

DISTURBED ABOUT TAXES? HERE'S GOOD NEWS FOR YOU!

The beginning of understanding and the end of shameful and unnecessary tax confusion can result from knowing one clear, vital tax-truth, namely: that regardless of which taxes, or how many we use, we can only tax two basic sources: -

- 1) The VALUE of Land (Natural Resources); and,
- 2) The VALUE of Labor, including labor-made products and services.

This enlightening and helpful basic fact was clearly stated by Patrick Edward Dove over 100 years ago (1850) in his book, "The Theory of Human Progression."

Alexander Harvey, editor of the book, said of Dove: -

"In 1840 he came into his property and the next year took the estate called 'The Craig'. He was said to be the most popular landlord in Scotland, but this landlord did not believe in landlords. He maintained that the soil of a nation was an inheritance of all its people. He was never weary of repeating that rent should go to the State for the benefit of all."

The history of England, Scotland and Ireland for many years before the time Dove wrote, reveals the nature of "landlords" and of "landlordism" which Dove personally witnessed and opposed and which the people hated. He understood economic science and saw this elemental and rock-bottom tax fact; that our only choice of source of income for government is based on the value of Land or the value of Labor. He also realized the purposes and evils of indirect taxation, and of taxing only labor and labor-made products and services and in this way making the privilege of holding title to land more profitable.

We urge the reader to give thoughtful consideration to the following passages taken from an abridged edition of Dove's book, the Theory of Human Progression, published by the Robert Schalkenbach Foundation, 50 E. 69th St., New York 21, N.Y.

PATRICK EDWARD DOVE ON TAXATION (1850)

We have spoken of the liberty of human actions; and one of the forms of that action is labor. The material objects of the creation possess a value of exchange; that is, people are willing to pay for them. But labor also possesses a value of exchange, and people are willing to pay for it as well as for the material objects that constitute the globe and its inhabitants. Let it be observed that labor is essentially private property. It has a value, and the land has no more than a value.

Let it also be observed that the land is not essentially private property, and that naturally one man has as much right to the land as another.

Labor on the one hand, and land on the other, are susceptible of taxation.

The privileged classes, in the earlier stages of society, had all the land and all the labor. The lord was the lord not only of the land, but of the labor of those who were engaged in the useful arts of industry. In the course of time the serfs obtained a small portion of their rights, and towns were formed where the citizens could carry on their labor with a certain degree of advantage to themselves, and with a certain degree of emancipation from the licentious will of the lord. Taxation could consequently be on the land of the lord, or on the labor of the townsman, for all the townsman's capital was originally the produce of his labor.

Let it be observed, that when the land is taxed, no man is taxed; for the land produces, according to the law of the Creator, more than the value of the labor expended on it, and on this account men are willing to pay a rent for land. But when the privileged classes had monopolized the land, they called it theirs

in the same sense in which labor is supposed to belong to the laborer; and, although the absurdity of the proposition is sufficiently apparent, the laborer was glad enough to escape with even a small portion of his liberty, and to rejoice that he could call his life and his family his own.

But then the lords of the land were the rulers and the makers of the laws, and the imposers of taxation, and it was not reasonable to suppose that they should tax the land. The king required money, and various persons about kings in all ages require money, and of course the only choice in the matter of taxation is between labor and the land.

To tax labor, then, becomes a matter of the most palpable necessity, and those who have been divested of almost every single particle of earth or sea that could be of any benefit to them, must also be made to bear the burdens of the state, and to pay for the support of a government that was of little use to the community, and that only existed by the right of the strongest, or the consent of superstition.

The principle of taxing labor is only a remnant of the serfdom of the darker ages, and it has been continued in this country by the ingenious device of what are termed indirect taxes, by which labor is taxed, although the laborer is only made acquainted with the fact by the distress that periodically oppresses him.

The man who is poisoned without his knowledge does not die the less certainly for his ignorance, and the people who are taxed do not suffer the less because the taxes happen to be imposed in such a manner that the unthinking and the ignorant do not perceive those taxes in the price they pay for almost every article of consumption. All the real harm is done to a country

as effectually by indirect taxation, as if every penny were paid out of the day's wages to the tax-gatherer of the state. But the rulers know full well that if the tax-gatherer were to present himself at the pay-table of the laborer, at the counter of the shopman, at the office of the merchant, and at the ship of the seafaring carrier, the doom of labor taxation would be sealed, and the country would not tolerate so glaring an injustice. And the indirect system of taxation is employed, not that it prevents the community from suffering, but that it prevents the community from dwelling on the cause of their suffering, and thereby retards a revolution against the privileged classes.

