

76094

B  
E10

# The Secret

... of SOCIAL  
SECURITY and  
WORLD PEACE

By L. D. Beckwith

4289

## FOREWORD

Of what use to you is the ballot, if you do not know what is going on?

Of what use to you are the papers, if they are not free to publish the news?

Even if you could get accurate reports of the events of the day, of what use to you would those reports be, if you do not understand the science of economics sufficiently to know how those events will affect you?

This little book will give you a working knowledge of economics, if you can qualify.

To do that, you must not be a witch-burner — that is, you must abandon the belief that our economic ills are the result of the misconduct of other men; and you must realize that rent is paid not for the use of land, but for community service.

L. D. BECKWITH

In Taxless Town the people thrive  
To such a high degree . . .  
There's not a beggar in the place,  
And bandits are unknown.  
And where is Taxless Town, you ask?  
In the heart of you, and YOU!  
And all who set themselves the task  
Of making it come true. —HORATIO

Copyright 1942, by L. D. Beckwith  
Copyrighted in U. S. and Canada

There is no price on this book. The book  
is distributed *free*. This distribution is  
made possible by your contributions. The  
only limit on the circulation of the book  
is the amount of these contributions.

Editions printed:	
1st Edition (August, 1942)	1,200
2nd Edition (December, 1942)	10,000

Address the Author  
1325 East Poplar Street, Stockton, Calif.

## THE CHILD WAS SURPRISED BY A SIMPLE TRUTH (1)

A great truth is hidden in the  
story of the child who made no pro-  
gress in geography till he discovered,  
to his surprise, that the front lawn  
at home and the playground at the  
school are each a part of the surface  
of the earth!

The problems of industrial jus-  
tice, social security, race relations  
and world peace seem difficult be-  
cause men do not see how they hinge  
on simple facts with which they have  
long been familiar.

The purpose of this book is to  
show that the social problems by  
which man has so long been baffled  
are simple problems and can be  
easily solved.

Copyright 1942, By L. D. Beckwith, U. S. A.  
and Canada

(1)

## WE LIVE IN A UNIVERSE OF NEVER-CHANGING LAW (2)

So far as man's investigations go, the universe is orderly in all its parts; and one of its wonders is the simplicity of the means by which results are brought about.

The reader is familiar with the saying that self-preservation is the first law of nature; but it is necessary to remember that this applies to animate nature only.

It should be noted, also, that, although man and many beasts of the forest are gregarious, they differ in the degree to which their teamwork is perfected.

Wolves hunt food in packs, and men organize to produce wealth; but they differ in the way they share the results.

When wolves bring down their quarry, each wolf helps himself by direct action to a share; they have no problem of distribution.

(2)

## SOCIAL PROBLEMS ARE ALL DISTINCTIVELY HUMAN (3)

(See *The Answer*, Nos. 9, 14, 36, 68.)

Although they live in communities, bees and beavers face no problem of distribution.

But, in the case of man, living conditions are so much more complex that the problem of distributing the product appears to be a difficult one.

This problem is distinctly a human problem and it becomes increasingly serious as we progress.

Indeed, as population increases and life grows more complex, we fail more miserably in the solution of this problem.

If this portion of her universe is to have the stability which is characteristic of its other parts, it is necessary that Nature provide for the apportionment of our product by means as dependable as any of the processes of nature.

(3)

Nature provides for the preservation of her species; hence the presumption is that she has provided for the distribution of the product of human labor.

The key to this problem of distribution lies in the discovery of a provision of nature applying exclusively to human relations.

The preservation of the human species depends upon the existence of such a provision.

Physics, chemistry, zoology, biology, botany, physiology and the other recognized sciences are the sciences of production. We study these subjects as sciences, and we succeed in production. We must study distribution the same way; for of what use is a knowledge of production, if we are not to have our product?

We must learn how to use Nature's laws in this field as we use her laws of production.

(4)

The purpose of this book is to teach those laws and to inspire confidence in them. The schools offer nothing dependable in this field. The "economics" and the "economists" of the schools would be more appropriately called "alconomics" and "alconomists" because of their likeness to the alchemy and alchemists of old.

#### PRIMARY PRODUCERS AND THEIR CO-PRODUCERS (4)

(See *The Answer*, Nos. 7, 20, 68, 92.)

Today our product is a joint product; there is always a primary producer who is indirectly aided by countless co-producers.

Farmers are primary producers of wheat; plow-makers are co-producers of wheat.

