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If not, how can we cure the depression and rest
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**Is chiseling the cause of poor business, or
cause of chiseling? Do the tree-tops stir up
the wind sway the tree-tops?**

It is true that foolish spending does cr
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In any game, the game-keeper's percentage is taken out of the game. It may be right there in sight of the players; but, no matter what talents (cards) players have or how cleverly they play, or how closely they attend to their playing, nor how much they cheat, the only way they can get any of that percentage is to earn it over again, or to sign notes for it. If the rake-off is 2%, the winner gets only \$98 out of \$100 put into the game; if the stakes are continually thrown back, the winner of the 36th game gets less than \$50.

THE REAL CHISELERS, A MATHEMATICAL PROOF

Here in Stockton the land value in the ten central blocks on Main street amounts to \$6,000,000 out of a total of \$9,250,000. The game-keepers take 65¢ of every dollar earned on that street. These business men must earn 65¢ for these game-keepers in order to get 35¢ for themselves. **This is gross, not net.** There may be no net.

To understand exactly what happens in such a case, let it be assumed that the buildings are owned by one set of men and the land is all owned by a different group of men. Assuming a net return of 6%, here is the way it is divided:

To the landlords on their buildings	\$120,000
To the merchants goes	75,000
Total earned income (35%)	\$195,000
To the landlords on the site values (65%)	\$360,000

Even though the NRA doubles business, the buildings will remain as they are—except that they will be depreciated. The merchants will, of course, carry larger stocks and land values will go up.

The building owners will get the same as before, the merchants would not only have their share doubled; but the landowners would get in addition the extra return doubled, but the buildings could not claim.

The receipts would then be distributed as follows:

To the owners of the buildings	
To the merchants	
Total of earned income (25%)	
To the landowners (unearned)	

The landowners would take the enhanced location value. They would which such an increase in business proportionate increase in rent and be satisfied with their opportunity and should be satisfied with it.

If the merchants continue to be told that all they have invested in is the site, the landowners furnish the site, that; and if the merchants

The merchants will then have to earn 75¢ for the game-keepers to get 25¢ for themselves—**gross, not net.**

If business is doubled again, the merchants will have to make 81¢ for the game-keepers to get 19¢ for themselves.

The only thing (other than the denial of the landlord's right to take a percentage from the game of life) that could save a merchant would be a long-term lease; but even that would be but temporary relief.

The only real relief and the only logical solution is to collect the rent (pure rent, or "ground" rent, the economic rent) instead of taxes, thus putting this fund in the public treasury for the benefit of all. This is justified by the fact that all have contributed to the site value.

It is justified by the further fact that this would put this money back into the game.

The people would then have their wages and their interest in their private pockets and their rent in their public pocket.

They would thus have the entire value of their product, no matter how great it be or what its value, and could buy it all back and pay cash. There would then be no lack of buying power, no slack business, no unemployment.

When, as at present, landowners are permitted to take as their own what they receive by the sale of location advantages, the government is compelled to levy taxes to make up this loss, and merchants who have already paid these landowners for public service and facilities (sewers, fire and police service, etc.), are compelled then to pay for these again in taxes. That is double taxation.

The Editor Of This Paper Witnesses The Destruction Of 79 Acres Of Fine Wheat At The Very Time That Food Is Being Solicited For The Needy

At the very time that the women of the local Parent-Teachers Association are volunteering their services to pick fruit which they can to provide food for the poor, the Federal Government sends men at the expense of the taxpayers to survey out 79 acres in wheat field on the Stuart farm at Collegeville, about seven miles from this city, and to see that this wheat **is destroyed.** The editor witnessed that destruction.

That wheat stood as high as the editor's hips as he walked in it. The heads were filled with perfectly formed, matured kernels. The editor shelled out a handful of the forbidden food and ate it—a crime under the crazy laws that now oppress us. Bakers say that 300 pounds of wheat will make 200 pounds of flour and that this will make 300 pounds of bread; so that a ton of wheat will make a ton of bread.

The yield of this wheat was variously estimated up to 20 bushels per acre, but, even at 10 bushels, there were 25 tons of wheat which would make 25 tons of bread.

NERO AND "F. R."—THE DIFFERENCE

Franklin Roosevelt will be fortunate if this wide-spread destruction of food does not cause him to be recorded in history as a political tinker and an economic clown.

Nero's fiddling while Rome burned was a harmless jest compared with this destruction of food under the administration of Franklin Delano Roosevelt. If Nero did nothing to stay the flames, he at least did nothing to add to the destruction and misery of the moment.

The destruction of those 79 acres of ripened wheat is explained on the ground that the landowner agreed to hold a certain acreage out of production and made a mistake of 79 acres, planting 79 acres too much in a total of 1200 acres.

For this he was forbidden to sell, or even to harvest, any wheat until he had first destroyed these 79 acres.

Suppose he did make that agreement. Even suppose he made that mistake deliberately, thinking he could get away with it as many get away with lawlessness. Grant that the planting of that wheat was a crime; and he was caught at it!

Why make it a crime to raise food?

Why have laws like that on the books?

Has all Washington gone stark, staring mad?

Ah, it will be said, that landowner was paid to hold that land out of use!

Very well, what does that prove?

Doesn't it prove that Nero's act of fiddling at that fire was the act of a gentleman and a patriot and a Good Samaritan and a Christian saint compared with this plan to tax us to pay some men not to produce food and others to destroy it?

Men can't pay their taxes; therefore pile more taxes on them to finance recovery by destruction!

Men can't pay their rent; therefore have the government compete in the rental market by renting millions of acres, thus running rent still higher!

Men cannot find work; therefore have this land the government rents held out of use—thus making it unlawful to work on that land!

This is class legislation of the most vicious kind and contrary to the spirit and the traditions of the country—contrary to the Constitution itself.

A recent report says that the lunatics responsible for this policy are paying rent (with our tax money, of course) on more than 15,000,000 acres of productive farm land.

This acreage would make a block 480 miles square.

This is 23,437 square miles, almost exactly the area of West Virginia. It is almost exactly the combined area of Connecticut, Massachusetts, Rhode Island and New Jersey.—Reprinted from THE FORUM by NO TAXES, July, 1934.

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L. D. BECKWITH, Publisher, STOCKTON, CALIFORNIA

Address To Class In Economics

(On Wednesday, November 1, 1933, on the invitation of Professor Luther Sharp, of the College of the Pacific, the editor addressed one of his classes in economics. He spoke without a manuscript, but the following is not only an accurate statement of what he sought to present, but it is a close approximation of what he said.)

Professor Sharp has told you that he asked me to tell you what the "single tax" means to me. Now first of all, that is a term that I never use; so it will not appear again in this discussion; secondly, the view put forward by me is that of the minority, or scientific wing, of the Georgist group.

What we want is not a tax; so that it is erroneous to speak of it as a tax, single or otherwise. And though it may surprise you to hear it, we are not at all interested in land.

What I am offering you is a **new philosophy of life**.

Let me illustrate with this stick of crayon. You see it is white. Now I ask you to center your attention upon the whiteness of this crayon, to separate the concept of whiteness from the crayon and to hold firmly the concept of whiteness while I withdraw the crayon from view. Now, let us do the same with land. Think first of land; then think of the value of the land and hold firmly to that concept of value—and forget the land. We shall talk no more about land. What we are interested in is the land **value**.

I said that I am offering you a new philosophy of life. As you consider this matter more carefully and observe its effect upon public thought, you will see more and more clearly that what I am presenting is either the wildest of crazy ideas or it is the greatest idea ever presented in a class room.

The philosophy of Henry George was first presented to me when I reached the same point in the schools that you have; but I did not get it from any of my teachers. On the contrary, my teachers in the grades, in high school and in the university, were a hindrance to me—so far as this truth is concerned.

They did not even know of it, how could they teach it?

You know that Columbus died without knowing that he had discovered a new continent. I hold that Henry George died without knowing what he had given the world. I mean that he did not realize the full significance of his own teachings.

I base this belief upon the fact that in his discussions of public utilities, he continued to teach that, even after we recover our rent, we would still have to contend with political corruption. It was because of that failure to see that the recovery of our rent would automatically prevent political corruption, that he favored municipal ownership of the utilities.

I hold that, if we deny men rent, selfishness itself will protect us from political corruption—this on the ground that if denied rent and limited to wages and interest, men cannot get wealth at the expense of their fellows.

Just a word here about the recovery of our rent. Let me liken it to the recovery of the ball after a fumble on the football field. We have fumbled and lost possession of the land

value which we have created in the land; we must recover that "ball", or we are beaten. How foolish it would be for us, under such circumstances, to demand a tax on that "ball"! What we want is the "ball"; not a tax on the "ball". We have created the value in the land about us; it is ours and we want it—and want it all! We did not create the land, and have no title to that—nor any interest in it. Indeed we want those to have land who will use it. We want, not the land, but our rent. We are not asking that the State take over the land and act as our landlord. We are not interested in the land.

We see clearly that the state is merely our agent and that it cannot, as our agent, have title to anything that is not ours. We did not create the land, and cannot delegate to our agent a title we do not ourselves possess. But we do render through our agent, government, certain public service, such as police service, fire department service, etc. Because of that, value is created in the land where this service is available. That value is our creation and belongs to us. That is why we do not call the levy we would collect a tax. To tax a man for any thing is to admit that that thing is his. We deny that the land value belongs to the holders of land; therefore we refuse to tax it. But we do demand that those holding land shall pay us for the service we render them.

Here is a good place to explain the relation between rent, taxes and land value. The public service we provide is worth so and so much in the market. The **user** of the land values it according to the social service rendered at that site. That fixes the **rent**, which is merely the payment of the service bill. In economics, rent means "ground" rent, and house "rent" is not considered rent at all; that is interest.

To the **investor**, land value is determined by what is left of the rent after the payment of the taxes. The lower the tax, the more he has left, and the higher the land value; if we take all the rent, as we have a right to do, as we should do, and as we Georgists demand that we shall, the land has no selling value—although its rent value would remain the same.

I have already indicated that the full significance of this program was not realized even by Henry George. There is not time to say much about the history of this revelation; but you may put down three dates; namely, 1758, 1850 and 1879.

Quesnay, a Frenchman, founder of the Physiocratic school, Deceived by the acclaim with which his book was received and by the enthusiasm of his welcome on his tours, George allowed himself to be drawn aside into politics, to the neglect of his real work. The result was that those who gathered about him after that were more politically-minded than profound in their grasp of his philosophy.

Although the fact is only now becoming known, more was done right here in the city of Stockton than anywhere else in the world to perfect the philosophy of Henry George. Some of you may remember the old man with the flowing white beard to whom the world owes that debt. He was Gilbert McManus Ross, who always wrote his name "G. McM. Ross".

But there are certain things in the history I am outlining that are far more important than names, dates, and places.

George reduced economics to a science; Ross reduced it to formula. Ross, like George, had been raised in a religious home. Both men became doubters; Ross became an infidel.

George testifies in "Progress and Poverty" that when he comprehended the part that rent plays in the affairs of the world, a faith that was dead lived again. Ross testified, in the only article he is known to have written for the public, that the reading of "Progress and Poverty" restored his faith.

I had the same experience. Raised in a religious home, I, too, became perplexed in attempting to reconcile my faith in God with the misery I saw about me. Then I read "Progress and Poverty" and saw that this misery is the result of violations of natural law; that civilization is in collapse, not because of any fault in human nature, but because the natural laws of civic architecture have been violated; and that our civic structure is collapsing exactly as any building would, regardless of the perfection of materials, if the laws of stress were violated. And, in my case also, a faith that was dead lived again.

What is probably the latest advance that has been made in the comprehension and statement of the Georgist philosophy of Henry George has recently been made in drawing a sharp distinction between the functions and spheres of the moral law and the natural law; and in holding that the moral law does not apply to the State nor to society; but is limited to the individual and to individual contacts and to the period of those contacts. The State and society in general are dependent upon the natural laws of economics.

The argument is that there can be no moral responsibility where there is no knowledge of the facts and no control of the event; and that, in the nature of the case, it is impossible for a whole community, much less for a whole state or for society in general, to know all the facts in a given case; also that it is impossible for society to control the actions of its members. All it can do in the way of control is to decree prohibitions and to provide punishments for disobedience; but control of the actions of its members is impossible; hence neither a community, nor society in general, can as such be held morally responsible for conditions. The moral law is limited in its application to the realm of knowledge and control and therefore can only apply to the individual and his individual relations, and then only during the period of those contacts.

This leaves the control of civics, politics, industry and statecraft to the natural law. This, instead of being a disadvantage, is a most decided advantage; because natural law is much more dependable than human reactions.

It is in order at this point to warn you that you will find a disposition in some quarters to quibble over the question whether or not there are any natural laws. You will be told by these quibblers that there are no laws, but only "tendencies" or "probabilities". Very well, let them settle that matter to suit them; what we of the scientific wing of the **Georgist Movement** claim is that, whatever the laws of mathematics, physics and chemistry are, just that are the laws of eco-

nomics; and that the laws of economics will do for us in the realm of civics, politics, industry and statecraft what the laws of mathematics, physics and chemistry do for us in the shop and kitchen and do it just as automatically and with the same disregard for the frailties of human nature.

Here we find the great difference between the Georgist philosophy and the Socialist philosophy—if anything as devoid of governing principles as Socialism can be dignified by being spoken of as a philosophy. Socialism is based upon the belief that there is nothing to guide us in civics, politics, industry and statecraft **but our needs and a hope that we shall gradually improve by evolution.** The motto of the Socialists is "From each according to ability; to each according to need".