NOW-To Win Freedom From BAD Taxation

In 1776 we won freedom from "taxation without representation." Now, we must win freedom from BAD taxation with and through our duly elected representatives.

In 1776 the trappings and glamour of being kings, queens, and nobility, along with all the social, political, religious and military rights associated with them were denied our people. Yet today, in effect, the economic basis of aristocracy still exists due to our tax structures.

Title holding of land is a very important and economically and socially justifiable privilege; and it is a privilege. But always accompanying such a privilege, in a representative-type democracy such as ours, is an obligation; an obligation to pay value equal to the value of the privilege held, to the community for the benefit of all since they are excluded by the privilege from use of the land so held. Failure to demand and collect such equalizing payments is an immoral and economically harmful violation of the principles of equal rights and of economic justice. This abuse of land title privileges is a direct or contributing cause of all problems of social nature which confront us today.

It is well known that Labor can enjoy wages, and Capital-owners interest only by producing products and services others want. On the other hand the only way men can profit by mere possession of a privilege of title to land is to avoid their just obligations to other members of society whose natural rights to land is fully equal to theirs; and the greater the violation, the greater the profit. Those seeking such incomes must arrange taxation so as to get more value from society than they give in return. It is as simple as that. Thus, they are under an economic compulsion to control and frame taxation to their own profit and not to the good of mankind generally or our country. This need "to profit" themselves convinces most such profit seekers that the people's problem of taxation is their special business; and many think that so far as being mere title holders of land is concerned that this is their only business. They can be observed working in the field of tax-legislation all the time.

The foregoing applies only to holders of valuable land locations or natural resource land held primarily for income or potential income. And it must be carefully noted that this misdirection of taxation cannot and does not profit the many millions of land holders who possess title to land as house lots or "hard-work" farm land; or to those who improve their land in sound economic ratio to its value. Further-more, consideration must be given to the great gains to all who live primarily from their labor or their provision of true capital to production that will come from taxing land more and labor and capital less.

Maximum profits from land income can be gained in only two ways. One is to stimulate and arouse public support for all "Good" public "causes" and publicly or privately conceived projects which make the community a better place in which to live. This attracts business, industry and increased population, and adds up in land value or in annual land rental income. Two, a tax structure (kinds of taxes) must be designed and constantly maintained which adds the ultimate costs of such projects and the general cost of government to consumer prices or which falls directly, on Wages and Interest-wages. In our time this is accomplished by the use of such direct and indirect taxes as income, earnings, sales, profits, inventory and personal property, improvements, gasoline, and excises and other non-land value type taxes. The amazing success achieved by the privileged land interests in shifting the tax burden so as to profit a few at the expense of many, reveals a dismal educational failure - that of tax-education, both in the classroom and in mass media, to PREVENT such "planning" - for it could not just happen - from being successful. (We invite the reader to send for our free pamphlet, *The Great American Tax Shift: Why and How It Happened.*)

It is the nature of our remarkable Free Enterprise economy to increase production and, at the same time, to lower prices of products and services. However our tax structure is now so malformed and misdirected that it profits the few and works against this consumer-benefit principle of Free Enterprise to lower prices for the many by restricting production and raising prices. It is a well established fact of economic science that using taxes that, in effect, gives tax relief to land value, makes the price of all three - land, products and services - higher, thus preventing people from using more of their money to buy things for themselves. On the other hand, by using more land value taxation and less taxation of Labor and Capital - on wages and interest-wages - the price of land, products and services would be lowered, and people could use more of their money for their own benefit. It is obvious that when we have a tax structure which helps lower prices we work with and not against the beneficial

nature of Free Enterprise. Further, we can, by reversing the high-price making trend of taxation we now allow to be imposed on our system, assure more certain and quicker reemployment of all people now disemployed by automation and other progressive methods of production at particular points of business and industry.