Thanks to these co-producers, farmers need not make their own plows.

Doctors, merchants, attorneys fire-

(5)

men, policemen and all others who help us in any way are also our co-producers.

Co-producers save primary producers time, labor and money.

The more co-producers, and the more efficient they are, the more do they save us.

The greater this saving is, the more a people can produce.

Each producer (primary or secondary) is entitled to his share.

#### PLANNING IS POSSIBLE ONLY UNDER NATURAL LAW (5)

(See *The Answer*, Dialogues 5, 6, 8, 9.)

To solve any problem, we must first meet two conditions.

We must agree upon a plan and then work together to carry out that plan.

Our plan must be in harmony with instinct and with the laws of nature in that field.

Men cannot meet these conditions unless they have in nature, dependable standards, outside of themselves,

(6)

whereby opinions can be checked and corrected.

Without such standards, they cannot know which opinions are correct.

Unless this can be known, men cannot agree and therefore cannot plan successfully.

We have such standards in the accepted sciences; hence we can plan successfully in those fields.

But economics has not been accepted as a science as exact as any science; men have no such standards in this field and are unable to check and correct economic opinions and so cannot agree on economic issues.

#### SUCH STANDARDS EITHER DO, OR DO NOT, EXIST (6)

(See *The Answer*, Dialogue No. 9)

Natural law controls the relations of cause and effect.

But for it, like causes would not always produce like effects.

(7)

But for it, fire might boil water one time and freeze it the next.

But for natural law, men could not be sure of anything; and we would plan and labor in vain.

Just distribution of wealth is the key to social problems; their solution requires that this field be a field of law and that we have in it the same dependable guidance of law we have in shop sciences.

Either Nature has set up laws to regulate the body economic as the laws of physiology regulate animal bodies, or she has not.

The fate of civilization depends on the answer to this question.

#### NATURE'S DUAL SYSTEM OF CONTROLLING CREATION (7)

(See *The Answer*, Dialogue 96.)

Nature is a clever Old Lady!

And she has her own plan for the control of her domain.

But she gives to the individual

(8)

of the species freedom of the will.

And gives him that freedom in the field where freedom means most to him—that is, in the field of his individual interests.

To protect mankind against the misuse of this freedom by individual men, she limits their freedom to their individual interests.

She is safe in doing this because she reserves to herself (by means of unchanging and unalterable natural law) all matters of vital interest to the species, or to the general public.

From this it follows that only the problems of the individual life come under the moral law; and that the problems vital to all men are problems in natural law.

By this clever device of dual control, Nature respects the sovereignty of the individual and yet protects society from the misuse of individual sovereignty.

(9)

## HUMAN INTERESTS ARE OF THREE DISTINCT TYPES (8)

(See *The Answer*, Dialogue No. 23.)

The field of human interests is divided into three distinct parts.

First are those interests which are controlled by natural law. In this class, are our interests in the tides and in the seasons.

The only correct answers to the questions arising in this field are those given by Nature herself.

The second class of interests consists of those interests which are personal and individual, such as our choice of religion.

The only right answer to problems in this field are the answers of the individual himself.

The interests not included in Classes I and II make up the third class. Among these are such matters as the location of highways.

To these problems, there are always two or more acceptable an-

(10)

swers; but as each citizen has the right to be consulted, such matters should be decided by ballot.

This third field is the only field in which the democratic process may be properly applied; for we cannot overrule the laws of Nature (Field 1) by voting; and, in the field of our individual interests (Field 2), a resort to the ballot would be undemocratic.

Human governments have not failed because men lack ability to govern themselves; but because men have failed to take advantage of Nature's provisions for the welfare of society and have, instead, sought to substitute control by man's law for that of instinct and natural law. (See p 4.)

By endowing man with the gregarious instinct, Nature has provided for all of the contingencies of his community life.

Not knowing this, men have

(11)

neglected these provisions and attempted to set up a social system of their own—and have failed.

Efforts by men to regulate society necessarily involve the invasion of our individual rights.

### **MOST REVOLUTIONARY OF ALL REVOLUTIONS (9)**

(See *The Answer*, Dialogues 11, 18, 27.)

If there are in nature no dependable laws for the regulation of the relations of economic cause and economic effect, men cannot know either the cause or the cure of their economic ills and it is a waste of time to discuss them.

If that is our situation we cannot know the cause of our economic difficulties and are doomed to inescapable economic chaos.

