is that it is the FIRST SUBJECT in importance to one aiming, as LDB does, to lead the whole world to a new economic system SANS unemployment, poverty and wars.

The many and various things included in these 30 quizzes other than Taxes MAY collaterally have

much to do with this aim. But none of them bear any comparison to Taxes and Taxation in their direct relation to achievement of this aim. And in relation to the many secondary subjects involved.

THE TEN TENETS OF TAXATION

TO NAIL THESE TENETS to the mast let's add a few words of synthesis.—(1) Taxes are inevitable to all but anarchists. Their source is the crux. (2) Can anyone dispute that social expenses should be paid from social funds?

(3) Yet our taxes are on products of labor and capital: all that everyone consumes. (4) Taxes doubling their cost and price is obviously the greatest human tragedy.

(5) Halving purchases measures the consumer (EVERYONE'S) impoverishment. (6) And this measures business depression and consequent (7) unemployment in millions of workers and capital in billions. (8) All this tax-devastation we have only because our worst enemies, Basic Monopoly, must be EXEMPTED.

(9) This exemption is what causes the monopoly because without taxes Natural Resources are the biggest mark for racketeering speculators. (10) Without this exemption poverty-making product-taxes could not exist. A book may be written expounding these 10 tenets; but not much on TAXES outside of them.

NOW we may look over the 20 quizzes and make sure of two things.—(1) do they make it plainer than we do here that TAXES are THE cause of poverty, labor-war and world-war. (2) How taxes exert this lethal force and just how such taxes may be disposed of.

OUR 'ONE-WORLD' A WAGE-FACTOR

ELSEWHERE I INCLUDE the law of the land or rent as a vital part of the Wage-Law. And this may seem to weigh-down the latter, a moment's concentration makes it clear. Land-rent arises from presence and activity of ALL the people, especially of the wealth-producers, labor and capital.

This rent-fund is gigantic, being the income from some \$200 billion of land or natural resource value; and fully equal to the present product taxes of some \$25 billion which double prices and halve business and employment and wages.

So is it not obvious that wages can never be normal so long as this rent goes to the monopolists of the earth required for maximum production instead of into the public treasury to displace the deadly product-tax?

WAGE-LAW SIMPLE BUT POSITIVE

OUR TROUBLE IN REGULATING wages by law so far is, as with NLRB, that it had no basis either of Constitutional or Natural Law. And, as with any other, and intelligent efforts we did not see that wages, or labor for which they are the pay, are but one, the principle, of three factors in all Production of Wealth.

So the wage-law must be an integral part of the WEALTH PRODUCTION LAW. This is the Law of Political Economy and Social Science which regulates not only wealth production but more importantly, the DISTRIBUTION or division of that wealth. To be divided only between those who produces it, Labor and Capital, both of which are technically 'labor'.

THIRD PARTY RUMBLINGS

SHALL THE 3rd PARTY BE 3rd OR 2nd?

THIS HEADLINE ASKS IF the old parties will become one? This merger would be usual not only follow old bi-partisan tendencies or practices but also the strategic requirements—to beat CIO, PAC, AFL, communismism. But this is NOT 'what the hour demands' which is ONE party of principle to meet all comers.

The Peoples Party, if that's to be its name, it appears will be the party of the mob and rabble-rouser. To oppose it should be the Freedom Party. Freedom means from monopoly, from taxation and restriction on World Trade and from communismism. The method would be to transfer all taxes now resting on industry (labor and capital), trade and the consumer (everyone)—to basic monopoly.

This would make a perfect program for 'Peoples'; but there is probably not enough intelligence there; so the question is how much there is in the other quarters. And then the final question—who, N.D. or G.O.P. is seeking EXTINCTION? Priority here belongs to the G.O.P., for 100 years of monopoly-mongering. BUT N.D. also deserves oblivion for wasting 14 years and \$300 billion on the lovely lady, communismism. So it's the matter of who is capable of the most

CLOSE HARMONY AMONG PROGRESSIVES

MESSRS. ICKES, MURRAY and Morgenthau are shown planning for this grand but vague name. Their faces seem to confess some bewilderment. 'We thought we were progressing. If we could isolate our progress and appraise it piecemeal we would be winners.' This word has been legal-tender now for about 50 years, passing without challenge for all doing-good since the pioneer Roosevelt. Its present trouble is therefore well-matured and deep-rooted. From the first it has needed a clear objective. Now this need is a necessity.