Patrick Edward Dove rightfully condemned the immoral and deceitful use of hidden or indirect taxation. Regardless of how well such taxation may have served royalty and dictators, or how much tax money such taxes collected at little cost; or any of the possible or assumed general benefits claimed for such taxation in the guise of control of unwanted consumption, it has no justification in a country that professes the ideals of freedom and a free market economy, and which wishes to encourage honesty in citizens and in public servants. All this demands an answer to the question of why we have so many classifications and kinds of taxes when they can only draw income from the value of land or of labor as Dove points out, and as economic science confirms? The only answer is they who profit from it, want it that way.

If we wish to continue to ignore the vital issue of sources vs. taxes, and the effect of the use of these different and contrary sources on mankind and our country, we now have three direct taxes which can provide all the revenue we need. The income collected by these three taxes - or that could be collected to replace income loss due to the abolition of all other taxes, could be shared in just proportion to the cost of maintaining the functions assigned to each level of government - Federal, State and local. This is not to say the use of all three of these taxes is desirable. We merely cite this as an example - a model concept - of a possible and amazing taxation simplification and a tax structure easily observed and understood by the people. Naturally such a direct and simple system is not wanted by those who need a smoke screen of tax-confusion to hide their actions which now secure for them profitable tax advantage over others.

In passing, it is well to note that these three taxes, which we have long used as collectors of large amounts of income for government, were proposed but did not originate in the Communist Manifesto published in 1847. They were included because they were thought to possess the power to destroy the institution of private property and the capitalistic system. We can be sure few, even highly intelligent and well educated people - not having previously learned these facts, realize the great potential of one of these levies to achieve far different and significant results on Freedom and on the Free Enterprise economy. Using either the income or inheritance tax alone, as Marxists, Communists and Socialists would apply them, would indeed destroy private ownership of property in Cap-

ital and our Free Enterprise system as well. But, note this difference! The use of the land value, or rental value of land source of public revenue, fully up to, but not in excess of, the natural limits of RENT-of-land as set by the free market, would in no way be a threat to true private property or the Free Enterprise system. In fact, the fullest possible use of this RENT-of-land source would make Free Enterprise so steadily productive and so able to achieve substantial and sound economic growth, it would give the Socialists and Communists such an economic and moral shock as to assure a Free Enterprise victory over their systems; and it would do this in peace, too - a real and lasting peace, Western Style.

We must now learn, and learn quickly, the one real answer to Paternalism or Welfare Stateism and to the economic ideologies of Socialism and Communism as well. It is this: Abolish all taxes which now prevent Free Enterprise from becoming the STATE OF WELFARE for which it has the potential. Our system has not failed; but, we, the people, have indeed failed our system.

We must remove the tax-chains we have welded on Free Enterprise by our bad tax laws and unleash its great and as yet shamefully underdeveloped power to produce and maintain a new and attractive freedom. Economic science reveals the one way to do this is to untax, as far as we can - and as quickly as we can, the products and services of labor and capital-owners, and their rewards in wages and interest-wages. Our only choice, if we are to do this, is to collect for public use the publicly earned rent of land as fully as practical. This means freer opportunity for all to have access to more and better land, and encouragement to improve land for use and not for abuse by land speculators who hold vacant or use poorly the land held. It also means a great stimulation of individual incentives in all ways so essential to great and solid economic and moral growth. And finally, it means far more, not less, title-holders of land.

We invite all to seek further information which we will be happy to provide. We urge personal participation in this tax-repealing program and in helping to make this tax-education available to others. We must achieve "freedom from bad taxation with representation" as the first major step to win people to a freer and better world. There is no greater challenge to man and to teachers of economic and political science than this challenge to knock the tax-chains off of Free Enterprise and let the system go free and serve mankind.

●●●●●●●●●●●●●●●●

Noah D. Alper, President,
Public Revenue Education Council,
Room 308 - 705 Olive Street
St. Louis 1, Mo. CHestnut 1-4350

IN ALL FAIRNESS. . . .

Today, the Public Revenue Education Council says what Dove said on taxes in 1850 - that we can only tax the value of Labor or the Value of Land --the REWARDS-of-human-effort, or the RENT-of-land. Yet, while it is a fact that "landlordism" fathered Communism, we must, in all fairness, point out that there is a great difference in the services rendered by modern landlords as compared to the harsh exploitation by most landlords in Dove's time. For this reason we offer the following for our readers earnest consideration.