To accept this view is to admit that, so far as we are concerned, all Creation is a tragic failure.

No one who has faith in Nature

(12)

or Nature's God can believe that! It is both illogical and irreverent.

If there are no natural laws of economics, planned economics is as futile as man's planning of astronomy would be; and, if these laws do exist, economic processes are as independent of economic planners as the tides are.

Either way, economic planning is a waste of time and energy.

If these laws do exist, the only thing men can do here is what they have had to do in the other sciences—that is, to find Nature's laws and learn how to take advantage of them.

If these laws exist, we can by resort to them solve problems in economics (wealth distribution) as confidently and as surely as we solve our shop problems.

Once men realize that economics is a science as exact as any, men will see that here as in other scientific

(13)

fields, the moral law is limited to the attitude men take toward their problems and that these problems themselves are all problems in natural law.

Then men will realize that our economic ills are the result not of the selfishness of men, but of our ignorance of economics; and men will become as impersonal in attacking problems in civics and in statecraft as they are in solving problems in mathematics.

Then the suspicion, resentment and bitterness which now mar our public relations will disappear; then harmony and cooperation will be as easy as breathing.

Man is gregarious. Upon that there is general agreement.

But saying that man is gregarious is equivalent to saying that he is a social creature and that he is instinctively co-operative.

Since man is gregarious and so

(14)

is instinctively cooperative, it becomes necessary to abandon as false the theory that economic ills result from unrestrained instinct.

Instead of complaining of human nature and trying to make men over, we should study economics and learn how to use the forces in this field as we use fire, steam and electricity.

Society has been revolutionized by our mastery of physics and of chemistry; but the results of that mastery are trivial in comparison with the revolution which would follow the mastery of the science of economics and the use of men's self-interest as our motive power in the social field. (See p 13.)

Some of the conclusions which result from the study of economics as a science are set forth in the following section.

(15)

## CLIMAX OF THE LONG WAR FOR THE RIGHTS OF MEN (10)

Virtue is individual, not joint.

There is no such thing as joint virtue.

A man and his wife may each be virtuous; but there is no such thing as family virtue, national, or race virtue.

Morality concerns only men's *attitude toward their problems*; the problems themselves are problems in *natural law*. (See p. 14)

Just as the study of sanitation led us to abandon the superstition of the evil eye and the witch-hunting inspired by it; so the study of economics as a *science as exact as any science* will lead to the abandonment of the superstition of the evil heart and the witch-hunting inspired by the belief that our ills are the result of other men's misconduct.

Students should note that, in commerce, there are only three recognized ways for men to obtain wealth:

They can get it as wages.

They can get it as interest.

They can get it as rent — that is, the part of the rental which is over and above the *charge for housing*.

Wages and interest can be got only by making an equivalent investment of labor or capital; that is, *by being useful*.

(16)

Limited to wages and interest, *men are forced to become useful and agreeable*.

Denying men rent will not make men honest, but it does compel them to *act* like honest men and good neighbors.

*Economics, the science of wealth distribution* is not a substitute for virtue.

Men need economics and virtue, just as they need mathematics and virtue.

From economics we learn the falsity of many beliefs. From it we learn that—

Taxation is undemocratic.

Paying taxes is paying tribute.

Our "land value" is a public debt.

High "land values" are danger signs.

Wealth cannot have power over its producer, man.

Labor and Capital do not have conflicting interests.

Man is gregarious, therefore he is instinctively cooperative.

Economies in government do not benefit the general public.

A strong government is not necessary to stop crooked politics.

Mankind needs no protection from the instincts of the individual.

Man has nothing to fear from the machine, or the Machine Age.

Law and order among men is not a matter of compromise, or restraint.

(17)

Economic ills are not caused by the misconduct and selfishness of men. Money is only the symbol of wealth and cannot have power over men.

Levying taxes according to ability to pay is a virtue like that of the thief who steals only from the rich.

No interest vital to all mankind is in any sense dependent upon the intelligence or virtue of men.

There is no conflict of interest between the sovereignty of the individual and that of society.

A strong international government is not necessary to promote world peace.

The success of public ownership and of self-liquidating government enterprises does not benefit the general public.

Our balanced system of government (the giving of some of the powers of each branch of the government legislative, executive and judicial, to other branches) does not promote good government, for the road to government does not lie through the swamp of compromise and political log-rolling.

By the study of economics as a *science as exact as any science* men learn that crooked politics and war are *short circuits* in our system of human interests due to our ignorance of economics.

