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# MONEY, BANKS & TAXES

Twentieth Year—No. 11—March 1955

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"Economic Liberty" For All

## "LAND RENT" . . . An Editorial BY OUR "POLITICAL POLICY" EDITOR

WHITNEY H. SLOCOMB, L. D.  
611 Chestnut Avenue, Los Angeles 42, California

I have been asked to write a few words on whether the collection of land rents by the government would not abolish all taxes.

This is supposed to be the illusion and inspiration of all those who call themselves Singletaxers and followers of Henry George.

Ask anyone about the proposition of having the State collect the rents of land, and immediately one is accused of being a follower of George.

But, how many know that the first "article" of the "Communist Constitution" The Communist Manifesto) written by Karl Marx in 1848, reads as follows:

"(1) Abolition of property in land and the application of all rents of land to public purposes."

Doesn't that plainly call for the collection of land rents by the State?

Yet, ask the average Socialist or professed follower of Marx, and he will tell you that Socialism means for the State to own the tools of production, also in the Manifesto.

It seems that all emphasis has been put on this phase, until the average person, not reading Marx himself, thinks that Socialism is nothing else. However, his must be the approach to Socialism lawfully and in peace. The socialization of land and money, also called for by Marx, will require bloody revolution, in order to destroy private property in land and money.

On the other hand, George wanted to retain private property in land, but let have the State collect land rents in place of taxes on industry. He did this for a reason that will be noted later.

But, the followers of George, apparently not wanting to be confused with Socialists and Marxists and Collectivists, have advocated a gradually increasing single tax on land values, presumably until this tax will be the equal of the scientific concept of land rent.

In fact, Singletaxers and Socialists have bitterly fought each other for 75 years, but apparently they want the same thing.

But, what is the real difference?

The Georgian is the vestigial remains of the liberal of 175 years ago. Why? The liberal of 175 years ago wanted privately owned land and a decentralized government. He wanted all men to own their share of the land. That is one reason why he fought the Revolutionary War.

The liberal of today is exactly opposite. He advocates the things tending to cause us to react back to the socialization of land owned by the government, the name of paternalism and social security. He forgets that, in government, unless we have a corporate constitution designed to prevent it, like our Constitution, some one man always will arise to supreme power.

The real follower of Henry George recognizes the scientific, exact law on land rent, the origin of which is ascribed to Ricardo.

He would apply this law of land rent in such a scientific manner by law as to cause a number of desirable aspects of social justice.

What is this law of land rent?

Land rent—that which must be paid when land is rented because it has been all pre-empted and hoarded and made falsely scarce and not freely available to industry, is the **difference** between the money equivalent of what is produced on, or from the better, or better located land, and the poorest, or poorest located land in use.

(Continued on page 2)

## EXCLUSIVE

### EDITORIAL

#### "CALIFORNIA OIL REVENUES"

By LESTER O. WISLER

#### THE HIGH LIGHTS

As this issue was about to "go to press" my attention was drawn to an article written by Charley Stevens, formerly a public relations counsellor and a lobbyist for the major California oil companies. This article appeared in the December 1951 issue of "Frontier" magazine, published by Gifford Phillips, 211 South Beverly Drive, Beverly Hills, California (an excellent reading for any liberal or libertarian seeking the truth, and for only \$3.00 a year).

After reading this article loaned to us for research purposes and publishing our findings, I visited our Alameda County Law Library to obtain the 1913 Statutes of our California, law-makers, and turned to page 532 at chapter 286. We then wrote a letter to the California Secretary of State asking him to give us complete information concerning this 1913 Statute; how much money was received by the Secretary of State from these major oil companies in payment of this "oil transportation tax," and whether or not this act was still in effect. Believe it or not, we did not receive a reply from the Secretary of State.

The "high lights" of this Act require "every corporation owning or operating pipe lines, transporting crude oil or petroleum or any product thereof a distance of 35 or more miles, to procure a license from the Secretary of State, permitting continuance of such transporting."

The California Secretary of State is authorized by this 1913 Act to "issue licenses for a payment of a fee of \$250.00 for each separate pipe line."

# MONEY, BANKS & TAXES

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## "LAND RENT" . . . An Editorial

(Continued from page one)

More simply phrased, land rent is the **difference** between the productive power of the better land, and the poorest land in use.

The poorest land is free and can command no rent or price.

The better land has a price and can command rent, because it will give the owner more income, either as the result of his productive work, or as rent.

Thus, land rent is as interest on a sum of money equal to the value or price of land. The price of land is a principal sum of which land rent is its interest. This price of land is the capitalization of land.

Thus, if the rent of land will be collected by the State in place of taxes and used to pay the necessary expenses of the State.