That is an appeal to the moral judgment; it is not scientific. Socialism seeks to so regulate every body and every thing that the State may be able to minister to all our needs. The Socialist ideal is kindly and sympathetic. As the saying is, Socialists "have their hearts in the right place". But they are more sentimental than scientific; more "mushy" than practical. Socialism is not the least concerned about a man's merit; it is concerned only about his need. The Socialist idea that the Creator could not, or forgot to, provide for the proper government of the realm of social need, or did not care enough to do so, is a strange blasphemy—especially when it is found, as is so often the case, in professing Christians in and out of the Christian pulpit!

What is sometimes called the "Stockton school" of economics, what I referred to in the beginning as the scientific wing of the Georgist Movement, believes on the contrary that provision has been made for our needs in this realm that is in every way as complete and dependable as that which has been made for our shop and kitchen needs.

There is not time to go much into detail, but I wish to call your attention to the fact that there are but seven key terms in economics, calling for but seven definitions. To understand these is to understand the science of economics.

Notice we say, not that economics is an exact science, but that economics is as exact as any other science.

Here is our proposition: That these seven definitions, as **given by the "Stockton" or scientific school,** completely cover the field, leaving nothing uncovered in the whole field of economic interest, and without over-lapping or conflict of any degree. That is, each of our definitions is complete, leaving nothing more to be said, and no one of them over-laps the field of any other, nor does any one conflict in any way with any other; and all together, they completely cover the entire field of economics. We submit that such a situation could exist only in the case of a system that is truly scientific; and we challenge the world to find a flaw in these definitions, or an inconsistency of any nature in this set-up.

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L. D. BECKWITH, 1325 East Poplar, STOCKTON, CALIF.

Our Highway Toll-gates

By WILLIAM SCOTT

(Published and Distributed by NO TAXES, Stockton, California.)

The old-style toll-gate vanished with the age of the horse, and the wheels of traffic began to turn unhindered: but when the automobile appeared, paved highways were needed; so that much more revenue had to be raised. Then some barbarian exhumed the deadly sales tax, of which many nations died in times past. A sales tax was put on motor fuel, and filling stations were converted into new-style toll-gates.

Unseen, unannounced, unsuspected, the toll-gate returned, and traffic is again obstructed. Every filling station, automobile agency, and tire and accessory shop is now a toll-gate.

In this country, the tax on gasoline is more than half a billion a year, while the aggregate tax on traffic exceeds a billion a year. The tax is truly confiscatory. If the price is eight cents, gross, and four cents of this is road toll, the government has confiscated half of your fuel. If the toll is eight cents, all your gasoline is confiscated. You cannot proceed, until you buy it back.

We witness the preposterous spectacle of costly highways being obstructed by thousands of toll-gates. The people are actually taught to believe that obstruction of traffic is good for us; and, like "a beast with muddy brain" and docile disposition, the people **who seem blissfully unaware that land values are exempt from state highway taxes**, bends its back to receive the enormous burden. Government has become a highwayman without a peer—but robs only that it may turn its plunder over to tax-exempt landowners.

However, by a wise provision of nature, a tax raised above a certain height, begins to yield diminishing returns. Transportation is life; like the blood in our arteries, traffic cannot stop except at the cost of death to the patient. This tax impedes that circulation and its cumulative effect will first slow up these toll-gate receipts and then kill the patient. This tax is killing the goose that lays our highway eggs and plucking the goose that invests in this gold-brick promise of prosperity for the farmer.

The gasoline tax has been defended on the ground that it is paid only by the motorists who use the roads. This argument, though superficially plausible, is fallacious; no matter how viewed. First of all, hardly half of the tax collected on traffic is used on the roads. The federal government collects (at this writing) one cent per gallon on gasoline. When the untaxed price is eight cents, this one-cent tax is $12\frac{1}{2}\%$; and your Uncle Samuel knows a thousand ways to spend that money that are in no way connected with road-making. Thus, half of the contention falls; and the other half is even more groundless.

The prime factor in this problem is the fact, easily verified

by any one that is interested, that our paved roads have increased by various percentages from ten to one thousand the value of the land served. In some cases the increase has been far more than 1000%.

It is amazing, almost incredible, that these enormous land values, created as they are by these highways, should pay no state road tax whatever, while the public, which in the regular course of business pays rent on these land values, should be required to pay for the privilege of using these roads a sum in license fees and gasoline tax alone (the automobile and accessories and tire sales taxes are not counted), that is calculated to build the highways and to maintain them.

Land values are enchanted and sacrosanct; so that the profane hand of the tax-gatherer dare not touch them. But the public must pay and pay. It must pay whenever it uses land—which means in all that it does and all the time, for man is a land animal and land is to him what water is to a fish.

The public must pay for these land values first in rent (or in the purchase price of land) and then pay again at the gasoline toll-gate; yet there is no highway tax on land.

Under the policy of relieving real estate, now so popular, motorists pay for the highways at least three times.

Once in taxes that build and maintain roads.

Once in taxes that are not applied to roads at all.

Once in rent which the motorists pay to tax-exempt landowners upon land values created by the highways.

The landowner (as a landowner) is a parasite; he builds nothing, does nothing, pays nothing. He even demands to be paid to get out of the way, when highways are built for him!

The highways are the state streets; They should be paid for out of the values they create; that is, out of the land value, or rent fund, as city streets are, at least to some extent.

If one buys a lot or a farm on a state "street" which is a part of the state highway system, the worth of that "street" or highway is added into the price of the land, the same as in the city. But there is one fundamental difference here that is generally over-looked, both by the victims and by the beneficiaries of this crooked system. In the city, the landowner must pay heavy street paving assessments. But out in the rural sections, the paving of these state "streets" is paid for by the motoring public. The landowner contributes nothing; yet he claims these road facilities as his and takes in rent or purchase price all the traffic will bear when he sells or rents.

The gasoline tax is solely and wholly a tribute that the traffic pays to Privilege.

Land value is the only value increased by public progress.

Of all the stupidities recorded in the annals of human irrationality, there is no other that will match the folly of exempting land values from highway taxation and then allowing the holders of these values to collect the rent on these values—including the very values created by the highways.

Whatever a land owner produces, he produces as a member of either Labor or Capital (or both). As a landowner he does nothing; produces nothing. He is a parasite. He may live in a

distant city or in a foreign land, or next door to his victim. No matter where he lives, he is exempt from highway taxes, if his lands happen to be in this land of the spree, here in our country that is flowing with silk and money, where magnificent highways multiply his rents and relief of real estate, which just now is our favorite charity, multiplies the selling price of his holdings.

The gasoline tax is destroying the farmer. Consider the case of John Doe, who in the horse age rented a farm surrounded by muddy roads. Though hampered by these roads, he got his produce to market and managed to make a good living. He worked harder to get his produce to town, but he got paid for that work. Then came the cement road and John had happy visions of prosperity. So had his landlord! The latter doubled John's rent. That, he said, was only fair, since the farm was, in effect that much nearer to town and, being so much nearer town, it was greatly increased in value. It was only right that John should pay for his increased facilities. Surely, he would not expect to get these improvements for nothing!

Then, thanks to the highway, John could get his produce to market easily and quickly. Less time and labor were involved. John no longer got paid for those items. **Instead, his landlord got paid for the highway facilities that had been substituted for John's time and labor.**

It required some time for John to realize that, while he reached the market more easily, the cement road for which he paid rent to his landlord had not raised the price of his produce, nor did it increase his crops, nor did it give him employment during those times, if any there were, when he had time to sell. He no longer got employment for himself and his teams road-making, as he had in the horse age.

Then came the gasoline tax. This smote him not only once, but again and then again. Annual license fees had already been exacted of him for the privilege of driving on the road, although he paid for that in his rent. However, for a time, the spirit of hope survived in him; but not for long. For, in addition to the gasoline tax, Uncle Sam began to pile on the confiscatory sales taxes on tires and accessories and on engine oil. Then on top of all these came costly special taxes and regulations imposed upon trucks to protect the highways the people had been compelled to build for their landlords.

That is, it seemed to John Doe, the tenant farmer, that it was his landlord who benefitted by all this extortion; but Richard Roe, the farm landlord knew better—although he was too much puzzled by the hocus pocus to see clearly how the trick is worked. He could not explain it to John.

The farm landlord's bewilderment arose, of course, from his failure to see that he had been handed a "gold brick" when the authorities listed the farmers among our principal landowners. He forgot, if he had ever known, that much the greater part of the land value along the highway is at the metropolitan terminals, hundreds of miles distant; and that, though he paid the same tax per \$100 on improvements and equip-

ment and personal property that a farmer at the edge of town paid, he got for his tax money but a small fraction of the service that the man near town got. Nor did he understand that even if the state highway increased his land value 50%, he got but the crumbs from the table of the landlords, because city land value is often as much per foot as rural value is per acre. Besides that, much of the value that is assessed to a farmer as land value is really labor value; as, for example, his fencing and seed bed, both of which are listed as land value, as are levelling and ditching values if any there be.

A 50% increment might mean, for him, \$5 per acre and, for the holder of a city lot, \$5,000, or \$50,000, or even \$500,000.

We have eliminated muddy roads, but muddy ideas still impede our commerce. Our thinking must be got up on the firm ground of economic science. And the gasoline toll-gate must be taken down.

As if devised by some demented Alice in Blunderland, the gasoline toll-gate is a barrier between producer and consumer, confiscating both interest and wages to build up the rent fund and so to produce the greatest possible amount of misery for the greatest possible number of our people. It is one of the chief causes of the depression and one of the greatest obstacles to recovery.

What must we do to be saved? So far the victims of this crooked tax system have tried nothing better than plans to shift the burden to some one else. Legislation has become a costly game of tag, in which the various interests spend their time trying to tag the others.

A sales tax is, to use another figure, a civic malady, a contagious disease. It is certain that we cannot cure it by spreading it.

Not more, but fewer taxes must be our motto; better yet, let all taxes be abolished. Collect the rent, instead. We cannot save ourselves by shunting taxes to those with whom we hope to do business; for if we consume their buying power in that way, how can we sell them our goods—or collect the bill, if they do buy?

Cupidity too stupid to husband its trade has had its day! Why not give Reason a trial? Let us untax traffic and make these state streets free that the idle wheels may turn again.

The toll-gate must go! It is an impediment to traffic—the circulation of the blood through the body politic; for it obstructs trade and increases unemployment; it is a promoter of poverty. It discredits society by displacing order with anarchy. For the economic law of Nature, it substitutes the delusions of lunatics. It is fostered by parasites who consume the wages of Labor and the returns on capital. It is an old disorder—a civic cancer, or economic leprosy and has taken a sad toll from all mankind; but it is especially insidious and a more dread threat in its newest form.

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Planting Hate, Reaping A Riot

The **Stockton Independent** Stockton's morning daily, boasts that it incited the direct action that resulted the other night in the wrecking of United Brethren church in which the Communists were holding meetings. It publicly thanks the police for their "co-operation".

The **Independent** has since boastfully announced the formation of a secret committee of forty which, it says, asks that the citizen of Stockton leave to it all matters of loyalty, assuring us that this secret committee of forty will **STRIKE AND STRIKE QUICKLY**.

This is the natural and inevitable fruitage of the rent racket. Stockton must make up its mind which it will do, whether it will discard all the ideals of Americans for more than two hundred years and accept the dictation of secret, self-appointed committees, or whether it will turn to the study of the science of economics and find the correct solution of these problems.

On the side of lawlessness are—

1. Those who incite men to—

Envy
Jealousy

Bitterness
Resentment

and Hate

In this group are four principal sub-groups whose economic teachings are identical, these are—

The Socialists

Sinclair's EPIC

The church group called the Christian Social
Action group

The Communists

2. Those who believe in direct action and incite to violence—

The Communists

The Stockton Independent

On the side of science is—

The Forum, alone.

It looks like a one-sided battle, but science always has been more than a match for sentiment and passion—whether these are mere mushiness or bogus patriotism.

THE EVOLUTION OF A RIOTER

The Socialists, the Sinclair following and the Communists all follow the lead of the Preachers and account for the ills we suffer by charging them to the selfishness of men; as matters get worse, they become more denunciatory and appeal the more passionately for help in coping with those whose meanness they think is responsible for their difficulties.

As matters continue to grow worse, they lose patience and lean more and more to the side of violence.

At the same time, the break-down in government invites men to take matters into their own hands.

At the same time, the accompanying break-down in government invites men to take matters into their own hands.

Thus do men become direct actionists.

This evolution takes place in an individual's life. In such cases the man graduates from a church into a Socialist local—and begins to turn athiest.

This is the inevitable effect of a philosophy which teaches that God either doesn't know how to provide for social justice, or lacks the ability, or isn't interested and that this task is left to men. Only those can escape this atheism who believe that economics is a science and that there is the same provision in nature for the health and comfort of the body politic that there is for the health and comfort of the body physical and the same provision in nature for our civic, political and industrial needs that there is for our kitchen and shop needs.

Once a man turns Socialist, he begins to turn away from religion.

If he continues as a Socialist he will drift, in spite of himself, toward Communism. Both are lawless.

The Preachers and their Christian Social Action, the Socialists, Sinclair's EPIC, and the Communists and **The Independent** are all guided by feeling. Like the Holy Rollers, they give way to emotion.

THERE ARE NO STANDARDS OF PIETY AND PATRIOTISM

Neither the Socialists, nor the advocates of EPIC, nor the preachers of the Christian Social Action, nor the Communists have any fixed standards; the best they can do is to approximate. They do not think, they feel!

Nor can **The Independent** do better when it resorts to violence in its war on Communists and seeks to fight lawlessness with lawlessness; it has no standard by which it can know just how many to beat up, or how bad they should be beaten; or how many windows should be broken or how much furniture, and whether the building should be burned or merely wrecked.

And always, no matter what the subject, a law ought to be passed!

Always it is MAN who must do something to make the universe right.

Always some one's meanness interferes with something or other that ought to be done and something ought to be done to him to make him stop blocking it.