From economics we learn that economic problems are problems not in morality, *but in natural law.* (See p. 14.)

And we learn how to insulate and use human instinct as we do electricity.

There we learn that Nature reserves to herself the exclusive control of all matters vital to all men.

And that she trusts men with the control of those things only which concern them as individuals.

Nothing vital to the welfare of the race is subject to the control of any man, or any human government.

*The police power may be called upon to protect individuals from the misconduct of other individuals, but mankind needs no police protection for the interests of the race are safeguarded by natural law and instinct.*

Since the democratic process is futile in matters controlled by natural law and *un-democratic* in the field of our individual interests, *there is left but a narrow field for the proper application of the democratic process.* (See Sec. 8.)

## DIRECT AND INDIRECT COMPENSATION (11)

(See *The Answer*, 7, 13, 20, 33, 68.)

The primary producer gets aid of two kinds. (See Sec. 6.)

He gets *direct* aid from employees, and from dealers and service men.

And *indirect* aid from co-producers.

He knows what direct aid he has had, and how to pay that bill.

But he does not know what is due his co-producers. (See p. 5.)

Nor how many they number, or where to look for them.

The co-producers themselves, do not know what is due them.

## THESE CO-PRODUCERS SHOULD BE PAID (12)

(See *The Answer*, 20, 68, 92.)

A business or professional man is a primary producer and is paid directly for service rendered his customers, clients or patients.

What is paid for direct service is

(20)

wages and interest. It is distinct from the compensation due for co-producer service.

The firemen serve even though they only sit in the fire house and wait for a call; and they are paid for rendering that service.

Business and professional men also serve when they only sit and wait; they, too, should be paid for this co-producer service.

Society owes more to business and professional men than to the firemen; for the firemen do not furnish their equipment.

Business and professional men furnish the plants and equipment in which they work; and they furnish stocks of goods and maintain pay-rolls that they may serve us.

We are served by this equipment and these stocks of goods, even when these men are losing money in dull periods.

(21)

## GOVERNMENTS ARE ALSO OUR CO-PRODUCERS (13)

(See *The Answer*, Nos. 33, 46, 47, 49.)

In furnishing currency to facilitate the exchange of products in the market, governments render a co-producer service; and also by maintaining the police force, the courts, roads, bridges, etc.

The post-office is a co-producer of producers who use the mails.

## OUR CO-PRODUCERS AND THE ORIGIN OF RENT (14)

(See *The Answer*, 7, 13, 26, 33, 68, 92.)

On the frontier, co-producers are few and people, as a rule, serve themselves or go unserved.

Because of the privations of a frontier, men will not pay much for the privilege of living there; but this condition slowly passes.

For, gradually, as need arises, public funds are provided for fire and

(22)

police departments, schools, roads, bridges and other things which modern life demands.

And, with private capital, doctors, dentists and lawyers open offices; churches, schools, theaters and railroads are built; gas, light, water and power are provided, and telephone, telegraph, express and newspaper services.

In doing all this, these men of course serve their own selfish interests; yet by being ready to render service, they contribute to the safety, comfort and convenience of the community.

The more of this co-producer service they render, the higher is the rent.

The higher the rent, the more revenue the government would get and the more service it could render.

The greater this service is, the better co-producers are rewarded.

(23)

## SOME COMMON ERRORS REGARDING RENT (15)

(See *The Answer*, 4, 16, 26 (10-14), 29, 33, 34, 37, 38.)

### RENT AS DEFINED IN ECONOMICS

*To the scientist in this field, rent is the part of a rental payment which is over and above the charge for housing. It is the amount paid for the advantages of the location.*

Rent is the wages and interest due those who make, on other sites, investments of labor and capital which contribute to our safety, comfort and convenience.

It is mistakenly customary to call all of a rental payment rent; but only that part of the rental which is over and above the charge for the leasor's direct service is rent.

That part of a rental which is paid for the building or for furnishings or equipment is interest.

Rent is not paid for land or for the use of land.

(24)

If it were, it would vary with changes in the land, not (as now) with changes in the community.

Rent is not interest on the purchase price of the land title.

If it were, the rent would vary only with changes in the commercial rate of interest.

Rent is the Public's wages and interest; it is a factor in determining all market prices.

This becomes clear when it is realized that, though a man may build two houses exactly alike, the rent varies with the amount of community service available.