- (1) Land will no longer have a price.
- (2) Land will no longer be capitalized.
- (3) It would allow land to remain privately owned.
- (4) There would be no hoarding or holding of land out of use, for speculation, in hopes that an increase of population will make it more scarce and give it a greater value.
- (5) Land would no longer have any value except to produce wealth.
- (6) It would, by destroying the capital value of land, destroy most of the evils in the Capitalistic System.
- (7) It would equalize amongst men the opportunities to work and to produce wealth.
- (8) Men and their wages to produce wealth would be capitalized, not land. Wages would be interest on the capital value of a man.
- (9) As land rents will exactly measure the extra wealth produced from land rich in natural resources (gold, oil, coal, etc.), the State collection of taxes equal to land rents, would **effectively**, but not actually, socialize these natural resources.

But, in order to prevent Communism and State-owned land by way of the collection of taxes equal to land rents in full from land owners, we must prevent the government from hoarding land caused to be sold to the State for taxes as a result of the application of the Georgian Philosophy, by the relinquishment of land held idle and hoarded for speculation. How?

By passing a law—a Constitutional Amendment—to prevent the government, on its part, from hoarding land, and thus to allow all land not actually used by the government, to become open for pre-emption by individuals.

By a proper application of the law of land rent, the land tax rates will be set by the owner-user of the land himself.

Of course, land taxes would apply to the payment of the expenses of the local government, in conformity with our constitutional, decentralized government.

The payment of national government expenses will be paid as fees for the government's service of administering the social credit of the individual for his share of the goods he helped to produce in our system of assembly-line-like, voluntarily cooperative, mass production.

These fees will be just high enough to finish paying the necessary expenses of a necessary amount of government after land rents will be collected in full from land owners, as taxes.

## MONEY, BANKS & TAXES

"Sustaining" Finance Contributions Welcome.

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## EDITORIAL

(Continued from page one)

# EXCLUSIVE

## "California Oil Revenues"

Every owner of such pipe lines shall report annually to the Railroad Commission of the State of California on or before the 10th of each calendar month, which shall show the number of forty-two gallon barrels of crude oil, petroleum or any of the products thereof. The Commission shall within 10 days thereafter certify said monthly report to the Secretary of State, AND THEREUPON THERE SHALL IMMEDIATELY BECOME DUE AND PAYABLE TO THE PEOPLE OF THE STATE OF CALIFORNIA, AT THE OFFICE OF STATE, THE SUM OF FIFTY CENTS (\$ .50) FOR EACH SUCH BARREL OF CRUDE OIL, PETROLEUM OR ANY OF THE PRODUCTS THEREOF SO TRANSPORTED THROUGH SUCH PIPE LINES.

Failure to pay amounts due shall be prosecuted by a "Tax Lien" and the Commission's Attorney for the State of California shall institute suit for recovery.

Our California Governor Earl Warren failed to collect from these California major oil companies; however Charlie Stevens reported that . . . the legislative succeeded in balancing the budget, and in addition to an original deficit there was finally evaded a surplus of nearly \$20,000,000.00. (That figure is 20 million dollars). How could Charlie Stevens, who held neither an elective or appointive office, manage to "pull such a rabbit out of the hat" by converting Governor Earl Warren's "Budget Deficit" into a "Budget Surplus"?

Our present 1935 Governor Goodwin Knight is now demanding of the present State Legislators to increase taxes to balance a stupendous budget of approximately 1 1/2 billion dollars. Governor Knight demands Sales Taxes to obtain public revenues needed.

We ask California's Governor Knight to investigate this matter and if this "Oil Revenue" Act was repealed or temporarily postponed by court decision, and that Governor Knight then seek ways and means to re-introduce an amended act to recover this vast "oil revenue" of billions of dollars for the people of California. WHY NOT?



DEAR READER: Will you write a postcard to Governor Goodwin Knight, Sacramento, Calif., and ask him to investigate "California Oil Revenues"?

# Choosing a Reason for War

By HERBERT COCCINS

## REASONS FOR WAR

It was formerly thought that a nation should have a reason for going to war. But experience has shown that a "reason" is not only unnecessary, but is really detrimental to warfare, as it has a tendency to take the soldier's mind off the business in hand and make him inefficient. As a clinching argument we have only to point to the many battles where the soldiers were not only unaware of what they were fighting for, but did not even know which side they were on; yet the casualties compared very favorably with those of the most thoughtful and enlightened armies.

## SLOGANS BETTER THAN REASONS

Military minds realized that a slogan is much safer than a reason. Few peace loving people could object to such a simple request as "Follow the flag," "Defend Your Country," or "Remember the Maine" (not to mention "Remember Pearl Harbor"). Yet without the last slogan it is doubtful if we could have gotten into World War II. The Japs did not apparently believe in a theory back of a diplomacy in provoking some nation into provoking another nation into defending themselves.

Above all else war is to be cherished during a probable recession as it has the makings of our greatest project. If properly directed it could aid in the work of crop and live stock control. It could take over the entire function of slum clearance for the nation, and with a little more attention to property instead of devoting so much ammunition to men in whom there is no negotiable investments, it could stimulate the building business.