Only the scientist knows exactly what to do, exactly how much to do, and exactly how to do it! In economics, the Georgist is the scientist. He, and he alone, knows and knows that he knows; all others are guessing.

Only the scientist can deal with these matters without feeling, without sentiment, without prejudice.

Only the scientist can be impersonal in these matters.

The Forum observes that the various devices, such as the compass, steam engine, telegraph, telephone, dynamo, electric light, phonograph, automobile, airplane, radio, etc., worked when they were set up according to Nature's plans and specifications and would not work until these inventors followed Nature's plans and specifications.

The Forum observes that no amount of sentiment, passion, patriotism, virtue, piety, courtesy, industry, thrift or anything else, other than knowledge of Nature's plans and specifications, had any effect upon the success of these inventors. They had either to know or to discover Nature's plan, or they failed.

Only in Nature are there fixed standards.

In mathematics, in physics and in chemistry there are fixed standards.

Not so in morals, in charity, in justice, in patriotism, in religion; for there is no definite standard of feeling or opinion, nor is there any in brute force.

Appealing to the moral law is appealing to something that is different in different countries and different ages and that differs in different men on the same street, according to their background and training; men even change their minds, sometimes over night, regarding what

is moral and what is not; and often they change their opinion with the changes in the weather or in the state of their digestion, or with the state of their purse, or with the ebb and flow of marital happiness.

Nothing stable and enduring can be built up in civics, politics, industry or statecraft if it is founded on nothing more dependable than man's moral judgment.

After all, morals is a matter for the individual and his individual problems; it is neither just nor logical that the fate of a whole community should hinge upon the uncertainty of moral suasion.

STOCKTON MUST CHOOSE

Stockton must choose whether she will go on guessing and trusting to passion, or whether she will use her head—whether she will do her thinking with her feelings or with her intellect.

THE SCIENTIFIC METHOD

This paper, on the contrary, teaches that economics is a science; that we can have wholesome civic conditions, honest politics, industrial justice and world peace without awaiting the moral reformation of mankind, just as we have good automobiles and good airplanes without awaiting the moral reformation of mankind.

First of all, nothing is ever settled until it is settled right.

Second, to settle anything correctly, one must understand the principles underlying the situation in hand.

Direct action depends upon might; and he that lives by the sword shall perish by the sword.

What is needed as a foundation of community stability is the fixed, unchanging and unchangeable fiat of natural law.

This, so far as the field of economics is concerned, is taught by the Forum and No Taxes alone; these are the only papers in the world devoted to this teaching.

All who believe in law and order and in American ideals should support The Forum, which has withdrawn from politics to TEACH ECONOMICS. The subscription price is \$2.50 per year (delivery by mail). Sustaining cards are \$1 per week, which includes the subscription.

L. D. Beckwith, 1325 E. Poplar, Stockton, Cal. Tel. 7953
Questions and interviews solicited. Talks given at clubs.

Society Is Under Natural Law

By L. D. BECKWITH, Editor of NO TAXES and THE FORUM

The question will not down!

Conscientious men continue to raise the question of the relationship between economics and religion or between economics and morals. They are honestly confused by the claims set forth in these columns that the realm of civics, politics, industry and statecraft is not answerable to the moral law and that we can have wholesome civic conditions, honest politics, industrial justice and international peace without waiting for men to be wholesome, honest, just or peaceable.

Said one sincere soul:

Mr. Beckwith, that is a dangerous doctrine! Wholeness, honesty, justice and the love of peace are the very foundation stones of civilization. I must protest your proposal that we can dispense with these.

Of course this man completely misunderstood the teachings to which he referred.

The trouble here is that this good man is confusing the issues of private life, which turn upon the moral law, with the issues of public life that turn upon the natural laws of economics.

In the case of our private conduct, we are personally and privately responsible and the result depends upon our personal attitude toward the moral law; but in our public relations, morality is guaranteed, not by the personal attitude of any person or persons, but by the natural laws of economics.

It is clearly impossible to hold a whole people responsible for moral results, because, even if it were possible to secure uniformity of opinion, it would still be impossible to assemble a whole people and secure that degree of comprehension and assent that would be necessary to establish a binding moral responsibility on their part for the course chosen.

We are legally responsible for what our agents do; but we are not morally responsible. If your agent loses his temper and kills a man, he is the murderer, not you—even though you should be held legally responsible to the widow for damages. Those damages, if assessed, would be for not being more careful in the selection of your agent. It is quite possible that you had no way of knowing that the man was dangerous and it is certain that you could not control his acts—you were not present and did not know what was going on.

Society cannot be held morally responsible; because, as a whole, it does not know the facts and, in any event, society does not control men's acts—they act as individuals.

It is not conceivable that a wise and beneficent Creator would hinge the vital issues of public morality upon the performance of a manifest impossibility. It is much more reverent to assume that He has found a more dependable and a more just plan than that!

In order that society may not be endangered by its inability to control the individual, economic law has been provided to protect society from suffering for the mistakes or the misdeeds of individuals. The effects of individual conduct, like the responsibility for it, are limited to the individuals involved.

Another protest was in this language:

Mr. Beckwith, I have marked something in your paper and have it here, thinking you might come in. Here it is: You say here: "Wages belong sacredly to Labor, interest belongs sacredly to Capital and the rent belongs sacredly to the community"; now in saying that you are pleading in terms of morals. Yet you say here in your Economic Code, in your Law No. 18: "Economic reactions, like chemical reactions and mathematical relations, are independent of the moral law". Are you consistent? How can you argue that morals are not involved and then plead in terms of morals?

To which this reply was given:

I see your point and see, too, the cause of your confusion.

In his own personal life, the inventor is subject to the moral law and he is held responsible for the result; but in the field of science, these issues are decided for him by the natural laws of the universe. There, he has no moral responsibility.

The same rule applies in this matter of civics, politics, industry and statecraft. In our private lives, we are bound by the moral law and must work out our own salvation; but in the wider field of public relations, these issues are taken care of for us by natural laws.

Poor, puny man is not any more responsible for economic reactions than he is for chemical reactions. Besides, he has all he can do to meet his own personal problems in morals.

Do you mean, Mr. Beckwith, that men have no personal obligation with respect to the issues of wholesome civic conditions, honest politics, industrial justice and international peace?

I mean that we have no moral obligation beyond the obligation to study economics and to apply that knowledge. Economics is a true science, and the guaranty of wholesome civic conditions, honest politics, industrial justice and international peace written in to the constitution of the universe by the Creator exactly as He wrote into that constitution the guaranty of the successful operation of the steam engine, the telegraph and the radio. All we need to do is to study the science of economics as we have been studying these other sciences. We are morally guilty if we refuse or even neglect to study economics, and I, for example, would be morally responsible, if I did not warn my readers and associates that our ignorance of economics is the cause of the depression and the cause of war. But beyond the obligation to study and to do what can be done to direct the public in this matter, men are no more responsible for bad social conditions than they are for the effects of the law of gravity.

We are still moral agents; but our agency is limited here, exactly as it is in dealing with the law of gravity. We are morally responsible for exposing ourselves to avoidable effects of the law of gravity; but we have no control over that law.

Or to take a different illustration, say you have a grocery account. You agree that you are morally bound to pay your bill. As a moral man, you recognize the grocer's claim and you agree to pay it. That is a matter in morality. But that is as far as you can go; you cannot pay until you know how much the bill is—and that is a matter in science, not in morals.

The part morality plays in this matter ceases when you resolve to find out what the bill is and to pay it. That much involves morals. But the addition and subtraction, the whole process of determining that balance is scientific. An adding machine will do that for you and do it accurately. Certainly you will not claim that the adding machine is a moral agent.

Now, in the matter you raise here, the article in my paper which you have marked, the same argument applies.

It is agreed that rendering unto Caesar those things which are Caesar's is a matter of morals. Labor has a moral claim upon its wages and the community has a moral claim upon its rent, and the acknowledgement and settlement of these claims involves morality; but there still remains the question of determining how much is due Labor and how much is due the community. This is a question, not in morals, but in economic science; no morality is involved in the determination of the amounts of these debts. That is purely scientific, as is the calculation of the grocer's bill.

It is only when the issue of morals has been settled, that the science of economics takes up the problem and determines in this matter of rent what the payment shall be; just as, in the case of your grocer's account, mathematics determined the amount of your payment to him.

The economic law which serves here is No 4 in The Code:

Rent is determined by the degree to which the advantages to be had at a given site are more prized than those to be had at the most advantageous site open free of rent.

Also, No 1-c: . . . what is left of our product after the payment of the rent will be divided between Labor and Capital in what will, on the average, be equal parts.

Exactly the same situation arises in a consideration of the relationship between religion and economics. There, also, certain matters must be determined by the man himself upon his own responsibility, while certain other matters are determined for him by natural laws, independently of his acts.

Suppose you are a Baptist and believe in baptism by immersion. That is a matter of religious belief with you—a matter which you had to settle within your own soul.

Suppose now that you have settled this question and it is agreed by you and understood by your associates that you are to be baptised by immersion.

There now arises a problem in physics, entirely separate and wholly unrelated to the matter of religious faith. This question involves such matters as this, where, when and in what way can this ceremony of immersion be performed?

You or the church authorities may call for carpenters and sheet metal workers to prepare a baptismal font into which the pastor may take you and where he may immerse you. If so, there are questions in carpentry and in sheet metal working that must be solved. In no sense can it be urged that there is any religious issue involved in their work.

Let it be granted that it would be nicer if these workmen should all be selected from the Baptist faith and should approach their work in reverence and in complete agreement with the tenets of the Baptist faith and that these workmen should be aflame with devotion while they work. Even so, that is a matter that concerns only them and their relationship to their Maker. It is conceivable that it may alter their attitude toward their work and that it might even affect the quality of their work; but it is still true that their work would have to be done in accordance with the scientific principles involved and not in accordance with any religious principle. The soldering of the sheet metal, for example, must be performed according to the fixed and dependable principles of chemistry.

It was pointed out to this friend that, as an economist, the editor is not the least interested in the religious fate of any man, although he might be much interested as a man or as a neighbor or as a friend. Moreover, it was pointed out that this question of a man's religious fate is a strictly personal question between him and his Maker, that though others may be interested and may even seek to extend help, each man must after all work out his own salvation; that this is not a matter to which society can be a party. It is strictly a matter of the man's inner life and must be worked out by him within his own soul.

On the other hand, society has its own problems—problems which must be solved by society itself and not by another, not even by a member of society. And it is to these problems that the science of economics applies. And for their solution, we must resort to economics.

This is the most revolutionary pronouncement that has ever been put on paper, although it is not really new. It is involved in the teachings of Henry George, which date back to 1879. However even George himself did not deduce this truth from that he taught.

Once comprehended and applied, this truth will revolutionize our teaching, preaching and our legislation; it will result in the repeal of (probably) nine out of every ten of our present laws.

My papers, THE FORUM (weekly, \$2.50), and NO TAXES (bi-weekly, \$1.50 for 52 issues), each 7 columns, 4 pages, TEACH ECONOMICS. NO TAXES, (not sold in Stockton), trial Subscriptions, 15 issues 25¢. L. D. BECKWITH, 1325 East Poplar, STOCKTON, CALIF.

Tax Facts We Often Overlook

By L. D. BECKWITH, Editor of THE FORUM and NO TAXES

A city or other government unit is really a service factory.

Its output is service that takes a great many forms, such as highway, bridge, school, park and postal service, etc.

This service can be had only by those persons who have access to land within reach of the service. Access to this land is, in its turn, to be had only by the consent of, and on the terms of, those who control the land.

The market price of this service is the rent, meaning of course, what is paid for the location only, regardless of improvements on or in the land. The selling price of land is the sum on which the interest can be paid by what is left of the rent after the taxes are deducted.

This service is inseparable from the land of the locality where the service is to be had; it is an appurtenance of that land and, to get it, one must buy or rent the land to which it is attached—a fact which explains the interest that landlords take in our public affairs and explains, also, why **private ownership of land always creates a sectionalism that divides communities, sets state against state, leads to unfriendly tariffs and, ultimately, leads to war.** It also explains why the collection of the rent instead of taxes would take the lure out of crooked politics and out of war.

Assume, now, a bare lot renting for \$100 per year, gross, and assume that the tax on that lot is \$28.00. The owner has a net income from that lot of \$72.00, there being no insurance to pay on a lot, nor any repair bills.

If money is worth 6%, this net income of \$72.00 is interest on \$1,200. The lessor of that lot has, therefore, the equivalent of a note for \$1,200 drawing 6%. The lot is, therefore, worth \$1,200.

It is plain, therefore, that the value of that lot is the direct result of the fact that the owner is able to buy the public service delivered there for \$28, when it is selling in the open market for \$100.

Or, differently stated, that lot has a value of \$1,200 because of the incompetence of those who are managing our public business.

Any reduction in the land tax increases the net rent, and so increases the selling price of the land. The present clamor for the relief of real estate will, if successful in lowering the taxes on land, raise land values, increase speculation, increase rent, increase unemployment, increase poverty, misery and crime—all to favor those who live on the sweat of other men's faces by buying our public service at the tax rate and selling it back to the public at the rent rate.

This injustice is possible because so few people understand the cause of the so-called unearned increment in land value.

We have just assumed a bare lot bringing its owner an annual rent of	\$100.00
Taxes on the same	28.00
Net rent, per annum	\$72.00
Value of the lot, at 6%	\$1,200.00

HOW TAX TINKERING WORKS

If this tax is reduced to	\$16.00
The owner's rake-off is increased to	84.00
And the selling price of the lot is raised to	\$1,400.00
If the tax is reduced to	\$10.00
The rake-off is raised to	90.00
And the selling value of the lot is raised to	\$1,500.00
If the tax is reduced to	\$4.00
The rake-off is raised to	\$96.00
And the selling price is raised to	\$1,600.00

If the city turns to public ownership and raises its revenue from its public utility service, in the light, gas, water and power bills of its people, and taxes are abolished, the owner's rake-off is raised to \$100.00
And the selling price is raised to \$1,666.66

HIGH LAND PRICES INDICATE BAD MANAGEMENT

This is surely a startling commentary upon the boasts of the average chamber of commerce and upon our "boosters", generally, who imagine that high land values are an evidence of good government and civic sanity!