## PEOPLE ALWAYS PAY WHAT GOVERNMENT IS WORTH (16)

(*The Answer*, 26 (10-14), 29, 34, 55-7.)

Rent is always all the traffic will bear; and we pay in full in our rent for the community service available to us, without regard to the use

(25)

which may be made of the money.

Those who live under any government will always pay in rent what it is worth to them to do so.

It is a law of nature that government service is self-financing.

In addition, rent includes the compensation due the countless co-producers who serve the community at their private expense.

The rent is, therefore, always more than sufficient for the needs of the government.

The rent is the market value of the community service; hence it is sufficient to cover every cost of producing that service — interest, insurance, depreciation, etc.

If we had all the rent in the public treasury, the part paid for privately-financed service would be left as an unexpended balance after all the cost of maintaining the government service had been met.

This is the money which would

(26)

be used to finance new capital investments, such as new schools.

It is impossible to divide the rent directly and justly among our co-producers; but it is possible to collect the rent instead of taxes and use it for public needs.

Each co-producer would then get in community service a just reward for his own contribution.

The more co-producer service, the higher the rent and the larger the public revenue; and the larger this revenue, the more service society could render co-producers.

Nature's law of rent may be safely trusted to compensate each producer fully and justly.

### TAXES ARE STOCK ASSESSMENTS

(17)

(See *The Answer*, 26 (23-27), 63, 78.)

We must supply service equal in value to the rent; and, all costs counted, the expense of producing

(27)

and delivering that service is equal to the rent. (See p. 26.)

But, because rent is mistakenly believed to be paid for the use of land, the holders of land are allowed to claim the rent.

They act as middlemen, getting community service from the public at the tax rate and selling it at the rate the rental market fixes—keeping the difference (net rent).

When we sell community service this way for less than it is worth (less than the rent), stock assessments (taxes) must be levied to balance our books.

The stock assessments (taxes) levied must equal the net rent retained by the title-holders — plus the cost of assessing and collecting the taxes.

Taxes are levied according to ability to pay—that is, they penalize both Industry and Thrift.

In most cases the taxpayer has

more in improvements and personal property than in "land value." The ratio is about 4 to 1, thus:

Building and contents.....	\$4,000
Value of title to the lot.....	1,000
Total assessment.....	\$5,000

Such men are houselords, not titlelords, or rentlords; and they lose when the latter prosper.

A few years ago, the tax roll of the local county carried assessments totalling \$100,000,000:

Land titles assessed.....	\$60,000,000
Im. & P. P. (unchanged).....	40,000,000
Total assessment.....	\$100,000,000

A county expense bill of \$100 was financed then as follows:

Recovered from title-holders.....	\$60.00
Taxes pd. by Labor and Capital.....	40.00

To "relieve real estate" assessments on land titles were cut 30 per cent, narrowing the tax base as follows:

Land titles assessed only.....	\$42,000,000
Im. & P. P. (unchanged).....	40,000,000

This narrowed the total tax base to \$82,000,000 and raised the tax rate in the proportion of 82 to 100.

Business and professional men in leased quarters get no cut in assessment, but pay a higher tax.

The householder mentioned on Page 29 is now assessed:

Improvements (unchanged)	\$4,000
Lot title assessment cut to	700
Total assessment, now	\$4,700

His tax was cut on 20% of his assessment and raised on 80% of it—a net reduction of nearly 15%.

The taxes paid by the landless were raised 21.95%. This was the fate of most business concerns!

Of 419 business concerns in the central district of Stockton, 403 are in leased quarters and have no "land value" at all.

On a \$100 item of county expense, title-holders pay less and the rest of us pay more! Thus:

Recovered from Title-holders.....\$51.22  
(Instead of \$60.00)

Taxes pd. by Labor and Capital..... 48.78  
(Instead of \$40.00)

For every \$100 of county expense, \$8.78 was shifted in this way from the levies on land titles to the levies on labor values.

### IT IS THE TITLE, NOT THE LAND THAT HAS VALUE (18)

(The Answer, 26 (15-22, 28-37), 61, 69.)

A deed to land is a license to collect rent and is valued in proportion to the net yield.

The sale value of a title to land is the capitalized value of the net rent—that is, the sum on which the net rent will pay interest.

If the rent is \$1,000, and taxes \$280, the net rent is \$720. In a 6% money market, that is interest on \$12,000 and the lot title would sell for \$12,000.

If the taxes were cut to \$100,

the net rent would be \$900; and, in that same market, the lot title would sell for \$15,000.