With construction incentives of this kind in prospect the importance of our getting into the war is obvious. The situation is hopeful.

It is still to be remembered that there were quite a few people confused as to why we enter these wars. Undoubtedly the most popular reasons were "for democracy" and "to end wars." But we now know that it will never be possible for all people to agree on the purpose of any particular war.

## THE BRITISH DID IT

In 1803 Fisher Ames, then a Congressman from Massachusetts, declaimed: "Great Britain is fighting our battle and the Battle of Humanity." If it hadn't been for the opposition of unimaginative men like John Adams and Tom Jefferson whose appreciation for the English kind of humanity had been blighted by their recollections of Bancker Hill and Lexington, we might have been able to have gotten into the Napoleonic War. However a few years later the British Navy came over to America, and as an educational gesture, set fire to our Capitol in Washington to teach us the danger of foreign invasion.

## TOO MANY PEOPLE IN THE WORLD ANYWAY

But if we decide to enlarge the slogan to include an element of reason we must do it very gently so as not to demoralize the soldiers. It must still be simple and easy to grasp. By far the best reason for war is there are too many people in the world. This has a wide appeal since we all know some of those people who make up the "too many."

## WAR OR PEACE

This is the most subtle of all arguments and if properly presented to the "Free World" by a United Nations general assembly of Reds, Yellows, Browns, Blacks and Whites, would be "War for World Peace" and this reason would disarm the most belligerent pacifist. These people of all nations might then get ready to all march together in a "One World" program of universal war to the tune of "Onward, Peaceful Soldiers." However, the rights of soldiers of every nation should be conceded as "War for War's Sake," in order to lift war to its highest purpose, and no one should insist in pying into the purpose of every little war. (This applies to preventive or non-preventive wars).

Mahatma Gandhi said: It is the duty of him who claims to serve humanity not to be angry with those whom he is serving.

Mahatma Gandhi said: No reform has ever been brought about except through injured individuals breaking down inhuman customs or usages.

Mahatma Gandhi said: Whenever I see an erring man, I say to myself: "I have also erred;" when I see a lustful man, I say to myself: "So was I once;" and in this way I feel kinship with everyone in the world and feel that I cannot be happy without the humblest being happy.

## OFFICERS FIRST

Editor — I noticed in The Chronicle (September 1) that the Army has now decreed that henceforth enlisted men shall salute on or off duty. Reasons given are that by requiring a salute at all times, the Army hopes to increase esprit de corps and enhance a soldier's pride in wearing the uniform.

Now, some may argue that the salute . . . should be abandoned altogether, but I don't agree. In fact, if raising the enlisted man's morale is truly the Army's aim . . . then it can be more certainly achieved by retaining the salute. All that is necessary is that the officers salute first.

Fred MacDonald  
San Anselmo, Calif.

# ARE YOU A SOCIAL CREDITOR OR A SOCIAL DEBTOR?

"OLD STYLE" MONEY SYSTEM vs.  
"NEW STYLE" SOCIAL CREDIT

By CHARLES KEEPING

Route 5, Box 621, Orlando, Florida

Any school child knows that our nation has accomplished wonders in science and invention. Most of us are too grown up to be aware of it. Our daily life is filled with many things that would have meant miracles to our grand-parents. Our land is very productive. We are industrious. For ages past, men have worked and died for such a culture as we now possess. The heritage of all they did, and tried to do, is ours today.

(Generations have been born and buried. Humanity has struggled along. Science is no longer in hiding. Books spread knowledge. Men go places, hardships and privations are no longer necessary. More and better food is being produced, more and better transportation, sanitation, education, more and better and bigger houses, and hundreds of entirely new things, comforts, conveniences, pleasures,—all that we call civilization—plenty of everything—even the good things, everything except MONEY.

And this has come, while we are still a young nation, with plenty of room, a wide horizon for our children and fertile fields that can feed more than ten times our number.

But something has gone wrong.

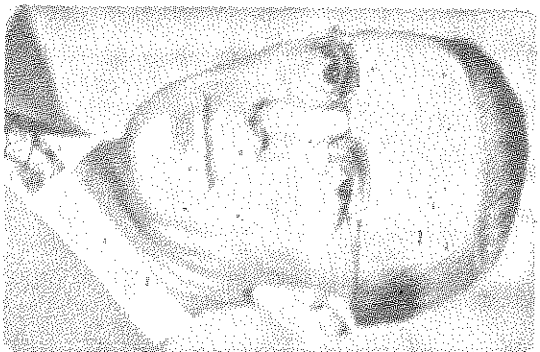
Inventors seeking to ease the lavish burden of labor, have been successful. Now there are machines that do the work of many men, do it swiftly and often better. Everything we need is produced easily and quickly and in great abundance.

Yet our perfected processes and remarkable machines stand idle and at the same time, thousands of people are in need of just the things these machines could make so well.