Properly understood, high selling values in the land market are warnings to both Labor and Capital that they may enter only at their peril; for the only people who profit from high selling values in the land market are those who get the unearned increment—living at the expense of Labor and Capital.

If Labor and Capital had their economics on straight, they would reverse this tax movement and, instead of relieving (enriching) landowners, would insist that purchasers of our public service pay the full price of that service.

Then the tax on this lot would be raised to	\$100.00
And the owner's rake-off would be just	NOTHING
Then the selling price of the lot would be	NOTHING

However this would not change the use value of the lot, which would still rent, as before, for \$100.00

LOCAL TAX FIGURES

	Valuation	Rate
City	100%	\$1.76
County	40%	3.94
Reducing these rates to a common assessment percentage, we get the following:		
City	100%	\$1.16
County	100%	1.77

Combined city and county taxes 100% \$3.53

Accordingly, the public service is sold here for \$3.53 per \$100 of assessed land value, which means that if money is worth 6%, we are selling \$6.00 worth of service for \$3.53 and

losing \$2.47 on each \$100 of our land value. In other words, our local officials are selling our output for less than 59¢ on the dollar. Of course they have to levy stock assessments on us to keep going!

This 59¢ is, of course, only an average. The county assessments on the waterfront run in some cases as low as 10¢ on the dollar! The Lindley-Patrick land recently offered the city at \$450 per acre is assessed only \$46.13. If money is worth 6%, then by Lindley's own admission, he is getting service there worth \$18.00 per acre per year, although he is paying us (in his taxes) only \$1.82 per acre per year—a loss of \$16.18 per acre per year to the taxpayers!

The tax on that land was \$2.60; but it has just been reduced by the assessor to relieve real estate!

In an attempt to make up what we lose in this way by selling our public service to landowners for less than cost, we impose heavy taxes on Labor and Capital, which are in this way compelled to pay again in taxes for service that they have already paid in their rent. These levies are stock assessments imposed to enable our incompetent managers to keep going.

Here in Stockton, the county assessor has been tricked into making a 30% cut in land assessments, in the delusive belief that this relief of real estate would be a public benefit.

HOW THE RATE IS FIGURED

At present, the total assessed value of the county is almost exactly \$100,000,000, made up of almost exactly \$60,000,000 in land value and \$40,000,000 in other values.

The assessor's cut of 30% in the land value will reduce that assessment of \$60,000,000 on land to \$42,000,000; then, as the other assessment will remain as it is, the total assessment will be \$82,000,000, instead of \$100,000,000.

This is a reduction of 18% in the county tax roll.

The present county tax rate is \$3.94. The rate that will be necessary after Assessor Moore's 30% cut in land assessments will be found by solving the following equation:

$$82 : 100 :: 3.94 : x$$

The solution shows that the new rate will be \$4.85.

Assuming that the same money is to be spent, one can tell what the county tax on his **land** will be next year by solving the following problem in compound proportion:

$$\left. \begin{array}{l} 100.00 : 70.00 \\ 3.94 : 4.85 \end{array} \right\} :: 100.00 : x$$

The solution gives us \$85.37 for the man who has land and nothing else. Therefore the landowner will have each \$100 of his taxes cut to \$85.37, or a cut of 14.63%.

On the other hand, the man owning other property and no land will get no cut in assessment and will get an increase in the tax rate.

To find his tax, therefore, one must solve the following equation:

$$3.94 : 4.85 :: 100.00 : x$$

The solution shows that each \$100 of taxes on mercantile

stocks, on personal property and improvements will be raised to \$121.78, or an increase of 21.78%.

HOW EFFECTS OF THAT 30% CUT WERE FIGURED

Let us see, now, what the effect of this folly will be. This can be shown by taking the assessment of the Stockton City Laundry Company as an example.

The Laundry's assessment is \$39,220, of which \$12,150 is land value; hence the land value is 31% of the total.

Now, in the case of the City Laundry, 31% of the assessment will get a reduction of each \$100 of the tax to \$85.37; and 69% of the assessment will suffer an increase that will raise each \$100 of tax to \$121.78.

What will actually be paid, therefore, for each \$100 of the old tax will be the sum of 31% of \$85.37 and 69% of \$121.78—or \$26.46 and \$84.03, or \$110.49.

WHAT IF EXPENSES ARE REDUCED?

But Assessor Moore says that the county expenses will be reduced to off-set the increase in the rate.

That is possible, so far as landowners are concerned (but not for the rest of us); for, if the county expenses are reduced 18%, that will off-set the rate increase, for them.

Let us see whether there is or can be an off-set for the rest of us—or whether Moore is talking mathematical nonsense.

It is clear that if the expenditures of the county are also reduced 18%, there will be no increase in the rate and **landholders will get a reduction of 30% in their land taxes.**

Now let us see what happens to the non-landowner even if expenses are reduced 18%.

It is true that he will not pay any more than before, but it is also true that he will not get any reduction,—although his neighbors who are holding land out of use for a speculative advantage get a reduction of 30% in the taxes on that.

Suppose that the county has occasion to buy truck tires that cost \$100, and that the price of these tires remains the same.

Under the old conditions, the landowners paid \$60 on each of these tires and the rest of us paid \$40; because land value made up 60% of the total tax roll and the other 40% consisted of improvements, personal property, etc.

But now, even if the county budget is reduced 18%, to match the reduction in the total tax roll from \$100,000,000 to \$82,000,000, so that there would be no actual increase in our tax bills, **the landowners would be favored**; for they would then pay but 42/82nds of the cost of each tire and the rest of us will pay 40/82nds.

Reduced to dollars and cents this means that the landowners who formerly had to pay \$60 on each tire will now pay \$51.22, a reduction to them of \$8.88 in their share and the rest of us would pay \$48.78, an increase of \$8.78.

That \$8.78 is an increase of nearly 22% in the stock assessment levied to make up the loss incurred by selling public service, as we do here, at 60¢ on the dollar, or even less.

That is class legislation; it is confiscation!

The Forum (wkly., \$2.50 per yr.), No Taxes (bi-wkly., \$1.50 for 52 issues, but \$2 in Stockton). Free samples. These circulars 15¢ per 100.
L. D. BECKWITH, 1325 East Poplar St., Stockton, California

Reply To A College Sophomore

By L. D. BECKWITH, Editor of NO TAXES and THE FORUM

College Sophomore to the Editor. "Mr. Beckwith, you insist that Economics is a science as exact as physics or chemistry. What I do not understand is this: **How can you know that; where do you find a starting point** from which you can go forward, feeling satisfied that your premise is secure and that each step you take is provable?"

The answer. "Your question is fair and very well directed! **I begin with the fact that your life is your own and that you and not another man must live it.** (1)

"But to tell you that your life is yours and that, as society did not give you that right it cannot withdraw it, means nothing unless you have the right to **support your life.** (2)

"And it means nothing to tell you that you have the right to support your life, unless you have the right of free access to land, the only source of sustenance for that life; **for to deny you access to land is to deny you life, and to require you to pay a fellow creature for that access is to say that you live, not as a right, but by his permission.** (3)

"Nor would free access to land insure you life as a right, independently of another's permission, unless you have the right of free access to **the most desirable sites;** for otherwise, you are at the mercy of those holding the most strategic sites.

"But, if you have all this, you are still insecure, unless you have exclusive possession of, and the right to **work unhampered** on the land from and on which you support yourself. (5)

"And though you have all this, you are still but a slave, unless you have the right of **unchallenged possession of all you produce,** with nothing deducted without full compensation. (6)

"Nor does all this make you a freeman, unless you have, also, the right to **save your wages and to let them accumulate** to the limit of your ability. (7)

"Nor are you yet secure, unless you have in addition the right to **exchange** your wealth for other wealth that you may prefer—perhaps because the other may have the power of natural increase and so would further enrich you. (8)

"And though you have all this, your freedom is still but an empty mockery, unless you have also the right to **use what you accumulate** and the right to the unchallenged possession of the fruitage of your thrift, to interest on your savings, whether used by you or loaned to and used by another—whether received by you as the milk of your cow, the eggs of your hens, the fruit of your orchard, or as interest upon a loan. In the case of a loan, you are entitled to interest commensurate with the potential advantage arising from the fact that the savings are exchangeable for wealth in forms that increase by growth or multiplication; **and unless you also get your share of the rent resulting from your contribution to society.**

"The slightest restriction upon any of these nine rights (be-

yond the limitations necessarily resulting from the equal rights of other persons), is to that extent a denial of your right to live and, by that much, an attack upon your life.

"While these nine rights mean that land cannot be private property they also mean that **land value** is, like all labor products, the property of the producer—inalienable by the same rule that forbids murder and suicide; **they mean that each of us is entitled by the fact of his birth to his share of the community land value and is (particularly by rule nine) entitled to his share of the rent, the return upon that land value.**

"The only way the rent fund can be distributed is to distribute it in **service dividends**. This is done by using the rent to finance the public service.

"Thus each would be compensated for his exclusion from sites to which he has the right of access, but from which he is excluded by others who monopolize them under Rule No. 6.

"This plan substitutes a **legal and financial equality** for an impossible physical equality—since by the laws of physics millions of people cannot occupy the same place at the same time.

"Here, in six hundred and fifty words, is the pith of the **science of economics, the science of sciences, scientifically put.**

"The followers of Henry George, 'The Prophet of San Francisco', are the only people who have a scientific solution for **our problems in civics, politics, industry and statecraft.**

"We are the only people proposing a system that is consistent throughout; that benefits no one at the expense of others; that separates the problems of civics, politics, industry, and statecraft from those of human conduct; that solves economic problems **without waiting for men to be good** and by first establishing just conditions, **makes it easy to be good.**

"Here is the proof that the Georgist system would guarantee justice without waiting for men to be just; and that then no one need fear how much money another might accumulate:

"1. No man can get wages on another's labor—he may get another man's wages, **but he cannot get them as wages.**

"2. No man can get interest on capital not his own (either in fee or by contract)—he may get another man's interest, **but he cannot get it as interest.**

"3. As there are, in economics, only three ways of getting wealth, the third is to get it as rent; but under the Georgist system **no one could get a cent of rent.**

"4. It follows that, under the Georgist system, **the private appropriation of rent being prevented, it becomes impossible for any man to exploit another;** for, with rent denied them, men would be limited to wages and (or) interest—to what they can get by their own efforts and on their own merit.

"Then, as there would be no taxes to pay, all the wages and interest would be in our private pockets and all the rent would be in our public pocket (public treasury), and we would have the entire value of our out-put, no matter how much it be, and could buy it all—and pay cash for it.

"There would then be no lack of buying power, no depressions. Instead, **business would always be good.**

"There would then be no need to advertise except to announce new products. Our bedlam of **advertising** would be

ended; an attempt to make a sale would be considered bad manners. The honored profession of **journalism** would be revived; newspapers would displace the adpapers, aditors would be displaced by editors; and the **radio** of our dreams would displace the wise-cracking adio which so rudely violates the sanctity of our homes. Truth and Culture would be supreme.

"As all normal men could then make an honest living, shysterism, quackery, churchianity (in contrast with Christianity), food adulteration, misrepresentation of wares, and the other fruits of landlordism would pass away as do bad dreams: for **then the love of approbation would keep men in the straight and narrow path of honesty and courtesy**—especially as there would be no financial advantage tempting men to offend.

"The impossibility of getting the rent resulting from wars would **make war unprofitable and end war**; the selfish love of approbation would prompt industrialists to **humanize industry**. Accordingly fewer men would be killed by industrial accidents and none would be lost on the battlefield. This reduction in fatalities among males would restore the numerical equality of the sexes; and, as every normal man would then be able to support a wife, every normal woman would have the opportunity of presiding over a home—a real home, for there would be no need for women to go out to work. **Women would confine themselves to home-making; divorce would be rare**—for there would be no excuse for ill-advised unions.

"The financial security of both sexes and the stabilization of marriage upon a love basis would settle both the **red light** and the **white slave** problems.

"Men would be better mated, their children would be better born and better reared; **home life** would be all that love, security and unlimited opportunity could make it.

"Then each man could find **his proper work and prepare for it**.

"As rent, the prize for which propagandists compete would no longer be obtainable, vested interests would not be tempted to prostitute schools, colleges and universities and these would become, at last, what it was intended and supposed that they they would be; namely, **educational institutions**.

"**Schools would be lavishly financed; teachers would be real teachers, well paid and free to teach the truth.**

"Because exploitation would then be impossible, nothing could be gained by interfering with the **freedom of the press, or the freedom of speech, or the freedom of assembly**. We would then have **real freedom and privacy in all things**.

"Because it would then be possible to 'mix religion with business', **churches** would be so well supported that preachers could be real religious leaders and preach the truth without fear of embarrassing their finance committees.

"As every man could then have a competence, the lure of **gambling**, either with cards or in the market, as a means of "making a stake", would lose its attraction.

"As men and women would then have more to live for and fewer troubles to "drown in liquor" or to deaden with narcotics, **the liquor and narcotic evils would die out**.

"As land would then have no selling value, no one could lose

by the depreciation of land values if other races began moving into one's neighborhood and, as all unused land would be unclaimed land and available free of purchase requirements, each race could live where it pleased (which would mean by itself) and there would be a voluntary and instinctive segregation of the races. This would solve the **race problem**.