If we recovered all our rent, there would be no net rent and titles would not sell at any price.

### WHY TITLE-HOLDERS TRY TO CONTROL GOVERNMENT (19)

(*The Answer*, 26 (29, 30, 46-58), 27.)

A title-holder cannot pass a "land tax" on by adding it to the rent; he must pay it himself, if it takes all the rent.

The rent is fixed by the market and that is all he can get; if he could get more, he would do so, without waiting to be prodded by the tax collector.

He has his choice of two plans:

One is to get public and private improvements made where the result will be to raise the rent he collects it.

The other is to get taxes lifted from land titles and shifted to Industry and Thrift.

Title-holders keep the rent they are paid for Federal service and for the California state service; for there are no Federal or California state taxes on land titles.

The rent paid on account of the State University and the various state junior colleges in the educational centers of California runs into millions of dollars annually.

Not a cent of this is claimed by the State of California.

The California state sales tax raises a million dollars a week for the California schools, enriching title-holders by that much.

The California gas tax raises still another million dollars each week, adding that to the net rent of California rent-collectors.

Our relief bill is paid, mainly, with state and federal money; so land titles are exempt from that tax and title-holders are further enriched; for they do not fail to charge

for the advantages which are financed with relief money.

Even local government expense is largely shifted to our wage and interest accounts. (See Sec. 17.)

Public ownership of utilities, toll-bridges, etc., is another trick which shifts expense to the public and enriches title-holders.

All self-liquidating projects are of this type. We pay the bill and title-holders take the rent.

#### A DOLLAR OF "LAND VALUE" IS A DOLLAR OF DEBT (20)

(*The Answer*, 26(23-37) and 78.)

It is assumed in Section 18 that the community service available at that site is worth \$1,000 per year; hence the rent is \$1,000.

We sell that service for \$280, and lose \$720. To make that up, we pay \$720 in taxes, which is exactly the amount of the interest on \$12,000 in 6% bonds.

(34)

Every dollar of "land value" is a dollar of public debt on which we are taxed to pay interest.

We boast that we will not pay tribute; but is not this a payment of tribute money? Do we not pay tribute when we pay taxes?

#### TITLE-HOLDERS WAGER THAT WE ARE DUMB (21)

(See Dialogues 67, 78, in *The Answer*.)

"Investors in land" wager the amounts invested that we will sell our community service for less than cost and tax ourselves to make up that loss.

If we should refuse to do that, they would get no net rent (no return on their "investments"); and land titles would not sell at any price. (See pp 31 and 32.)

The annual rental value of the local waterfront acreage is \$300 per acre per year; yet speculators are permitted to hold 1,500 acres of

(35)

that waterfront for taxes averaging less than \$3 an acre, a year.

We sell \$300 worth of waterfront service for \$3 and lose \$297 per acre—and pay in taxes \$400,000 per year to make up that loss!

And when Stockton voted to construct its deep-sea ship canal, it paid title-holders more than a million dollars to get out of the way of that project.

Isn't this paying tribute?

### WHY THE MOST OF US GET ONLY A BARE LIVING (22)

(See Dialogues 68, 87 in *The Answer*)

The more we progress in the arts and sciences and in culture, the more we are exploited.

As we progress, rent advances.

The higher the rent, the greater the temptation to take advantage of our ignorance of economics.

The greater that temptation becomes the more crooked politics do

(36)

we have and the more crooked taxes we have to pay.

On the frontier, co-producers are few and but poorly equipped; hence frontier rent is low.

If all frontier rent were lost, that loss would be very small; but when the community grows and rent rises the loss of only part of the rent may be very serious.

This loss is an inevitable result of progress, if, when and where title-holders are allowed to keep any part of the rent they collect.

(See definition of rent, page 24.)

This is why we get (on the average) only a bare living, and it explains why misery deepens in the slums as wealth blossoms on the avenue.

This perplexing association of poverty with progress led Henry George to write *Progress and Poverty*. (See Secs. 38, 39.)

(57)

## HOW THE FARMERS ARE CRUELLY EXPLOITED (23)

(See Dialogue No. 71 in *The Answer*.)

Farmers have been cruelly deceived by being taught that they belong to the "landed class" and profit by policies favorable to the holders of title to land; for our "land value" is mainly in cities.

Even on the face of the assessor's records, farmers have little "land value." An automobile will cover more "land value" in some cities than there is, altogether, in some of the large counties in the farm belt.