To progress rapidly without knowing even our direction is a progressive weakness. Woodrow Wilson was first to point this out. Since when Progressive Zealots have been working overtime in discredit of progressivism by moving our democracy into 'a new way of life.'

This has been done under the progressive banner but the GOAL, un-be-known to progressive fellow-travelers, has been state-socialism or communism. The connecting-link between innocent reformers and hard-built revolutionists is the N.D.-promoted labor movement.

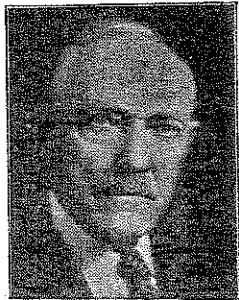
genuine CONTRIBUTION—and of REPARATION.

There are two kinds of Democracy: Political and Economic.

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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.

A DEMOCRATIC COMMUNISM

OR A COMMUNISTIC DEMOCRACY. This is what the fellow-travelling United-Fronters are always 'visualizing'. And it is not beneath the ambitions of such Socialism as France's, such laborism as England's or such Bolshevism as USSR's.

The obscure fact is that with all collectivism, 50% unnatural and wrong as representing SOCIETY, facing an INDIVIDUALISM equally wrong, as representing the smallest unit of society, the single person, BOTH are equally right and equally wrong.

But all attempts to reconcile them without correcting their basic fault simply makes more confusion. Modern civilization comprises two elements, private and public, individual and social. And they are about equal in dollar value. Example:—in N. Y. C. the land and improvement value is about \$8 billion each.

The WEALTH and PROPERTY of the U. S. A. is produced by labor assisted by capital, called saved-up labor. Its value is estimated at \$200 billion. While EVERYONE has been piling this wealth up on the earth's surface the earth itself, called natural resources, has come to have a similar value. We (individualists) have failed to use that resource for all our social needs. So comrades come along and claim it all and everything else, for the COMMUNITY!

OR A COMMUNISTIC DEMOCRACY

THIS IDEA IS WELL WORTH our dallying with. This stand-off position of our universe has developed rather naturally and only needs common sense handling to CORRECT—not palliate as we are doing. It's plain enough for any highschool 10-year-old to see, that all our interests are split between the individual and the combined individuals or community or society.

The next 10-year-old step is equally obvious—that if all property, wealth and value is not divided EXACTLY as produced by

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'OUR ENEMY THE STATE'

HOW TRUE OR REALISTIC is this: and what are we to do about it? It is the title of a book by a very able writer, Albert J. Nock, who documents his title with some 300 pages of sober counts in his indictment. Caxton Press, Caldwell, Ida., sell this book.

Mr. Nock, who recently died, was an individualist whose reputation was chiefly gained as biographer of Thomas Jefferson and as editor of 'The Freeman' for many years. His 'Henry George' added to his laurels.

Nock's principal basis for this 'radicalism' is in Jefferson's truism that a people is best governed that is least governed. His title adds to this: that a people most governed are made serfs and slaves. And these are times when this addenda should be given every possible test.

However I have always held as valid 3 comments on Nock:—(1) he does not recognize the state as a NECESSITY (2) he did not do justice to his patron Jefferson, in providing a formula of simple government (3) he failed in trying to a Jefferson political formula the social science of Henry George.

WE CANNOT RID OURSELVES OF GOVERNMENT

FROM MANY CRITIQUES OF government aside from such as Nock's one might infer 'a very general desire to overthrow it and 'paddle our own canoe' without its 101 DISservices—as well as 1001 claims of SERVICE. BUT since the caveman this STATE has anchored itself so that the anarchist no longer draws even a 'corporal guard'.

SO WHAT! is the ringing challenge to all Necks and Knockers:—What CAN we do with this bed-fellow who will merit the worst charges but whom we can't 'speed as parting guests' normally may be.

The Jefferson cue of 'simple government' is given substance by Mr. Nock. This in the hint that certain aborigines might supply a CLUE to a simplicity we might revert to for a REBUILD of this entire institution. He even says that our American Indians had a very good start. How tragic is this if true, in view of what we do to them!