"As exploitation would then be impossible and there would be no need for governmental regulation of business, governmental machinery could be greatly simplified and we would have **less government in business and more business in government**

"Except during a temporary period of adjustment, **land is the only thing raised in price by a change in conditions that alters the flow of trade to the advantage of favored locations; therefore denying men rent would make it impossible for men to profit by war and would end war.**

"As there would be no taxpayers, there would be no one to object to improvement programs; and, as Labor would want the wages and Capital would want the interest involved, every one would want innumerable public improvements as quickly as possible; the non-studious and the miserly would clamor for more schools and for more parks and play-grounds. And, because no one could, in any event, get the rent created by these improvements none would quarrel over their location and that question could be settled on its merits.

"We would, of course, continue to pay our taxes in our rent; but, as this would all go into the public treasury, we would **not have to pay them again in taxes to the tax-collectors.**

"As these improvements would make the locality more attractive, they would raise rent; this would increase the public revenue and provide more money to finance more improvements to raise more rent to finance more improvements.

"It is impossible, however, to take advantage of these good things, except by buying or renting land within reach of them. This can be done only by the consent of, and on the terms of, the owners of that land, who always charge all the traffic will bear. Whether it be vice or virtue that is available at a given site, access to it must be purchased of landowners who demand to be paid all it is worth. Whether the conditions result from government efficiency or government laxity, the financial advantages are absorbed in rent by landowners.

"As land is the only thing that is raised in price, permanently, by governmental policies, rent is the real prize to be obtained by political trickery; therefore, as the collection of the rent instead of taxes denies men rent, the adoption of the Georgist system would end crooked politics and end war.

"Citizenship would then become a profession and civic, political, industrial and statecraft problems would be settled scientifically, instead of being left to the play of prejudice.

"Truth, Progress and Culture would come into their own."

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A Kindly Socialist Answered

By L. D. BECKWITH, Editor of NO TAXES and THE FORUM

A kindly Socialist reader criticises the editor for discounting Karl Marx as an economist because Marx undertook, in "Das Kapital", to discuss Labor without first settling the land question. This critic says that Marx did not overlook the land question, but deferred it for a later treatment.

That is just the point! Marx did not sense the fact that man is a land animal and that land is to man what water is to fish; that he could no more discuss the status and rights of Labor, without first clearing up the land question, than he could teach algebra or calculus without first teaching the multiplication tables.

Marx began at the wrong end, at the top instead of at the bottom; with the complex relations of city industry instead of the elemental conditions of primitive Labor.

He plunged into a discussion of Capital and Labor before comprehending the true status of Labor or the true nature of capital.

Under the circumstances, Marx could not be clear.

And like Marx, his champion is hopelessly befogged and makes the customary Marxian mistake of classifying landlords and capitalists together, and calling both exploiters of Labor.

A capitalist is one who operates as the owner of capital; but capital is wealth devoted to a particular purpose; namely, the production of more wealth. And wealth is the product of Labor, that is, any natural product modified by Labor for use.

It should be easy to see that the capitalist and the landlord are not the same; for land is not the product of Labor and is not wealth. Hence the capitalist contributes something to industry, while the landlord merely seizes and uses and demands to be paid for, something **that others have produced**, or that was here before we were and which, were it not for him, we could use without having to pay private tribute to any man. The landlord is a sponge, a leech, a parasite.

Marx himself, explains in the later chapters of "Das Kapital", where he did at last discuss land, that landlords appropriate to their own uses the substance of others, **including the capital of the capitalists**; and he says that this power to exploit capitalists explains why landlords acquire more capital than other classes.

In spite of this hint from his own patron Saint Karl, this critic insists upon calling the capitalists the dominant class! Then he straightway contradicts himself by saying that machinery is intended "to cheapen commodities". Yet, that is the best of proof that Marx was right where he explained that **capitalists are driven to machine production by the exactions of the landlords!** But, if that is true, the exploitation which Marx and his misguided followers charge to the use of machinery is really the result of landlordism!

Capitalists are never, and can never be, dominant so long as

private ownership of rent is permitted; for machinery is produced from land, on land, and must be set up on land and operated by men who are land animals and who must live, produce, sell, and enjoy, on land—always, and only, by the permission of, and on the terms of, those who own the land.

This critic charges the Georgists with "compromising with capitalism". This, if he means by "capitalism" a system of exploitation, is a false charge; for the Georgist is an uncompromising champion of Labor's right to ALL its product, with nothing taken out by anybody for anything—not even by the tax-collectors for taxes.

The trouble here is that this Socialist and other followers of Marx, are confused as was Marx himself regarding the nature of capital. Failing to see that land is not wealth and so cannot be capital, they failed to detect the secret of the exploitation of which they complain. Confusing capitalists and landlords as they did, they made war on both indiscriminately—quite unconscious of the fact that, by fighting the capitalists, they are really warring upon Labor.

It is of no avail to give Labor its full product, if when he has got it, Labor is not free to use it and to enjoy the fruitage of that use. The failure of Marx to begin at the beginning and to get clearly in mind the elementals of his subject prevented him from seeing that **capital is the tool of Labor.**

To teach, as Marx did, that Labor and its tool, capital, have conflicting interests is criminal; **for it keeps the civil stage always set for war between Capital and Labor.**

There can be no conflict of interest between Labor and its product, between the rose and the child who grows the rose; nor can there be any doubt that he who owns a tree or a cow owns also the fruit of that tree and the milk and the calf of that cow. The product of the product belongs as sacredly to the producer of the first product as does that first product itself. The rose on the child's rose-bush, the fruit on the orchardist's tree, the calf and the milk of the dairyman's cow, all these are returns upon capital; and are, in the language of the economist, interest—just as much interest as a payment for the use of borrowed money.

No matter what may be done with, to, or about capital (be it machinery or whatnot), there can never be a solution of Labor's problem unless and until Labor has free access to land; for all wealth (which includes all capital) is produced by Labor from land. If it is given free access to land, Labor can always produce its own capital. It is foolish to think that either capital or the capitalists can have any power over Labor that has free access to land, the source of all wealth; for capital cannot exist till Labor calls it into being, nor can it move in the market except if, when and as Labor moves it.

By Labor we mean those who labor, by Capital we mean those who have capital; capital cannot move itself in the market and moves only as Labor moves it; it is silly, therefore, to suppose that Capital can exploit Labor.

Economics is the simplest of the sciences and by no means the complicated thing Karl Marx imagined, and his followers

teach. Whereas there are ninety or more elementals for the chemist to study, the economist has but three to study and needs to learn the definitions of but seven terms; namely, land, labor, wealth, capital, rent, wages and interest.

There are in economics but three ways of obtaining wealth; namely to get it as wages, as interest or as rent. But, as one can get wages only upon his own effort and not upon another's; and as he can get interest only upon capital that is his own, either in fee or by contract, the collection of the rent instead of taxes would deny men rent and limit them to wages and (or) interest, **thereby making it impossible for any man to obtain wealth at the expense of another.**

Once we get our economics on straight, no one will think it either necessary or right for government to meddle with the private business of either Labor or Capital in any of the ways proposed by Socialists. But for their needless fear of an imaginary Money Power, people would see, now, that it is impossible for Labor to get all its wages unless it gets its share of the rent created by its activity; and see that it is impossible for Capital to get its full return unless it gets its share of the rent resulting from the joint contributions of Labor and Capital.

Land, it must be understood, is defined by the economist as the material universe. Hence it is a mistake to think that only farmers use land; for, in the economic sense, the ship at sea and the plane above the clouds is still on land. Moreover a free sea and free cloudways mean nothing to the sailor or the aviator **if they must pay to tie up to a wharf or to set a plane down on a landing field.**

This Socialist critic fears that the Georgists mean to make land so free that no one could be sure of holding land, even if he got it; and that it is now too late to solve this problem by the Georgist's plan of restoring the land to the people, as the best land is already taken, and those who have would continue to hold it. He seems to think, also, that by restoring the land to the people, the Georgist means to take the land away from the title holders and give it to the government. But the government has no use for our land; the Georgist is perfectly willing all those who have land shall continue to hold it all—and take still more, if they want it. The Georgist knows they can make good their titles to the land—and is willing they should. All the Georgist demands is that those who have land **shall pay the public for servicing it.**

And, as the most of the land value is in the cities, Georgists know that the collection of the rent instead of taxes will put the most of the cost of government where it rightfully belongs—**upon the people of the cities who enjoy the most of the benefits of government.**

The question is not whether landholders can make good their titles; but whether they can then afford to hold more land than they use. The Georgist knows that, if landholders are required to pay the full annual value of their land, they **can then make nothing by merely holding land, but must use it and that they will then hold only as much as they can use;**

so that all unused land will be unclaimed land and be open free of purchase requirements, to those who will use it.

This critic fails to understand that the Georgist is really not interested in the land, nor in land titles; that, to the Georgist, land is merely the meter that shows by its reading (its rental value) **the amount of service which society renders the occupant and the amount for which the occupant should be billed.**

He admits the reliance of the Socialists upon the Big Stick; for he says: "Yes, Socialism will use the big stick of majority rule to make their system work. How would the Georgist system work without it?"

The answer to that is: The Georgist system, being the natural system, just naturally works itself, automatically. The very selfishness and individuality that the Socialists fear constitute the "big stick" of the Georgists; for, while selfishness and individual choice would interfere with the success of Marxian systems, **they would enforce the Georgist system.**

The reason for this is that, under the Georgist system, no one could get anything but wages and (or) interest—for each of which one must make an equivalent investment of labor or wealth. To make more under the Georgist system, one must be more useful; he gets only in proportion to his usefulness.

The Marxian system, on the contrary has for its slogan: From each according to his ability, to each according to his need. No account is taken of merit; no premium is allowed for superior usefulness. The Marxian systems, both Communism and Socialism, penalize the thrifty to reward the thriftless. To the followers of Marx, those who have are grafters; and, if any have not, it is the business of government to feed them by stealing from those who have.

Georgists believe people can do for themselves, if permitted; and do it better than the government can, and that the government should do only what the people cannot do.

That is a violation of property rights. Socialism and Communism are immoral as well as unnatural and unscientific.

Followers of Karl Marx mean well; but they think with their hearts instead of using their heads, being guided by a belief that things ought to be thus, or ought not to be so.

Their error is in appealing to the moral law in matters that are governed, not by the moral law, but by the natural law.

They fail to see that the moral law is for the individual, and applies only in matters that are purely individual; that there can be no moral responsibility where there is no control, and that while society may make rules for the individual and punish him for disobedience, the very fact that the individual is an individual makes it impossible for society to control him.

Both Socialists and Communists fail to see that, because moral law does not apply to society, **we are dependent for the control of society upon the natural law. Fortunately, natural law is much more stable and dependable than moral reactions.**

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Jewish Safety and Natural Law

(The address of L. D. Beckwith (a Gentile) editor of "NO TAXES", before Hope Lodge 252, B'Nai Brith, Stockton, Calif., October 3, 1933.)

These are momentous times for both Jew and Gentile.

The most profound changes are occurring. Old foundations are being broken up and all things are being re-made.

Nothing seems to be really safe. No doubt you used to read, as I did, of the persecution of Jews in other countries and thought, as I did, that such things need not be feared in this country. There are nine generations of American blood in my veins and it is Mayflower Pilgrim (not Puritan) blood; as a young man I was proud that this country stood forth as a "city of refuge" for the oppressed people of all the world. But times have been getting steadily harder and harder and, for some reason, as times get hard and we need more of the milk of human kindness, that milk curdles and sympathy and tolerance are eclipsed by suspicion and strife.

How times have changed! Who among you has known our Declaration of Independence to be invited to its own birthday party on July Fourth in, say, the last ten years? Who has known of such a thing in the last twenty years?

Yesterday the local papers reported that the local head of the NRA compliance board has announced that "under no circumstances will the name of the complaining witness be revealed"! That means that the Constitutional right of the accused to be confronted by his accusers has gone into the discard along with the Declaration of 1776.

Nor is that all. They have even thrown the old sayings of Poor Richard's Almanac into the discard. Early to bed and early to rise used to be a slogan; we used to be cautioned to work, work for the night is coming, and not to put off till tomorrow what can be done today; and urged to save for a rainy day. Now we are threatened with arrest if we work all day and we are told not to save our money, but to spend it and to spend it NOW.

What is the cause and the cure of this? We need to know.

I suggest that the cause lies in our failure to distinguish between the function of the moral law and that of natural law.

THE MORAL LAW AND ITS FUNCTION

The moral law applies in my inner life and in respect to my relations with my Maker; and it applies to my immediate contacts with my fellow man, with the man I meet on the street or the highway, the man with whom I do business or with whom I am thrown in direct contact socially or in any of my daily activities. In other words, the moral law applies to the things of which I have knowledge and over which I have control. Within the limits of that knowledge and that control, I am responsible under the moral law for the effects of my conduct upon my fellow man.

DOES THE MORAL LAW APPLY TO SOCIETY?

Let us consider for a moment the question whether the moral law applies at all to society!

Ignorance of statutory law excuses no man, yet we all agree that there is no moral guilt where there is no knowledge that would warn against commission of the act and no power of control over the act itself.

Apply this to the acts of society, and it will be seen that society, **considered as a whole**, cannot be held morally responsible for what society as a **whole** does not know and cannot control.

Consider now how little there is that society as a **whole** can know and can control. Is there anything that it can either know or control? Is there anything at all for which society can be held morally responsible?

It is impossible that a whole city can know enough of the facts in any case to establish an obligation under the moral law that would be binding upon all in that city. Much less can the people of a great country be held morally responsible for the effects upon individuals of their national policies.

Is it reasonable to stake our social stability upon our ability to control social relations by appeals to the moral law?

Is it not painfully apparent that each of us has all he can do to look after the obligations of his own individual life and that we are unequal to the task of saving civilization without other help than the moral law? That is not enough! We might all be as **individuals** chemically pure, morally, and yet maintain a social practice that would bring the social structure down in ruins!