We hear conflicting explanations. Yet we cannot help noticing that everything depends upon money. In modern society money has become the title to life.

But our money system is not all what it appears to be. If we were not so confused and hypnotized by lifelong acceptance of it we would agree that it is something carried over from a much earlier day, that it has not only outlived its usefulness, but that it has fulfilled the old saying and become the "root of all evil." We have kept the money system of the past ages.

Owing to the curious way in which this money system began, this old style system



HON. ERNEST C. MANNING  
Premier, Province of Alberta, Canada

## A CHEERFUL MESSAGE:

I am deeply grateful by the wholehearted endorsement of the Social Credit administration by the people of Alberta. The results are very encouraging to us.

Ernest C. Manning  
Premier of Alberta.

carried us steadily into debt. Other departments of civilization saw the light, and moved toward it. But not the money department, which has kept its ancient motto, "More Debt." How it happened to work out this way and just what is evil about it, is more of a secret than a story. From the time of the "Goldsmiths" to the modern use of "extending credit" by the banking system—is a story that should be understood by every individual and it is regretted that it is not within the limit of this letter to give it fully.

Under the provisions of the Constitution, the Federal Government has the power to create and control the issue of currency and credit. Just why this prerogative is not exercised is not understandable, and since every business, including Government, operates on loans from banks, interest charges have pyramided until they overload every transaction—a sort of perpetual tax, that taxes even taxation itself.

It is time that we eliminated the system of "interest" and based our money upon real wealth and used a system that will reflect the total goods and services which a nation can produce.

## EXCLUSIVE

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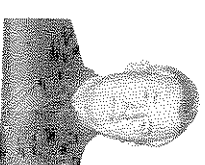
## CANDID COMMENT

Uncle Sam says that as long as you can't take it with you, there's no sense in having it here either.

The people of the United States are rapidly being divided into two classes—those who work for the government and those who work for those who work for the government.

## WHY NOT AGREE?

Use Our Social and Natural Credit



JOHN G. SCOTT,  
Founder, "Money"

Henry George advocates want to use the rent of land, especially urban land, in lieu of taxes. They show how land values, reflected in land values increase from social pressures and needs; they maintain that these rents should be used to pay taxes. They also point out that all underground wealth belongs to all the people and should be used to pay taxes. We see increased land values as social credits and subsoil wealth as natural credits.

If Social Crediters could agree with Georgists on the method of distribution of social and natural credits they would have discovered that harmony could reign in both camps.

Taxes can be abolished by using our total social and natural credits to do the job.  
— Jonskot.

# “OPERATION LOOT”

A STUDY OF CONSPIRACY, SUBVERSION, PRICE HI-JACKING, WAR AND LOOT  
(KNOWLEDGE IS LIKE MONEY: NO GOOD UNTIL CIRCULATED)

By J. C. STAFFORD

(“Operation Loot” is the first of a series of articles written by our capable and well qualified Staff Correspondent from the “Buckeye” State of Ohio.)

## WHO IS “WE”

Here again does our problem of semantics enter in. In connection with our global activities, from stealing the Hawaiian Islands to the Spanish American War (allegedly began five days after Spain had acceded to all our demands), our policies have been rationalized by the pronoun “WE,” suggesting that these enterprises were important to us, the people. Our people have always assumed that when this pronoun was thus used, it alludes to the American people, all 161 millions of them, at present.

As a matter of fact, the pronoun “WE” has always meant the inner crowd who shape and promulgate policy here, that always small and ever diminishing fraction of us hog-wild for a fast buck, now reduced to less than a fiftieth of one per cent of our number. To this group, there is no global enterprise in which the cost could exceed its value, provided the American people at the grass roots defray the cost in lives and substance, taxes and inconvenience, with a pipe line for the said substance ultimately reaching down into the bank accounts of the said fiftieth of one per cent, in the form of credits payable in United States Dollars.

They are apparently now willing to risk the total destruction of the United States, via H-Bombs, to expand and perpetuate the take. One could write a book on the social irresponsibility of businessmen reaching for a buck. We sold Japan the scrap iron and gasoline with which to clobber Pearl Harbor. American oil men were said to have delivered gasoline and oil to Portuguese ports for transmission to Hitler, while we were at war with Germany. Britain has been selling material to China, perhaps the makings of the bombs used against our boys in Korea, at least they relieved China of the need to provide whatever they sold her, thus enabling her to concentrate on making weapons. The Russian influenced market now comprises half the world. Russia is constantly referred to here as the “enemy.” Yet I’ll bet eight dollars to a bird seed that our large scale businessmen, as well as the British and the rest, are slaving at the jaws at the prospect of getting into that gigantic market, and doubtless already have surreptitious pipe lines thru which to receive orders and the means of routing deliveries direct to Russia, right now.

Loot is their primary concern, both a broad and in their price hi-jacking and tax gouging technique at home. Whenever they

think they can get away with a little more, prices “go up” and taxes get higher.