More than half of California's "land value" is in its two larger cities, although the remainder includes the "land value" of more than 200 other California cities.

But even that statement misrepresents the farmers' interest in this matter.

For much of the farmers' so-called land value consists of labor

(38)

values mistakenly assessed under the heading "land value."

Fencing, draining, levelling and ditching values are labor values; but they are assessed as part of the "land value."

In highly improved districts, a farmer's "land value" may be less than 20% of the value for which his farm is assessed.

Farmers have the most acres, but not much "land value." That has been moving to the cities.

Rural rent is very low; hence farmers collect very little rent.

Rent is the Public's wages and interest; and, like all wages and interest, it is charged into our cost of living.

Farmers sell their products and buy their supplies in the cities; and in doing so they pay the high city rent which is charged into the bills for these transactions.

The farmer is the victim of an

(39)

unfavorable balance of rent. Although he collects little rent, he pays high rent when he sells and again when he buys.

This explains the impoverishment of our farmers.

### IS THIS A CONSPIRACY, OR ONLY A COINCIDENCE? (24)

(See *The Answer*, Dialogues 30-32.)

Why do men fond of discussing wages and interest not see that these are necessarily low where "land values" are high?

We sometimes hear men talk about the amount of rent they pay; but the nature and significance of rent is rarely, if ever, discussed. Why?

Is the nature and significance of rent discussed in any school, college or university? Why not?

Have you ever known of any discussion of this subject in Congress, or in any legislature, or by

any religious or educational group?

By a Chamber of Commerce?

Or a columnist or clergyman?

Or over the air? Why not?

Have you seen it discussed in the columns of the regular press?

Have you ever known any civic organization to discuss it?

Men who are interested in finding the cure for crooked politics and war should insist that this conspiracy of silence be broken.

### MOST TITLE HOLDERS ARE VICTIMS OF THE SYSTEM (25)

(See Dialogues 34, 71, in *The Answer*.)

The only people who profit as collectors of our rent are those who have more in "land value" than they have in improvements and personal property.

Few people realize that most title-holders lose more in taxes than they gain in rent. (See pp 29, 30.)

Once this is understood, Public

Opinion will demand the collection of the rent instead of taxes.

At present we are helpless.

As matters stand now, it is impossible for the schools, newspapers or the radio to save us.

Asking a newspaper to lead out in advance of Public Opinion is like asking an army to finance itself by bartering with the enemy.

The schools and the churches are both dependent upon Public Opinion.

Because radio licensing regulations are frightening, if not actually harmful, the radio is less free than the Press and the Pulpit.

Of what use to us is the ballot, if we cannot trust the news?

The voters' judgment is only as dependable as the news reports on which it is based. Control of the news carries with it the control of our elections and nullifies our boasted freedom of the ballot.

(42)

## WHY WE HAVE WARS AND WHO PROFIT BY THEM (26)

(*The Answer*, 26(28-33, 46-58), 27, 80.)

By permitting title-holders to claim the rent, we tempt them to meddle in our affairs to control conditions affecting rent where they do the collecting.

The rivalry between the county seat and the rest of the county is a result of the rivalry over rent; the costly sectionalism that divides our cities is directly traceable to this rivalry over rent.

Rivalry over rent has blocked the development of inland waterways; for the cities on railroads are more numerous and so have more influence than their rivals.

Everywhere the producer is exploited by collectors of rent.

This meddling is world-wide.

Regardless of their religion, or their political or banking systems,

(43)

all peoples suffer these same ills.

As countries develop and life becomes complex, co-producer service increases and rent rises.

As rent rises, the rivalry over its collection increases, taxes rise and the cost of living rises.

This slows up business at home, and our meddlers begin to look to foreign fields for new conquests.

Sooner or later, this leads to conflicts with similar meddlers in other countries.

Not understanding the cause of these conflicts and not seeing the simple cure for them, the people of each nation think the situation calls for a show of force. This breeds suspicion and resentment and the stage is set for war.

No matter how the matter may be camouflaged, every war results from attempts by title-holders to control conditions affecting rent where they do the collecting.

The wars between Rome and Carthage were fought over the question whether the business of the Mediterranean should center in Rome where the Romans collected rent, or in Carthage, where the Carthaginians collected rent.

Our Civil War of 1861-65 was fought over the question whether Southern cotton should be sent North to enrich rent-collectors in New England, or allowed to go wherever the South might sell it.