Well there you are, as say the French, Nock, Prudhomme, daddy of (philosophic) anarchism do not tell us WHAT. And I can only suggest that the answer lies in the words POLITICAL ECONOMY which is waiting to show us the way to EASILY divide all the wealth we produce between the two producers thereof and not let the state take half.

the individual or created by society there would be trouble aplenty. Then—we have the trouble, and more. This the student knows as 'cause and effect'.

And he is smart enough to proceed with that law. NATURE is the mediator. It says to the individual pay your debt to the community. You'll gain by it as the rent on that \$200 billion will cancel the \$25 billion a year taxes you now pay, that double all costs and consumer-prices: and halve buying, wages and employment.

Nature hardly needs to speak to the 'commy' after this as the Marx attack on capital thru union 'leaders' will be exploded by restored and perpetual prosperity. But if the individual does not take this initiative it is open to the collectivist to force the issue at any time: The Communist Democracy will do just as well!

'Our Enemy The State' May Become Our Friend

But Not While We TAX-EXEMPT Monopoly and Tax-impoverish Everyone Else

THAT AN EMINENT AUTHOR DARES TO WRITE such a book and give it such a title: and that it has wide circulation and approval, are facts which in themselves should contribute to the process, which is moving all too slowly, of 'WAKING UP AMERICA'!

Nock was not a sensational writer but a sober and conservative student of history, specializing in the annals and incidence of the various revolutionary movements, and especially those of England, France and our own. In fact, some of his most startling conclusions are so diffidently stated as to require clarifying and causing some criticism.

Boiled down, the Nock charge is that the state is our enemy because it has favored, caused and tolerated the Monopoly of the Earth. This act of misfeasance he sees, as many other great statesmen and thinkers have, as the Cause of Causes—the basic cause of all our major ills, mainly enveloped in our wars and poverty.

Here is the most authentic tracing of the failure of all governments to justify themselves or many of their acts: and from the time of the first recorded history to now. And this monopoly-reason is developed from the aborigines' history and checked thru all the organized and civilized development of our modern society.

WHAT SHALL WE DO WITH THIS 'ENEMY'?

IF THERE WERE NO OTHER justification for this charge it might be firmly based on the evil things it promotes or tolerates which are every day exhibited to us in their sheer wanton cruelty to every citizen: such as wars, poverty and monopoly.

But to give a discussion of such a 'radical generalization' practical value let us select certain outstanding conceded abuses of government and see whether there are not quite obvious alternatives. And whether such inquiry and logical action might not supply the 3 answers to my Nock critique.

Nearest home, N.Y.C. government has bought and paid, say a billion for utilities which inclusive

of social or monopoly values they create would have paid their cost as well as cost of operation. All of which however are added to a 'billion-dollar debt' resting on 8,000,000 hard-working citizens making for their poverty.

Widening our circle, our 'state' being mandated in a 'landslide' election to correct the long monopolistic career of the GOP paid no attention to that unless to build higher its structure, and also built another and even more deadly monopoly, that of human labor. This and other DISservice brought us into armed conflict costing us millions of lives and hundreds of billions of hard-earned wealth.

IS 'LABOR' A MONOPOLY?

YES, 'DEMOCRACY' HAS many times asserted this—as now 'organized.' Now McGraw-Hill in its 53d full-page newspaper editorial says so and demands its prosecution under our Sherman Anti-trust law. If this would raise the whole monopoly issue it would be of immeasurable value.

This great business-paper concern is the logical one to raise this issue and to do it without wavering from principle and sound method. The first item to check is whether the complainant's hands are clean.

I have been greatly heartened by many of these McGraw editorials: and have especially looked for their definition of monopoly and reasons for expecting its cure by existing law.

Besides a vagueness as to what monopoly is there is a lack of realism in expecting results from the Sherman law. The origin of this act was in the emotional progressive day of ROOSEVELT I and few realists or economists have seen from it much curb of monopoly and none of definition or real indictment.

UNION LABOR MONOPOLISM

OF ALL BRAZEN MONOPOLY-mongering, labor-unionism is the most abject. It possesses all the elements contained in the various descriptions of the man-made commercial and industrial monopolies that get the near-exclusive attention of our D of J, our Sherman Act and our ICC and Trade Commission.