WHAT THEN IS THE CHECK UPON SOCIETY?

Here, then, we find the need for something other than the moral law. It has been said that, if there had been no God, it would have been necessary to invent one! So here. If no law other than the moral law had been provided to govern our social relations, it would have been necessary to invent one.

Those who believe in Jehovah of the Jews will believe that Jehovah was fully equal to the necessities of this situation and that He provided for this need, just as he provided the means by which the planets could be kept in their orbits.

Those who recognize no personal God will have their own ideas about this matter, but all will agree that, if there is to be any such stability in our social relations as there is in the realms of physics, chemistry and mathematics, it must be provided by something other than the moral law.

NATURAL LAW STEPS IN TO FILL THE BREACH

If, now, we turn for light to the realms of physics, chemistry and mathematics, we find we that these realms are kept in order by something we call natural law—something very different from the moral law.

It is clear that, if natural law had not been provided for the regulation of the realms of physics and chemistry, we would not be able to keep order in those realms.

May we not conclude that there is the same division of sov-

ereignty in relation to human affairs; and that the relations of the individual are governed by the moral law, but that the social realm, the realm of public relations is governed by natural law.

ARE THERE NATURAL LAWS OF ECONOMICS?

First, what do we mean by natural law?

"We mean by natural law," says Professor Paul Arthur Schilpp, "the manner in which, upon careful observation and scientific analysis, Nature is found to behave."

According to that excellent definition, natural law is the behavior of Nature. It is not a requirement imposed upon Nature, it is Nature.

No one feels that two and two make four because of any command, from anywhere; instead, we recognize the simple fact that, in the nature of numbers, two and two cannot be anything but four.

Mathematics, by the way, is probably the first science discovered; the science of geography was unknown to men till after the circumnavigation of the globe by Magellan set men to ferreting out the natural laws of geography—the behavior of Nature in that realm. The science of electricity became known to men much later, then the science of aviation, then that of radio, as we gradually learned by observation and analysis how Nature behaves in various realms.

The science we seek is the science of human relations—not the personal relations of immediate contact governed by the moral law; but a science of the more indirect and remote relations which we call civic, political, and industrial, and likewise those involved in international statecraft.

That science is economics. But new sciences must fight for recognition; and economics is not yet recognized as a science in our schools and colleges. However that has no more to do with the fact of its existence than the ignorance of the men of the time of Columbus had to do with the shape of the earth.

Yet, if there is for man, the crown of creation, anything in the social realm that is dependable there must be a natural science which has to do with the effects of society's conduct.

If ever mankind is to enjoy the blessings of wholesome civic conditions, clean politics, industrial justice, international peace and racial amity, the science of economics must be mastered and utilized.

My father crossed the plains, trudging in the dust behind oxen—not because there was then no science of aviation by which men could fly over those dreary plains, but because men of his day did not know enough of that science to fly.

So today, we are wallowing in a depression, over-whelmed by poverty and distress, bankruptcies and crime waves, not because there is no science of economics whereby we can have good business, clean politics and industrial justice, but because we are ignorant of that science.

NATURAL ECONOMIC LAW ILLUSTRATED

Imagine that my arm here (indicating his up-lifted forearm with three fingers extended), is a pipe through which water is being pumped, under pressure, the three fingers be-

ing three outlets.

Now turn one finger down into the palm of the hand, indicating the closing of one of those three vents, and leaving but two for the escape of the water. It is clear that all the force of the water will now be confined to those two outlets.

There are but three ways that the energy of a man seeking to obtain wealth may manifest itself. These are to get it as wages, or as interest or as rent—pure rent, or location value, or unearned increment or as some call it, "ground" rent.

If now we close the rent vent (again pulling down the index finger), men are **automatically limited to the getting of wages and interest.**

But it is impossible to get wealth **either as wages or as interest**, except by one's own effort and on one's own merit.

Then all men, whether Jew or Gentile, would get wealth only as they might make themselves useful. And, as anything that tends to help any one any where who lives on wages and (or) interest tends to help every one everywhere who lives on wages and (or) interest, **the collection of the rent instead of taxes would remove the cause of friction between the Jews and the Gentiles.**

The Jews have everything to gain and nothing to lose by the collection of the rent instead of taxes; for, because of ages of persecution, the Jews have seldom dared to invest in land. They are not, as a class, receivers of rent. On the other hand, being payers of rent, they suffer from the fact that, after they have paid their landlords in rent for the sewer, street, fire and police department, school, park and other public service they receive, they have to pay the tax-collectors for the same service—paying this bill twice, once in their rent to their landlords and again in taxes to the tax-collectors.

SAFETY, AT LAST, FOR THE JEW

Moreover, as the world's premier merchants and bankers, the Jews are primarily interested in the wages and interest funds and would benefit incalculably by the shifting of the burden of government support to the rent fund.

As no man could get wealth at the expense of another, **the collection of the rent instead of taxes would take the financial enticement out of crooked politics and war; then no selfish man would be interested in bribery or spend money to control the election or appointment of public officials, to influence the location of highways, parks or other public improvements.**

Then Greed would guarantee us all a square deal.

And Race Prejudice would guarantee racial amity.

All this would follow as a matter of natural law, independent of our morality, the moment we collect the rent instead of taxes, thus making it impossible for men to get rent.

We would have good government as a result of natural law and so have a better chance to live up to the moral law in our individual relations.

The Forum (wkly., \$2.50 per yr.), No Taxes (bi-wkly., \$1.50 for 52 issues, but \$2 in Stockton). Free samples. These circulars 15¢ per 100.
L. D. BECKWITH, 1325 East Poplar St., Stockton, California

What Sort Of Man Are You?

What sort of man are you?

Are you still willing to learn?

Are you really loyal to Stockton?

Are you willing to try anything once?

Do you "know beans when the bag is open"?

Do you agree that there's still much to learn?

Or have we reached the end of scientific progress?

So far we have neglected the science of government.

Our shop and kitchen machinery is strictly up-to-date.

Our civic, political and industrial machinery is antiquated.

It is time we were scientific in civics, politics and industry.

Social machinery can be as automatic as any in the shop.

Economics is the science which will guide us in this matter.

But economics is not yet generally recognized as a science.

Real economists are still obliged to fight for recognition.

It is time to recognize this science as we recognized others.

If economics is a real science, why not master it?

To find out for sure whether it is, we must study it.

We now cool refrigerator boxes with a gas flame.

Using greed to promote justice is no stranger than that.

Men laughed at Columbus, but he was right.

Men said the steamboat wouldn't work, but it did.

Men said the Wright Bros. couldn't fly, but they did.

Cooling refrigerators with heat seems impossible, but isn't.

Ending war without ending greed seems impossible; it isn't.

Using race hate to harmonize races is scientifically possible.

Do you believe in "taking the breaks" when they come?

Solving our economic problem will make Stockton Famous.

Is it fair to neglect Stockton's opportunity in this matter?

Would you help Stockton be the world's most famed city?

Should Stockton "take the breaks" when she has a chance?

Watt saw the power in steam and built an engine to use it.

We know there's great power in selfishness, why not use it?

Selfishness is never monopolized, always cheap; let's use it.

Greed is more abundant than gas, why not make use of it?

Greed is one motive power that can never be monopolized.

Why not use selfishness as civic and political motive power?

Let Stockton set up social machinery to use greed for power.

Collect the rent instead of taxes, then no man gets any rent.

Denied rent, men turn of necessity to wages and interest.

Men limited to wages and interest get nothing but their own.

To get wages or interest, men must make themselves useful.

Collecting the rent instead of taxes will make greed useful.

If Greed does the policing; a "cop" will always be present.

The Forum Will No Longer Interest Itself In Exposing — The Political Machine, But Will Confine Itself To Showing Why We Have A Machine

The Forum teaches that—

Economics is a science as exact as any science.
Economics is to industry what mechanics is to the shop.
Economics is to finance what addition is to bookkeeping.
Economics is to statecraft what engineering is to build'g.
Economics is to comm'rce what chemistry is to pharmacy.

The Forum teaches that—

Moral law is limited to the individual life, to the individual contacts and to the duration of those contacts.

Economic law is to society what moral law is to the individual.

The individual may be dragged down by his violations of moral law; but that **economic law has been provided to protect society against suffering for the mistakes and misdeeds of individuals.**

By resort to economic law we can have industrial justice even though men are unjust, have clean politics even though politicians are crooked, and peace though men are warlike.

The Forum teaches that—

To enjoy the advantages of any locality, one must have access to land in that locality. (See No. 2 in The Code.)

This access can be had only by renting or buying land, and only on terms agreed to by the owners of the land.

As landowners ask all the traffic will bear, this means **that we pay in our rent all that it is worth to be in that area.**

Any further levy, such as taxes paid for the support of such location advantages, is an unjust double charge.

Except for a temporary period of adjustment (say, until the lease runs out), **land is the only thing raised in price by public improvements, public progress or public virtue.**

So long as rent is permitted to go into private pockets, the taxation of improvements and personal property is class legislation, enriching the landed class at the expense of the landless.

The Forum teaches that—

Just as all things physical are made up of 90 or 92 chemical elementals, so all things economic are made up of three.

The three economic elementals are wages, interest and rent.

For this reason, wealth can be got only as wages, or as interest, or as rent—no other way.

Wages and interest can be got, **as wages and as interest only on one's own labor or on capital that is one's own either in fee or by contract.**

For this reason, it is impossible to get what belongs to another, whether it be got in the course of business, by political crookedness, or by the tricks of statecraft, **except it be got as rent.**

The Forum teaches that—

The collection of the rent instead of taxes would limit men to wages and interest and make industrial injustice, political crookedness, and even war, unprofitable, and so—

End war, regardless of the selfishness of men.

End industrial injustice, even though men be unjust.

End political crookedness, no matter who holds office.

The Forum challenges the world upon these propositions!

It challenges any one from anywhere to find a flaw in its definition, an inaccuracy in its statement, or a weak link in its reasoning.

And it holds that, until this is done, its position stands as proven and men who profess to love their country and to wish their fellows well are under a solemn obligation to help The Forum put this program over!

The Forum can show you how—

To abolish all taxes and yet raise more revenue than now. of schools, parks, play-grounds and other public betterments.

To enlist even the "tight-wads" in behalf of more equipment for our public offices and higher salaries for public officials.

Do it for Stockton!

The Forum asks your support for the following reasons:

That, even if this seems too good to be true, it should be honestly investigated and cannot be intelligently denied by men who have not investigated it.

That, unbelievable as it may appear, it is no more unbelievable than many proposals that have been proven scientifically correct and commercially sound.

That making Selfishness the guarantor of industrial justice and Greed the guarantor of peace is no more illogical than the cooling of refrigerators with heat—and that is now done! We even have combination gas cooking ranges and refrigerators that cook food and then refrigerate it with the same gas!

How to bring all this to pass

The world is run by men mainly dependent upon wages and (or) interest, usually by merchants and bankers,

Once these men "see which side of their bread is buttered", they will refuse to longer pay their taxes twice (once in their rent and then again to the tax-collectors) and will insist that this scientific system be substituted for the present crazy plan.

The substitution a very simple matter

This scientific system could be very easily substituted for the present chaotic plan. It would not be necessary to change a single official, to create a new office, nor to change a single printed blank in any of our offices.

All that would be necessary to do is to authorize the following six executive details:

1. To authorize assessors to ignore all values, save that

of the land, irrespective of improvements on or in the land.

2. To require that, in all cases, this value be listed at its full annual, or rental value.

3. To require that tax-collectors collect from all holders of land this full value, just as though they were paying the state the market rate of rent. (However, this is not on the theory that the state is the landlord; but on the theory that the rent is the measure of the value of the social service rendered the occupant of the land; and that the occupant owes society that much for that service.)

4. To provide that in incorporated areas the municipality, and in unincorporated areas the county, shall be considered the home office; and that all other governmental units shall be considered branch offices of the home office.

5. To require all government expenses to be budgeted and apportioned among the various divisional areas in proportion to their respective amounts of land value, irrespective of improvements on or in the land.

6. To require the home office to remit to branch offices in accordance with their need; the surplus to remain in the treasury of the home office.

The Forum asks you to remember that—

The city which shows the world the solution for its economic problems will be the most renowned city not only in the world today, but in all world history.

Stockton, the home of NO TAXES and THE FORUM, the only newspapers in the world devoted to the teaching of these principles, has the best chance to win that renown.

The Forum has withdrawn from politics and its editor is pledged to confine himself to the economic interpretation of events. He will not embarrass you by injecting the paper into other matters.

Think what it would mean to Stockton!

Think what it would mean to Stockton, to mankind and to you to—

End graft without waiting for men to be honest.

End crooked politics without even laws forbidding it.

End war without waiting for men to become peaceful.

Get all the benefits of city zoning without bothering with a zoning law.

End industrial strife without asking either Labor or Capital to give up anything.

Settle the race issue without waiting for men to outgrow their racial prejudices.

Settle such religious issue as that raised by the Klan against Catholics without waiting for men to become tolerant.

Settle such issue as that presented by the presence here of the Orientals without waiting for them to change their ways; and without the necessity of restrictive laws.

Accomplish all the NRA is intended to accomplish and yet do it without a single restrictive code.

L. D. BECKWITH

Prostitution, Cause And Cure

Girl "Floated" Out Of Town For Violating Prostitutes Code

Dorothy C——, 23, was "floated" out of town here for a year, yesterday The girl was arrested in a local rooming house by members of the morals squad, who reported to Judge Breitenbucher that the girl had been ordered several weeks ago to stop working and take treatment.—THE INDEPENDENT.