### Picking Pockets with Prices

When it comes to picking one’s pocket with a price, there is no moral or scientific difference between relieving a man of his money, of looting the public treasury, thru the subterfuge of a hi-jacking price, or thru confiscatory taxation for that matter, and performing the same feat with a short piece of hose in a dark alley in the night—except that the man with the hose has a slight moral edge.

The man with the hose walks right up to you, assuming all the risks and dangers of his act and the penalties if caught, and with a crude sort of honesty, clips you on the noggin and just naturally takes your roll. The man with a thieving price, or the man with a fictitious “menace” around which to build a taxing and deficit spending spree designed to gravitate eventually to his bank account, is a sneaky sort of a character, who deals in fiction, subterfuge and phony rationalization of his pricing and taxing thievery, and he takes no risks at all, just so long as he can get away with enough to keep the thief catchers on his personal payroll. Also, until we muster the wit to pass new laws restraining such price and tax gouging, he operates “legally.”

The price hi-jacker will tell you that he is not “taking” your money, that you don’t have to buy at his price if you don’t want to, which is another fiction. A man has to have food, a house to live in, clothing, all kinds of goods and services including medical services, where price gouging is particularly out of reason. In fact, it is only on things we have to have, that the price gouger can get away with his thievery. If you didn’t have to have the things, he couldn’t sell them to you at any price, perhaps. Then another wheeze the price hi-jacker has that is not only threshold but pure nonsense, is the crack that “My costs went up, necessitating a higher price.” No cost ever went up until someone first raised a price. Hence, it is arbitrary jacking up of prices all along the line, for no reason at all other than the urge for larceny, that raises costs, not the other way around. I have infinitely more respect for a man who meets me face to face and takes my roll, than I have for a man who charges me \$150 for a three room flat, \$25 for a pair of shoes, \$18,000 for a \$4,000 house, \$2700 for an \$800 automobile or \$400 for a twenty minute operation in which ninety per cent of the work is performed by internes and nurses, and so on down the line.

It is a species of obtaining money under false pretenses, the pretense being that the cost of producing the goods or services warrants the price asked. The tax gatherer also operates legally, and his reasons for levying exorbitant taxes seems plausible, until you trace the flow of the taxes collected, and discover where the tax money finally comes to rest. Then if you find that the men who specified the tax budget and arranged the “revenues” and expenditures that require it, are also the men, or associates of the men who had government contracts calling for the money in question and who thus became the men who finally deposit the tax money to their personal accounts in the banks, you have cause to wonder again. Later, we will discuss who first levies, then collects and finally deposits great gobs of our tax money to their own personal accounts.

### Conspiracy a National Institution

I think that altogether too few Americans realize to what extent conspiracy has become a going institution in these United States. In business, politics and government, and in every other phase of our national life, there are ten thousand conspiracies in progress at all times, in every spot and place within our economy where a fast buck can be picked up by a smart operator. The result of every political convention in memory has been directed and controlled by conspiracy. The delegates are mere window dressing. The decisions are made by cliques of conspirators in nearby hotel rooms. The election laws and regulations of the land were born of conspiracy, nurtured on skulduggery and cured in smoke. They were carefully designed and are constantly amended as needed to keep the people out of power.

After an “election” has placed a Congress in office, twice as many conspirators, called “lobbyists” descend upon that body to cajole, browbeat, force and sometimes buy the legislators to get laws passed to enable financial sharp deals at public expense, or to skuttle laws desired by the people. Along with that type of conspiracy, we have conspiracies to jack up prices; conspiracies to rig markets; conspiracies to seize mineral resources of the public domain; conspiracies to manipulate both sup-

(Continued in April issue)

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# THE TRUTH ABOUT MONEY CREATORS

## Or "Out of Darkness Into Light"

By FRED LARSON  
Route 1, Anoka, Minnesota

Money is a medium of exchange and a measure of value but a dollar, the value of which constantly changes, is a poor measure. In 1913, a bushel of wheat would buy three dollars; in 1923 it took two bushels to buy one dollar. In 1925 it takes one bushel to buy two dollars.

When the thirteen Colonies won their independence, their political freedom—the people failed to assure themselves of complete economic freedom. They were satisfied with a money system patterned after the private "Bank of England" system.

On his visit to England, Benjamin Franklin was asked to explain the great prosperity of the American Colonies. His answer was, "It is easy. We issue our own money." (The prosperity came to an end when the Bank of England induced the King to order the Colonies to use only English money. That strange hold not "taxes" caused the Revolutionary War).

The men who drafted the United States Constitution believed that the people, through their Congress, should issue their own money. Article 1, Section 8, Clause 5 provides that "Congress shall coin money and regulate the value thereof." Congress, and no one else, must "regulate the value" of our money. The supply of money in circulation as compared to the volume of production determines its value. If Congress issued all the money, and thus controlled the supply, it would enable the Government to regulate the value. As it is, Congress disregards the Constitution and allows the banks to issue the greater part of the money in circulation, and hence the banks fail to regulate the value of money.