Labor 'organization' uses a portion, usually a tight minority, of labor in a business, industry or trade to conspire and combine to (1) force the majority into the union (2) to close it against outsiders (3) to force ALL to pay dues (4) to force employers to meet union terms. So complete is this conspiracy as to answer for the needed Description of Monopoly.

This, however, is not Natural, Basic or Fundamental Monopoly

THE MCGRAW CURE FOR LABOR-MONOPOLY

THEIR PAINTING OF THE labor-revolution-picture is perfect. Nothing can be more subversive of the freedom our individualistic democracy contemplates. It goes to the very roots of basic democracy itself: it is revolutionary displacement of our government by dictatorship. This is 100% diagnosis, in selection and in application: rather than following lines of experiment, ancient fair use, political opportunism. Even obedience to our status-quo of stand-pat bootstrapping?

From its ivory-glass-concrete 50-story-tower it should be clear enough that the INDUSTRIAL McGraw represents (1) IN CLUDES this labor it wants it drag into court (2) that its common-cause includes the UN TAXATION of both Wages and Profits (3) that this gave the 'common-cause' with everyone-every customer-consumer.

And finally that this dual an universally DETAXATION simultaneously provides the only complete remedy for this whole monopoly complex—the most perplexing question business, industry, and commerce have ever faced.

A REVIVAL OF THE GOP. NEW DEAL

IN THE GOP BY NO MEAN a negligible number of peop. adhere to the opinion that Tedd R. 'had something'; and that GOP needed and should have adopted that something as its contribution to modern economics.

In fact a goodly share of some 25,000,000 GOP voters presently believe in 'Rooseveltism' (both and II) which cultists include BOTH the '40 and '44 GOP candidates, Willkie and Dewey.

This was part-truth as to the party 'blood-guilt' which turns to devastating fallacy in its assumption that either Roosevelt offered more than clever sentimentalism as instalments up a remedial system which turns to Pure Fellow-Travelling.

This 'STUPID BI-PARTISANSHIP', aping non-partisanship coalition has amounted to abandonment of statesmanship. So instead of finding and ending GOP MONOPOLY that cause New Dealism and UNTO-COMMUNISM GOP still has the malingering Rooseveltism as exhibited in McGraw Editorial N 53.

THREE-HORSE-TEAM-POWER

A GREAT NEWSPAPER, great columnist and a great scientist put together in expounding and clearing-up one of our most important and obscure subjects REPRESSION. These are N.Y. Sun, G. E. Sokolsky and Art Shaw, Economist.

Sokolsky being the principle starts with an able treatment of the careers of Henry Wallace or Paul Porter who have also been pulling together, he says, in helping create recession or depression.

This demonstration closes with a synthesis of the natural as organic individual co-ordinate process of getting recovery as prosperity and their relationship to recession and depression, the opposites. This climaxes an entertaining and instructive presentation of a vital subject.

BUT as 'democracy' is often forced to say of the treatise such subjects got by such TEAM: they fail at the last word or most important one. It is that recess is failure in VOLUME of demand production and employment caused by inflating of price in turn caused by taxes landed to products, in order to EXEMPT monopolized natural resources.

MIXING LABOR IN OUR PRESENT STEW-POT

THE MCGRAW APPROACH to this major problem of business, industry and commerce which they are leaders in, is unworthy of them, their principals and the whole of society which is deeply involved. After years of study and discussion they turn backward for a solution.

The labor situation is one for treatment, not punishment. HARMONY in industry, which is Labor and Capital, is the only answer. If McGraw can see other phases of our gigantic USA MONOPOLY and any benefits from our system of punishment of it, he still must have a new formula for Labor Monopoly.

Labor must have full employment at full natural wages as the price of peace and harmony. And it happens that the only way to procure what labor must have will also procure the same element for all capital investments of say \$100 billion.

AND it also happens (strangely when the business-like solution is applied) that 140,000,000 consumers, all of us, are more benefited by halving product-prices, thus doubling our buying-power and consumption. FINALLY, the shift of all taxation from PRODUCTS to BASIC MONOPOLY would free our necessary resources for the doubled production which will inevitably follow.