WE SHOULD ENCOURAGE - NOT UNFAIRLY TAX - MODERN LANDLORDS

History records few words that recall to the informed man more images of economic and social evil, past and present, than the word LANDLORDISM; evils that abounded in England, Ireland and Scotland in the past and that afflict many parts of the world today, even the United States. However, today, landlords provide amazingly fine services. We believe EARTHlordism is the word that best pictures the "ism" that now abuses CAPITALism or Free Enterprise. To explain this we reproduce below two sections of our pamphlet, "How to Raise Wages Without Raising Prices". (Single copies of this pamphlet free on request).

EARTHlordism

The term best suited to describe what in our economy does exploit people is EARTHlordism. The word EARTHlordism in no way suggests and has not been associated with improvements and services. EARTHlordism is a system which denies people equal, or economically equalized, right of access to land; and which, in effect, makes the great majority of our people actually pay tribute to others like themselves for the right to live on and use the natural resources of Land, our common heritage. What we here call EARTHlordism is due to the vicious and destructive system of taxation that makes control of nature's offering unjustly profitable and produces much of the moral and economic decay of man. All this opens the door to Communism. Thus, it can be truly said, EARTHlordism, not Free Enterprise, Not Capitalism - fathered Communism.

The Public Revenue Education Council is a non-profit, non-political, Missouri, Inc., tax-deductible educational institution. It offers a tax-education program that eliminates taxes and reduces taxation, that:

1. Reveals why TAXES are not SOURCES;
2. Shows there are only TWO BASIC SOURCES;
3. Explains the right source to use and why, to increase jobs, production and real wages.

You can get the basic tax-facts by writing for our free pamphlet: "Wrong-Source Public Revenue; The Greatest Obstacle to Free Private Enterprise and How To Correct It."

Noah D. Alper, President,
Public Revenue Education Council,
Room 308 - 705 Olive Street,
St. Louis 1, Mo. CH. 1-4350

TO DEFEAT COMMUNISM TAKE EARTHlordism OUT OF CAPITALISM

UNLESS we free our Free Enterprise system from the parasitical and destructive influence of EARTHlordism, we cannot hope to win the cold war Communism now so vigorously and cunningly forces upon us. Handicapped as we are by the economic and moral errors we ourselves, and not the Communists, impose upon our economy, we are in great danger.

However, if we have the intelligence and courage to recognize the natural and economic science differences between Labor, Capital-owners and Free Enterprise on the one hand, and Land, EARTHlords and EARTHlordism on the other, we can defeat Communism hands down.

And, why not? We should never underestimate the intelligence nor overestimate the knowledge and information of our people. Given the basic moral, political and economic facts, they will refuse to buy any part of the low-grade, depressed economic, political and spiritual slavery offered by Communism as a substitute for what our system can be and must become. For, freed of gross and destructive EARTHlordism, Free Enterprise can provide our people with an almost endless quantity, quality and variety of products and services in steadily rising levels. Not only this, freed from EARTHlordism, Free Enterprise will assure a just and generous distribution of wealth and services as well. It will, not by making Free Enterprise work but by allowing it to work as it can and should, produce such good results as to possession of private title to land and to all truly moral private property placed on or in land by its producers; and assure its inheritance by persons and institutions chosen by them as well.

Scientific economic analysis reveals that RENT-of-land and REWARDS-of-human-effort (Wages and Interest-wages) are the only sources of public revenue. This means we can (and must) eliminate many of the massive variety of taxes now imposed on us.

Analysis also shows that human beings are best served by using RENT-of-land, not REWARDS-of-human-effort, to support government.

We are a non-profit, non-political, tax deductible institution, and we urge IMMEDIATE STUDY AND CONSIDERATION OF THESE IDEAS. Correspondence is invited; financial support is urged.

FOR YOU!

HERE'S GOOD NEWS

DISTURBED ABOUT TAXES?

PUBLIC REVENUE EDUCATION COUNCIL
Room 308 - 705 Olive Street
Saint Louis 1, Missouri