Early in George Washington's administration, the Secretary of the Treasury, Alexander Hamilton, with the help of American and English financiers, succeeded in pushing through Congress a bill to establish a so-called United States Bank and giving it the power to issue money. Thomas Jefferson and other statesmen were bitterly opposed to this; but the money lobby in Congress was too strong and Hamilton's plan prevailed up to the time of "Old Hickory" Jackson's administration. President Jackson vetoed a bill to renew the bank's charter but, for some reason, failed to get Congress to take over its duty of issuing money.

During the Civil War, President Lincoln succeeded in getting Congress to issue United States notes (our first real constitutional money). About that, the London Times had this to say: "If this mischievous financial policy which had its origin in the North American Republic during the late war should become indurated down to a fixture, then the government will furnish its own money without cost. It will pay off its debt and have all the money necessary to carry on its commerce. It will become prosperous without precedent in the his-

tory of the civilized world. That government must be destroyed, or it will destroy every monarchy on the globe."

Also from London came the infamous Hazard circular distributed to the banking fraternity of this Nation which contains this statement: "The great debt which capitalism will see to is made out of way, must be used to control the value of money. To accomplish this, Government Bonds must be used as a banking basis. It must not allow "Greenbacks," as they are called, to circulate as money for any length of time as our banks cannot control that, but we can control the bonds and through them the banking issue."

With all this "reasonable influence" from the English, the American financiers succeeded in stopping the issue of United States notes and getting Congress to pass the National Bank Act. The National Bank system was replaced in 1913 by the Federal Reserve system, the great monopoly.

### No Opposition from the Ignorant

So, instead of interest-free legal tender money, regulated with the aim to promote prosperity for all the people, we have a system planned for profit for a privileged few. If there is any doubt as to that, notice what Senator John Sherman said after the National Bank Act was passed: "There has never been such an opportunity for capitalists to accumulate money as that presented by this act. It will be favorably regarded notwithstanding the fact that it gives the banks almost absolute control of the Nation's finances. The few who understand the system will be so interested in its profits or dependent on its favors that there will be no opposition from this class; while the great body of people mentally incapable of comprehending the tremendous advantages that capital derives from the system will bear its burden without complaint, and perhaps without even suspecting the system is inimical to their interest." While Sherman's statement refers to the National Bank Act, it is equally applicable to the Federal Reserve system. Both are crimes against the public interest.

Perhaps the people would not be so "incapable of comprehending" if they were given the information present conditions should afford; but it seems the banks not only get what they want from Congress but exercise a controlling influence over nearly all our educational agencies. Speakers and writers on the money issue either evade the basic facts or they mis-state them so as to confuse the people. And the schools fail almost completely to teach that part of the United States history pertaining to the establishment of our money system.

(Continued in April Issue)

### FROM JACKSONVILLE, ALABAMA

The cause of economic ill and the woe of all of humanity's causes is: Private Money Monopoly created our governmental through Congress. Challenge scandalously (for scandalous history).

William C. Bailey, Sr.  
Jacksonville, Alabama

## ECONOMIC WELFARE CONFERENCE PROCEEDINGS

October 30-31, 1934

Sheraton Hotel, Chicago, Illinois

### FIRST SESSION

Chairman Sneath: We will commence the first session of the Economic Welfare Conference, dealing with the cooperative production system, that is, a substitution of the dividend compensation system to replace wages, to end exploitation and labor-management friction.

It is appropriate to start this meeting with the cooperative production system, in view of the meeting held in Chicago on Thursday and Friday under auspices of the Council of Profit-Sharing Industries. At that meeting there were nearly 700 persons from many branches of industry. The firms represented by the council all have established profit-sharing plans. These plans cover a distribution of 5 to possibly 50 per cent of the profits as dividends to the workers, paid out weekly, monthly, or on an annual basis.

These firms are operated with and without union labor; and even though in many instances they are unionized, the cooperative or profit-sharing plan has no been a detriment in the operation of the firm. As a matter of fact, the unions are cooperating more and more toward better industrial relations.

I will present the difference between the cooperative production system advocated and recommended, and the profit-sharing plans that are now utilized extensively in industry. The main feature of the cooperative production system is that it abolishes the employer and employee opposition by eliminating wage employees, and the wage system prevailing now. Under the cooperative plan all are co-workers, co-partners and co-managers of the firm. Instead of a distribution of wages plus a small percentage of the profits, under the cooperative plan 100 per cent of the income including the profits are distributed to the co-workers as dividends periodically. So, there is quite a contrast between the present profit sharing practices and the ultimate goal of cooperative production leading to the development of a cooperative society and commonwealth of all peoples in every class and walk of life. I call on Mr. Barclay to speak on the cooperative production dividend compensation plan.