The last issue of THE SPOT LIGHT, quoting this, said:

We believe the above article shows the following facts: That some mother's daughter, one Dorothy C——, aged 23 years, was and probably for a long time has been, practicing prostitution in a local rooming house; that the local morals squad, headed by Police Chief Fredericks, must have known for some time that she was practicing prostitution must readily be inferred from the fact that according to the above article she was ordered several weeks ago, presumably by said moral squad, to stop working and take treatment; and that she was "floated" out of town **several weeks later**, evidently only and solely because she refused to take treatment.

The Forum man knows that the rooming house at which the girl was arrested is not in Chinatown—not by many blocks.

Here is what he concludes:

1. The police knew what was going on—and had known for several weeks. This confirms the charges repeatedly made in these columns that prostitution is not only permitted, but that it is a part of the Machine program.

2. Although forbidden by law, prostitution not only continues, but is organized and is even regulated at public expense.

3. That the medical inspection under police supervision that we are sometimes told ought to be provided, **is now in force.**

4. That, just as the Machine does as it pleases about obeying the laws on the books, so it does at it pleases about enforcing its will even where there is no law to require it.

The law forbids prostitution, but the Machine wants prostitution; therefore, we have prostitution.

The law does not provide for inspection under police supervision, but the Machine wants it; therefore we have that.

NOT HYPOCRISY, BUT HELPLESSNESS

The SPOT LIGHT has this to say of one business man:

A revered and silver-haired business man, representative of many more, admitted to the writer that the situation is deplorably "rotten"; but added, "What will become of my business, if I open my mouth?"

More than one of the prominent preachers, aware of the true situation, have intimated that their positions are

in peril if they turn a hand or open their mouths in their pulpits to stimulate action against an open town. (This indictment of influential church members would be incredible if it did not come from these preachers.)

THE SPOT LIGHT suggests as a result of this revelation, that the church people of this city begin their prayers with the words: "Lord, be merciful to me a hypocrite!".

The Forum man does not endorse that criticism of the churches. He feels that the difficulty is not that the church people are hypocrites; but that, being ignorant of the economic cause and cure of this situation, they are helpless.

ECONOMICS THE KEY TO THIS SITUATION

The Red Light district is always in an old section of the city. Improvements there do not rent readily for normal purposes.

The owners of these properties have to resort to specialties.

When the women are run out of other sections these owners are glad to give them the freedom of Chinatown—for a price.

This situation is capitalized by these owners, who make the women pay dearly for their freedom and security.

RENT IS THE KEY STONE IN THE MACHINE ARCH

Many an old residence in Chinatown would rent, ordinarily for \$10 per month—\$5 for the building, \$5 for the location.

A middleman acceptable to the Machine will lease several, paying \$25 per month—\$5 for building and \$20 for location.

These are then leased to girls at \$3 per day, sometimes \$3.50—\$90 per month, sometimes \$105.

The girls soon learn that it is wiser to pay these figures and have the cooperation of the Machine and have it turning business their way rather than risk the "accidents" that befall girls who attempt to operate independently—outside the protected district, as the C—— girl did.

An operator enjoying the favor of the Machine and leasing a string of these house at \$105, or even \$90 each, per month, can afford to make a liberal donation to the Machine "kitty"; so can an owner who is getting \$180 extra revenue from an old house that would bring, ordinarily, only \$120.

Having embarked in an illegitimate business, these owners now need protection. This forces them into politics to secure the necessary political control.

From these fancy rentals these owners and sub-landlords are able to make liberal contributions to the Machine treasury.

These owners, their tenants, and every one employed in the houses throw their trade to the "right" people in business and in the professions, take the "right" papers, contribute to the "right" churches and help finance the "right" candidates.

The same protective mechanism is employed by those in other vice lines. The bootleggers, narcotic peddlers and all spend their money with their friends. They know that in union there is strength.

It is not necessary to believe there is actual collusion or conspiracy; everything can be accounted for upon the principle of self-protection. Aside from the contributions made to

the treasury and the payment for service actually rendered, it is unlikely that there is any transfer of money.

Each one pays for his job or for the patronage he enjoys by minding his own business, strictly—seeing no evil, hearing no evil, speaking no evil. That done, each is left to hoe his own row and permitted to make what he can—and to keep it all, except what he contributes to the Machine “kitty”.

And the Machine stands by, ready to “crack down” on any one who makes trouble for any one in this friendly combine.

The more complete and perfect the Machine, the more dependable the protection enjoyed by these houses.

The more dependable this protection, the more rent they demand and the larger their contributions to the Machine.

The more money in the Machine treasury, the more efficiently the Machine operates.

The more efficient the Machine, the more dangerous it is to defy its wishes.

The more dangerous the Machine, the more do business and professional men and politicians fear to offend it.

The more these fear the Machine, the more helpless are the preachers and the reformers generally.

But the girl that takes one of these places is now a part of the Machine. She must do her part to earn her “blue eagle”. She then becomes a member of the L.P.L.M.P. (Local Parlor of Licensed Municipal Prostitutes). But to maintain her standing she must patronize the “right” dealers, a “right” doctor, dentist, lawyer, insurance man, hair-dresser, etc.

To be “right” the dealer, doctor, dentist, lawyer and the rest must hear no evil, see no evil, speak no evil, and use their influence to keep the editors and preachers from seeing evil, hearing evil, and speaking evil. This rule holds at all times, but especially at those times when preachers, W. C. T. U. women, or others feel the urge to agitate for a closed town.

Of course the dealers and professional men must also do their part also and patronize the “right” people, including the “right” wholesalers and in this way help to cement the fellowship of the Machine; for it is necessary for the Machine to have connections with the Machines in other cities.

Remember that the financial benefit of any local condition—be it virtuous or vicious, is absorbed in rent by landowners who are in a position to capitalize that condition.

City zoning is born of the rent racket; the NRA and all forms of regulation and regimentation are born of the rent racket, and they are all recruited and disciplined by the same gangster methods, familiarly known as You-scratch-my-back-I-scratch-your-back. But while all rackets are branches of the rent racket, it is especially easy, even for a novice, to see the connection between organized prostitution and the rent racket.

Every detail of the code and of code administration is designed to keep up rents. That is why the C— girl, working way over on American street was arrested. The Machine is not looking after brothel rentals way over there!

To keep rents up in our Red Light district, business must be attracted from the Mother Lode Section and from up and

down the Valley. That means the customer must be satisfied.

If rival cities offer medical inspection under police supervision, we must provide that inspection here.

If the church people are too squeamish to establish medical inspection under police supervision, the Machine must do that.

MORAL STAMINA vs. ECONOMICS

A local preacher said recently, that this city could clean this festering mess out, if the people had sufficient moral stamina. So could men lift themselves by their bootstraps if the had sufficient power.

But why attempt the impossible? Why think moral stamina is able to hold out against the lure of the rent rake-off?

Why permit the Machine to operate until we can inspire moral stamina in its victims, either in or out of Chinatown?

Why not master the Machine first, and then let the preachers and teachers and other specialists develop what moral stamina they can, afterward?

Saving any individual victim of this system is of course a matter of morals, or religion; but saving the city is a simple matter of science, a simple problem in economics.

THE EDITOR'S CREED AND PLEDGE

The Machine with that rent revenue is more than a match for the reformers; but if the Machine were shorn of its rent rake-off, it would collapse of its own weight. The editor believes there is in natural law a solution of this problem, just as there are in natural law solutions for shop problems.

He will guarantee that, if given control of the tax machinery, he would clean up the vice district without removing or shifting a single official or patrolman, or retiring a single politician—indeed, he will guarantee that the politicians will be found helping him clean up the very things they now condone.

All he would do would be to collect from the OWNERS the full amount of the economic rent—\$85 a month in the cases mentioned, if the girls pay \$90, or \$100 if they pay \$105.

This would leave the owners only what their improvements bring; and it would cut off the revenue of the Machine.

There would then be no need to fear the Machine.

Decency would have a fair chance; and that's all she needs.

THE CAUSE AND CURE OF PROSTITUTION

With our wages and interest in our private pockets and our rent in the public treasury, we would have the entire value of our output, no matter how great or what its value. Then we could buy it all back and pay cash. There would then be no lack of buying power and business would be good.

With business good, every normal man could (and would) support a family; every normal woman would have the opportunity of wifehood. There would be no unattached population; prostitution would cease—no one would be interested.

Send for Sample Copy of NO TAXES and for other literature

L. D. BECKWITH, Publisher, STOCKTON, CALIFORNIA

Justice At Last For The Negro

The address of L. D. Beckwith, editor of The Forum and of No Taxes, Stockton, California, before the Stockton Unit of The Society for the Advancement of the Colored People, May 15, 1933.

I greatly appreciate this opportunity of calling your attention to what is, in my judgment, the most important scientific fact bearing upon the problem of the Negro; namely, **The fact that it is possible to make racial instinct and race prejudice the means of securing justice for your race.**

This is certainly a revolutionary proposal. I am frank to admit that a man who makes such a proposal is likely to be thought more wildly visionary than practical; but it must be remembered that the "practical" men of his day called Columbus crazy—yet Columbus was right.

My proposal to use race prejudice to establish harmony between the races is no stranger than was the plan of Columbus to reach the East by sailing into the West. Nor is it any more visionary than the plan of a certain manufacturer of refrigerators to cool food with heat. Going to the East by sailing into the West is now a daily event; and the success of the refrigerator which is kept cool by heat will be gladly demonstrated to you any day that you care to call at the agency.

I would save your children from the suffering you have endured because of race prejudice. An indelible impression was made upon me when, in my childhood, my mother told me of a Negro girl, of fine character, a friend of her girlhood, who used to tell the White girls that she would gladly be skinned alive, if only it would make her white and lift her out of the position to which race prejudice doomed her.

That poor girl was doomed to that hell on earth because of our interference with the freedom of the races to live apart.

It is as natural for your race and mine to live apart as it is for you to be Black and for me to be White; but, while it is important that we realize that segregation is natural, it is even more important just now that we should both understand what has interfered with nature's plan for the races and, by preventing their natural and voluntary segregation, has caused the racial ill-will that now disturbs our relations; for you know that ill-will does not manifest itself when the races are first brought into contact. Instead, it develops only after such a time as may be necessary for community life to become established.

I want even the youngest in this audience to understand the cause and the cure of our race difficulties and to realize that the program I shall outline is thoroughly scientific and hence entirely feasible—that **it is possible to give each race all it asks without laying an unwelcome requirement on either; that we can have a race segregation more complete than any Jim Crow law ever secured and do it without any law on the subject and without the least humiliation or hard feelings.**

Under this plan, each race would live by itself from choice.

Instinct is deep-seated, lasting and dependable. Upon what surer foundation could we build the harmony of the races?

Now let us see if we can discover what is necessary to bring about this happy solution of our difficulties.

I hold in my hand an Elgin watch, that sells anywhere in the open market, for \$16. But I remind you that this city has, in addition to its four transcontinental railways, its good schools, parks, fire and police departments, etc., a 30-ft. ship channel to the Golden Gate and the Seven Seas. Would you, because of the advantages of this location, pay me more than \$16 for this watch? Would you pay me, say, \$20 for it? Or would you, if you found that such watches cost \$20 here, drive out to one of the near-by towns and get one for \$16?

I see by your faces that I have no chance to get more for my watch because of the advantages of Stockton's location. So I ask you, now, whether you would expect me to sell my watch for less than \$16, if a Negro family moved in next door to me. Again I see by your faces that the answer is No.

And I agree with you. I see no reason why the most unforgiving and unreasonable enemy of your race should expect me to sell a watch for less than it is worth, merely because a Negro family moved into the neighborhood.

But now I want to ask you a very different question. This time we will suppose that it is my lot that is for sale. Now I ask whether I can get more for my lot because of the rail and water connections, or would you go out to one of these other towns and buy a lot there and bring it in here?

This time, I win! You cannot bring lots in here from the outside. **If you wish to enjoy the advantage of living in Stockton, you must deal with one of us landlords. We have an absolute monopoly; you can live here only by our permission and on our terms.**

Now see what happens if a Negro moves into my block. Immediately, I lose all chance of selling my lot to people who are prejudiced against Negroes. My market is smaller; my chances of selling are fewer; my lot is not so much in demand and its value is depreciated. I am not saying this ought to be; I am merely saying that it is—and you agree that it is so.

We have, therefore, made this discovery—a very important discovery. It is that land value is the only value that is depreciated by the in-coming of a race against which there is a prejudice. This shows clearly what it is that has come between the races; and what it is that all this race war is over.

All the trouble is caused by the claims to private property rights in land value and in rent. And if these were denied to both of us, there would be nothing over which to quarrel.

Here we can see how it comes about that, though Negroes and Whites instinctively prefer to live apart, there is so much friction between them and such a constant threat of trouble.

The answer is that each race is prevented by our accursed land system from doing as it instinctively would do. We are prevented by the fencing up of unused land by speculators bent upon securing the unearned increment which you and I must earn for them.

Land value and the return on land value, known as rent ("ground" rent, only, as house "rent" is not rent, but interest), are both created by, and so belong to, the public. Private control of land value and the private appropriation of rent operate as a barrier to the freedom of the races and denies us both the chance to live where we please.

Let us take, for example, a lot, renting without improvements for \$100 per year, taxes being \$28. This would give the lot holder \$72, net, per year. As this is 6% on \$1,200, the lot (really, the lease) is worth \$1,200 as an investment. **And men would say the selling price of the lot is \$1,200.**

If by some form of relief for real estate, such as a sales tax, a gas tax, an income tax, or other device that shifts the tax load from landowners to Labor and Capital, that tax is reduced to \$16, the selling price of the lot becomes \$1,400; if taxes are abolished, by means of municipal ownership, or otherwise, the lot becomes worth \$1,666. **But if the tax is raised to \$100, so that all of the rent is taken, the selling price of the lot is destroyed.**

Were that to happen, a White lot owner would have nothing be depreciated, if Negroes did move into the block; He would have nothing over which to quarrel.