Mr. Barclay: I have studied the problem of industrial relations for a great many years, and having worked in industry myself, I feel definitely that the employer-employee relationship is inhuman. It is my desire and ambition that we shall carry true Christianity into every phase of our national life as well as our individual lives. The principle of brotherhood seems to exclude exploitation. If we regard a man as our brother we are not going to see how much money we can make on him, but rather to share with him equitably according to his equality.

(Continued on page 7)



ECONOMIC WELFARE CONFERENCE

(Continued from page 6)

I have always considered profit sharing as at least a step in the right direction, but I maintain that the employer-employee relationship is unchristian because the employer and employee have nothing whatever in common. The employer is trying to get as much as he can for as little as he can, and the employee is trying to do the same thing. There is really a battle between them. The way to end that battle is to have all workers become self-employed, to make all co-workers and co-owners. That is just what the cooperative system does. They all participate in the production and management. It is the duty of management to see that each worker gets his equitable share, his righteous share, of what he produces. Anything else is robbery and exploitation. If not we have a just system of distribution, we shall never have peace. If we want peace we must work for justice or righteousness in all relationships. Abolishing the employer-employee relationship is very fundamental to our whole system of living. I rejoice greatly at what Mr. Szumak has stated as being accomplished already in this direction. It is the beginning, and from it can grow the economic salvation of America. It could ultimately mean the economic salvation of the world, because America is a leader and we could set the right example here.

Chairman Szumak: It might interest you to know that while the cooperative production system is only in its very beginning, although I personally have had it in operation since 1933, there are firms established in New Zealand, in Germany, and in many other countries, where management has taken the same attitude and have done everything possible under the prevailing conditions to eliminate the employer-employee friction.

Mr. Lickert: The basic opposition one who endorses this plan will encounter, will be the attitude of the man on the street and also property owners, that the common man cannot be trusted to take part in management, and that if he receives his full share of the wealth produced he will cease to work.

REPEAL FEDERAL GAS AND OIL TAX

The government receives approximately nine hundred million dollars a year from the federal gas and oil tax. Repeal this law and allow the government to issue \$25 billion dollars in currency to build a multiple-lane national highway system, as advocated and sponsored by the Committee on Adequate Highways of the Utah State Federation of Labor. That would give us better highways and we could pay for them as we use them with the money saved from the gas and oil taxes.

Our proposed bill, providing for an adequate national highway system should be in the hands of every voter in the nation, and those who favor its enactment should so notify their Congressmen. Copies will be mailed upon request.

DISHONESTY or DUMBNESS?

By T. J. PRIESTLY, Jr., 321 S. Juniper St., Philadelphia 7, Pa.

(HOW DUMB CAN WE GET?)

More than one hundred examples of Federal dishonesty could be cited.

For one sample: Do you understand that our Government is spending millions of dollars for advertising to inveigle you to buy Government Bonds, promising to pay four dollars for each three invested. You could understand this SWINDLE, when you consider that the Treasury Department printed and gave freely to the Federal Reserve Bank \$27,500,000,000 with which they purchased Government 2 1/2% Bonds, while you Mr. Prospective Dope are asked to pay for these bonds with your hard earned dollars, and you are taxed to pay for the gift bonds, the interest and all other costs incidental thereto, whether you buy bonds or not.

Eight billion dollars could be saved yearly if the Federal Government would follow the Constitution and pay its bills direct, and have the Treasury Department issue our paper currency, backed by our Nation's credit, without paying unnecessary interest to the Money Changers.

The Federal Reserve System is fictitious—ly owned, privately owned, organized for great profit and pays no tax on its legalized loot. It is a wicked monopoly.

It is a scientific and economic fact that it costs sixteen times as much in labor to produce one ounce of gold as it does to mine one ounce of silver. The Money Changers manipulated its value from \$10 to \$20, then to \$25 and attempted to boost it to \$56. Truman said that as long as he was President, gold would be valued at \$35 an ounce, and the Money Changers are still hoping to have it valued at \$70 per ounce.

You will promptly lose the stigma of being "too dumb to understand" if our patriotic citizens will insist on redeeming for hard money a so-called Federal Reserve Note, which states on its face in very small and almost illegible engraving: "This note is redeemable in LAWFUL MONEY at any Federal Reserve Bank."

The unbelievable—yes, the super unbelievable scandalous fact is that Henry Morgenthau gave our money printing plates to the Russians as a great gesture of good will and this same money has been used to virtually steal property from real Americans.

This scandal has been hushed up by the Money Changers all over the world, because the Money Changers in Central Europe manipulated a black market and got hold of between 8 and 10 billion of good American dollars through this scheme.

The so-called Refugees have flooded the United States with this money which is as good as any paper money on earth, and with this money they are buying theaters, hotels and main street properties. In many instances they are paying two and three times the assessed value. Refugees who have entered the United States are alleged to have come here with suitcases filled with paper money in large denominations.