Neither would such an owner have any land value to leave behind, if he wished to move out and go to a White section.

If now the Georgist system were adopted and the rent were collected instead of taxes, the selling, or investment, value of land would be destroyed.

Then, as no one could profit by merely holding land, no one would hold more than he really needed to use; and all unused land would be unclaimed land, open free of purchase requirement to any one who wished to use it. Both Whites and Negroes would then be free to live where their racial preferences might dictate; and, being free to choose their locations as they pleased, each race would live by itself by choice. **But this separation would be voluntary, and there would be nothing to hurt the feelings of the most sensitive.**

We would have Black belts and White belts, with intermediate belts which would shade off gradually into the Black belt on one side and into the White belt on the other.

All would get on harmoniously together; for each group would get as much of the trade of other groups as possible. All would be governed by the commercial rule that the customer is always right—no matter what his color.

You see the trouble is not that the White people and Black people cannot do business together; it is not that they have different ideas about what constitutes wholesome civic conditions, clean politics, honest government, or justice. There is not the slightest reason why they cannot be fellow citizens under the same government, and both be loyal to that government and each be willing to do his part.

The significant fact is that racial ill-will does not develop until land value appears. The whole race difficulty arises from the fact that neither you Negroes nor we Whites have been free to follow our racial instincts to live apart.

We found that race prejudice had no effect upon the selling value of my watch. It was only when my lot was put up for sale that race prejudice became a factor.

It is only as a landowner, and as a claimant to private property rights in land value and in rent (ground rent), that I have anything to lose by the presence of Negroes.

Whenever any one of you or any of your people suffer because of race prejudice, I wish you would say at least to yourselves, even if not to others: **This is the result of our cursed land system!** I wish you would all make that a habit.

If I could, I would have this truth carved on the tombstone of every Colored man sent to death by Judge Lynch, and have it placed in bold letters over the cell of every man railroaded to prison because of his color! And I would have it incorporated in every newspaper report of a prize-fight decision that is given unjustly against a Negro contender and in every report of any other contest in which Negro merit is discriminated against to maintain the "supremacy" of my race!

All our race friction can be traced directly to our accursed practice of permitting men to claim the earth as their private property and to claim the right to charge the rest of us for the privilege of staying on the earth. The very presence of the Negro in America is the direct result of the effort of the Southern planters to get cheap labor to cultivate their land. And the war between our States was caused by a contest for rent by New England and Old England. The owners of town lots about the mill towns of New England wanted the Southern cotton worked up in their factories. But the owners of lots about the mill towns of Old England wanted that work done there. To protect their land racket the New Englanders wanted a high tariff wall to keep out the product of English mills; but, because England was a cotton customer, the South naturally bought much of her supplies in England and, any way, not having any factories to protect, Southern States opposed the tariff and insisted on free trade. The two sections could not agree. The contest grew more and more bitter and, at length, the North having in the meantime found Immigrant labor more suited to her needs and having sold off her slaves, began to attack the South on the score of slavery. Then came secession and the war.

This race issue, threatening as it is, and difficult as it may seem to all but the economist, could be settled almost over night, if we would but learn a lesson from the way Mother settled our quarrels over our toys when we were children. Her method was to take the toy away from both children.

In this case, the quarrel is over land value, and the rent.

Taking the these from both of us by collecting the rent instead of taxes and putting the rent, all of it, in the public treasury out of the reach of all private citizens, whether White or Black, would settle this issue at once and for ever! My papers, THE FORUM (weekly, \$2.50), and NO TAXES (bi-weekly, \$1.50 for 52 issues), each 7 columns, 4 pages, TEACH ECONOMICS. NO TAXES, (not sold in Stockton), trial Subscriptions, 15 issues 25¢. L. D. BECKWITH, 1325 East Poplar, STOCKTON, CALIF.

The Economic Code

A Statement Of The Natural Laws Of Economics

By L. D. BECKWITH, Editor of NO TAXES and THE FORUM

Men laughed at Columbus, but he was right. One by one, our sciences have been "brought in" as the result of the work of such "dreamers".

Economics is not yet taught in the schools as a science; but it must be, if we are to save Civilization; for it is the key to our civic, political and industrial problems, as this code shows. L. D. BECKWITH

DEFINITIONS: Natural Law, the human statement of the way that, upon careful, scientific observation and analysis, the universe has been found to behave; Land, the material universe; Labor any human effort; Wealth, any natural product modified by Labor for use; Capital, wealth however, the economic title to the wages is determined by Law No. 13.) devoted to the production of more wealth; Rent is the return on land value; interest the return on capital—whether used by the owner or another; Wages, the return on labor. (NOTE. Picking pockets is human effort, so the "pickings" of the pickpocket is wages—the wages of sin; ("Rent" paid on a building or a car is not rent at all but interest.)

1. Men seek to gratify their desires with minimum effort.

Corollary (a) Men will refuse to pay rent and will go, instead, to rent-free sites; unless the added advantages to be got by paying rent are considered worth the rent asked.

(b) Whether (when they have that choice) men will spend their wages or save them to accumulate capital depends upon which plan offers them the greater promise of satisfaction.

(c) Men will save or spend, alternately, according to the prospective advantages, thus equalizing wages and interest; so that what is left of our product after the payment of rent will be divided between Labor and Capital in what will, on the average, be equal parts. (See 13c)

(d) Whether a man who is both a landowner and a laborer or a capitalist (or all three) takes sides with landowners or with Labor and Capital depends, other things equal, upon whether he is more interested in rent or more interested in the wages and interest funds. (See No. 5c)

(e) Because men would not invest, otherwise, in machinery and other forms of capital that do not multiply, or grow in value; it is necessary if we get sufficient capital, to allow them the same interest return upon such investments as they can get, on the average, investing in bees or livestock, or other forms of capital that are self-increasing. (See No. 1b)

2. To enjoy the advantages of any location, it is necessary to have access to land within reach of those advantages.

(a) Land is the only thing raised in price by public betterments, public service, public progress or public virtue.

(b) Rent absorbs the difference between the value of the advantages to be had at a given site and those to be had at the most advantageous site obtainable free of rent. (See 1a)

(c) Progress toward clean politics, wholesome civic conditions, governmental efficiency, prosperous business conditions, or progress in public culture or public virtue or in the arts or

sciences raises land value and (so long as rent goes into private pockets) enriches a few at public expense. (See No. 2)

(d) To profit financially and individually from crooked politics or from war one must be in a position to privately appropriate the rent created by it. (See Nos. 5 and 8)

3. Land increases in value with the population; since man is a land animal and can live only on, and from, land.

4. Rent is determined by the degree to which the advantages to be had at a given site are more prized than those to be had at the most advantageous site open free of rent.

(a) Rent is paid, not for land, but for the advantages going with the site and is necessarily equal to the reasonable cost of maintaining the advantages for which it is paid. (No. 1a)

(b) Rent is less or more, as the sites obtainable without the payment of rent are more or less attractive. (1 and 1a)

(c) Capitalizing net rent gives the selling value of land.

(d) A levy ("tax") on land value cannot be passed on.

(e) Lowering the "tax" on land value makes it easier to bid land, increases the net rent and raises the price of land. The tax on land value cannot be passed on to another.

(f) To the extent that municipal utility earnings, police fees, gas taxes, sales taxes, license fees, customs receipts, liquor or other revenues are collected instead of rent, this increases the net rent, raises land values, promotes speculation and monopolies and enriches a few at the public expense.

5. What remains of the product after the rent is paid is all that is available for the direct payment of wages and interest to Labor and Capital.

(a) Labor and Capital have identical interests. (See 1c)

(b) The industrial cleavage is not between Labor and Capital, but between them and the appropriators of their rent.

(c) Any event or policy that tends to help any one anywhere who is mainly dependent upon wages and/or interest tends to help every one everywhere who is so dependent.

6. Wages depend upon the degree to which men can gratify their desires upon rent-free sites, rising and falling as earnings on such sites increase or decrease. (See No. 5)

(a) Lowering the land value "tax" makes it easier to monopolize unused land and so lowers wages. (See 2b)

7. Interest depends upon the degree to which men can gratify desire on rent-free sites, rising or falling as earnings on such sites increase or decrease. (See No. 5)

(a) Monopoly of money and (or) credit is possible only when and as men are denied free access to land. (5 and 5c)

(b) Usury is impossible where the collection of the rent instead of taxes prevents the monopoly of unused land.

(c) Lowering the "tax" on land value promotes the monopoly of unused land and lowers interest. (See 5 and 5c)

8. The mere act of owning land does not of itself produce wealth; the unearned increment obtained by landholders (whether got as rent or by selling at an advance) must be earned by others who do not get it. (See Nos. 2 and 3)

(a) Laws permitting the private appropriation of rent are class legislation, enriching a few at the expense of the public.

9. To the extent that men can gratify their desires at rent-free sites, exploitation by monopoly is impossible.

(a) Exclusively private possession of land is necessary and can be safely allowed if the rent is paid the public in compensation for its exclusion and for the service rendered there.

(b) The collection of the rent instead of taxes makes it impossible to profit by speculating in land and so prevents the monopoly of unused, or inefficiently used, land. (See 6a, 7c)

(c) When the rent is collected instead of taxes, all unused land becomes unclaimed land and may be had, free of purchase requirements, by any one who wishes it. (6a, 7c)

(d) Monopoly is promoted by reductions in the levies on land value, or by anything that makes it easier to hold land.

10 The collection of the rent instead of taxes prevents the private appropriation of rent and limits men to two methods of obtaining wealth; namely—

I. Getting it as wages. II. Getting it as interest.

(a) Denied rent, selfish men can gratify their desires (legally) only by becoming socially useful. (See 11 and 12)

(b) The collection of the rent instead of taxes makes it impossible to profit by crooked politics or by war. (See 2a)

11. It is possible to obtain wealth as wages only upon one's own labor; it cannot be got as wages upon another's labor.

(a) The exploitation of Labor is impossible where the rent is collected instead of taxes. (See Nos. 6, 8, 9 and 10)

12. It is possible to obtain wealth as interest only upon capital that is one's own (whether by ownership or by loan); it cannot be got as interest upon the capital of others.

(a) The exploitation of Capital is impossible where the rent is collected instead of taxes. (See Nos. 4, 5, 7 and 8)

13. The product belongs to the producer.

(a) Rent is to society what wages and interest are to Labor and Capital.

(b) The collection of the rent is essential to the stability of the community and is the first duty of government. (See 4a)

(c) Rent, spent for public service, goes back in service dividends as wages and interest, to Labor and Capital, equally (See 1c); and raises both wages and interest because half of all is more than half of part. (See Nos. 1c and 5)

14. Any payment, other than rent, no matter what its form, collected on any pretext for the support of the public service is an unjust over-charge—a confiscation, morally. (2b, 4a, 8)

(a) Taxation is confiscation of private property. (See 8)

(b) Although legal under our present laws, the private appropriation of rent by those who collect is, morally, an embezzlement of public funds. (See Nos. 4a, 8a, 9a, and 13)

15. The total rent paid in a Community is the sum of the values the people place upon two sets of location advantages:

I. Those that are publicly financed (Such as schools).

II. Those that are privately financed (Such as theaters).

(a) Each sum equals its respective cost, as shown in 4a.

(b) The sum of I. and II. is greater than either I. or II.

(c) Hence the rent is more than ample for public needs.

16. Men naturally live in colonies, like bees; except when tempted by rent, they instinctively co-operate in all things.

(a) The collection of the rent instead of taxes—

1. Raises both wages and interest. (See 11a, 12a., 13c)
2. Unites men and communities and peoples by—
 - a. Limiting all men to wages and interest, so that—
 1. All will want high wages and high interest.
 2. All will want both Labor and Capital tax-exempt.
 3. All will want all the rent publicly collected.
 - b. Destroying the selling value of land, which is—
 1. The cause of all sectionalism, locally and abroad.
 2. The cause of ill-feeling between the races.
 3. The cause of tariffs, trade restrictions and war.

(b) When the rent is collected instead of taxes—

1. Nothing can be gained by exclusion acts, license restrictions, protective tariffs, nor codes of fair practice.
2. There is no longer any East nor West, any North nor South, nor any Patriots of Here nor Enemies of There.
3. All men, of whatever race, nativity, religion, occupation or social status, are limited to the getting of wages and interest and bound together by the rule of the market, which is that the customer is always right. (See 5, 10)
4. The races instinctively segregate themselves.
5. The prize is removed for which wars are fought and the temptation to war is ended. (2, 2a, 5c, 10, 10a, 10b)

17. Men limited to wages and (or) interest prefer peace to war because their wages and interest are more secure under peace-time conditions. (See No 10a)

(a) Peace, good order and cooperative helpfulness are instinctive in men when they are not drawn from their natural orbits by the temptation to secure rent. (See Nos. 10 and 16)

(b) The collection of the rent instead of taxes makes Selfishness, Avarice and Greed champions of Peace. (See 10b)

18. Economic reactions, like chemical reactions and mathematical relations, are entirely independent of the moral law.

(a) We can have good government, universal peace and business always good without waiting to make men good.

Historical Note. This appeared first in The Forum, March 2, 1933. It is the first economic code ever published. Law No. 4 was stated by Ricardo in 1817, but is re-stated here to eliminate his narrow agricultural terms and so broaden its application. In 1879 Henry George showed, as Gibbons had suggested, that No. 5 follows from No. 4. George stated No. 1 and from that and No. 4 derived Nos. 6, 7, 8, 9 and 11. Though he drafted no code, Nos. 1b, 1c, 4b, 4c, 4d, 5a, 5b, 7c, 8a, 9a, 9c, 9d, 11a, 12a, 13a, 14, 14b, and 16 are set forth in his writings.

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