The American people are to be congratulated for having in Congress strong Americans who overrode, on June 20, 1952, the President's veto of our American Immigration Laws, by a vote of 278 to 113, and the Senate overrode the veto by 57 to 26.

While our patriotic congressmen of longer American lineage understand the general importance of our pro-pala system of immigration quotas, which has for its object the slower monopolizing of our entire nation, they do not understand the Money Changers' diabolical methods of gaining control of our fiat money, and in turn the control over our lives.

If they understood, they would not have let Bill H.R. 6969 be approved June 23, 1952. This bill extends to June 30, 1954 the authority for the Federal Reserve Banks to buy from the Treasury, rather than in the open market, direct obligations of the United States, or obligations fully guaranteed by the United States. This is selected monopoly!

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Lester O. Wisler, Trustee  
1946-48th Avenue, Oakland, California

(See Reverse Side)

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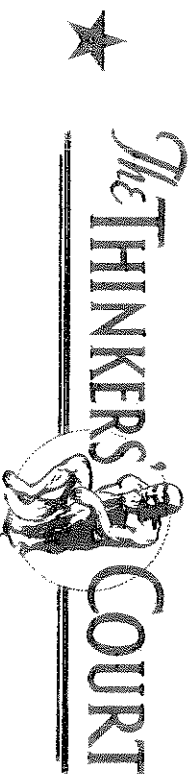
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## PLAIN TALK FROM OUR READERS

### FROM PHILADELPHIA, PENNSYLVANIA

I received the five copies and mailed them to Congressman and U. S. Senator. Enclosed is my note.  
Sue M. Conley  
5226 N. Carlisle St., Phila 4, Pa.

### FROM SAN ANTONIO, TEXAS

I am 86 years young today, and I enjoy reading to educate the young by distributing a great many copies of "Money, Banks & Taxes" and write here to my 25 (or 26) another bundle for Texas people.  
Frederick W. Wilson, Jr.  
211 Coughlin Ave., San Antonio 3

### FROM PORTLAND, OREGON

"Money, Banks & Taxes" is a very appropriate and welcome addition to your paper. Enclosed is a stamped, self-addressed envelope. Please let me know you received this letter.  
Joseph B. Hornung  
325 S. W. Market St., Portland 1, Oregon

### FROM THE GOVERNOR OF NEW HAMPSHIRE

Dear Mr. Lyndon: I certainly want to thank you for your interest in the President's Highway Program and I have your program to say the least, is unique and I think you are right in sending your communications to General Frank B. Merrill, Commissioner of Public Works and Highway Department, who naturally is a member of the President's Highway Committee.  
Sincerely,  
Lane Dwinell, Governor

### FROM THE GOVERNOR OF MINNESOTA

Dear Mr. Lyndon: Thank you for your information about your "National Highway Plan." This is a problem of immediate concern here, as it is in almost every state and I appreciate your interest and suggestions. Best desired, I will have them in mind when we consider this matter.  
Sincerely,  
Orville L. Freeman, Governor

### FROM "THE FREEMAN" IRVING-ON-HUDSON NEW YORK

To Liberator: Enclosed an issue (to be published in March 1955) of "The Freeman" devoted to the application of the UNITED NATIONS and ONE WORLDISM. From: James M. Rogers, Business Manager, address: The Freeman, Irving-On-Hudson, New York.  
Editor's Comment: For \$5.00 you get one year's (12 issues) subscription plus the 84-page March issue which alone is worth the \$5.00.

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### FROM CLARKSTON, WASHINGTON

Dear Sirs: Recently I gave our State Legislators one copy to each, of Alberta, Canada, "Treasury Branch Act." Please ask your subscribers in the State of Washington to write our State Legislators to introduce a State of Washington Treasury Branch Act similar to this Canadian "Social Credit" act which has been so beneficial to all their people. Hoping you can be of some assistance, I am,  
Respectfully,  
James Lydon  
Box 174, Clarkston, Washington

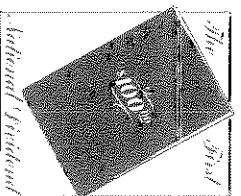
(Editor's Comment: Will our readers in the State of Washington, more than 500, write their State Legislators to introduce the bill requested by Mr. Lydon? Will Mr. Lydon send us the "Bill" and we will publish it in our next issue.)

### FROM CHICAGO, ILLINOIS

Dear Brother Wisner: Why not make the proposed "Thomas Paine Memorial Building of Homestead Earth on" one of the cost of printing materials and labor? See U.S. Bulletin of Farmers, No. 1500 "Hill Top House" built of rammed earth" in 1773. Now in 1955 it is as solid as granite. Some house in Indianapolis would be glad to supervise this structure, or Mr. Mayfield of Los Angeles would gladly do the job.

Dr. Sylvester A. West, M.D.  
2141 Sedgewick St., Chicago 14, Illinois.

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