The North had demanded a tariff which gave the North a practical monopoly of the textile business of this whole broad country.

This interference with the freedom of Southern trade is what caused the South to secede.

Italy's conquest of Ethiopia resulted from the desire to have the raw products of Ethiopia be processed where Italians collect rent.

The World War (rounds I and II) will bring to a conclusion the rivalry of British and German collectors of rent and settle the question whether the business of the Old World is to center in Germany where the Germans collect rent, or in Britain where the British do the collecting.

And our war in the Pacific will settle the question whether the trade of the Pacific is to center in Japan where the Japanese collect rent, or on our West Coast where we collect rent.

#### **TITLE DEEDS ARE EXEMPT FROM WAR TAXES ALL (27)**

*(The Answer, 26 (39, 40, 41, 45, 52).)*

All men are more or less selfish; but it is only the selfishness of rent-collectors which draws us into war.

War is always due to the meddling of title-holders who seek to control conditions affecting rent where they

(46)

do the collecting; yet the United States Government exempts land titles from taxes.

Not a cent of our appalling war tax is assessed against land titles.

Worse yet, we are hindered in our effort to win the war by the rivalries of title-holder groups, each of which wants the war fund spent where it collects the rent.

And yet, when we win the war and make this a better place to live—at the cost of our boys' blood—these title-holders will be quick to raise our rent.

The rent should be higher then. For this will be a better place to live and to do business.

But why let title-holders keep any part of that rent?

Why should the possession of titles to land give men a legal right to profit in that way by the sacrifices of war?

(47)

**THERE IS BUT ONE WAY TO  
SAVE CIVILIZATION (28)**

(*The Answer*, 2, 12, 26(1-4), 27, 91, 93, 105.)

There is but one way to save ourselves. That is to accept economics as a science as exact as any science.

No conspiracy of silence can long prevail against the facts of nature.

When we study economics as we study the sciences, we learn that instinct and human passion can be insulated and used as we insulate and use electricity.

Then instead of wasting time and energy trying to denature nature, we shall use instinct as we use other natural forces.

Then men will understand that, since man is gregarious, he is by nature instinctively cooperative.

Then men will see that the way to solve these problems is to take advantage of that instinct.

(48)

**NATURE DOES NOT TRUST  
SUCH MATTERS TO MEN (29)**

(See *The Answer*, Dialogues 13, 96.)

Nature does not depend for the protection of her human species upon man's ability to stabilize society. She has a more dependable plan than that!

Talking about the unfitness of backward people for self-government convicts men of ignorance.

For Nature has staked the stability of society, not upon the intelligence or the virtues of men, but on instinct and natural law.

She entrusts men with the control of those things only which are vital to individuals, or at the most, to groups of men.

Within these limits men are allowed a choice; but in matters vital to all men Nature reserves to herself exclusive control and requires strict compliance with her conditions. (See p 9.)

(49)

## THIS DEADLY DRIFT CAN BE COMPLETELY REVERSED (30)

(The Answer, Dialogues 11, 18, 20, 27, 35.)

We have our choice of ways to finance the government:

One is to require that people contribute according to their ability. This is taxation as we know it.

The other is to collect the rent instead of taxes—that is, to collect what each of us pays for community service.

Taxation is an inefficient and mischievous method.

Taxation penalizes both Industry and Thrift and slows up production.

It impoverishes producers and enriches non-producers; it makes liars and cheats of many who (but for this temptation) would be honest; it demoralizes men and undermines civilization.

However, just as the gear-shift in an automobile reverses the direction of the automobile without reversing the engine; so can we,

(30)

by a shift in our revenue system, reverse our present course without reforming men.

Collecting the rent instead of taxes would not make men honest or kindly; but limiting them to wages and interest, which cannot be had except by making a corresponding investment of labor or capital—that is, by being useful, would make them selfishly eager to be both useful and agreeable.

The impulse of the heart would be the same, but the chariot of state could be reversed and run toward the social heights.

Desire for gain would then be a desire for wages and interest, for no one could keep any of the rent.

When men are selfishly eager for the cooperation of others who are selfishly eager for their help, harmony and neighborliness are as natural as breathing.

(51)

Politicians would still be what they are today; but, since no one could profit selfishly by the control of political conditions, no one would be selfishly interested in employing politicians.

Accordingly, politicians would look to us for employment and would have to serve our interests.

This is Nature's method of providing for the preservation of her human species and promoting its social development.

#### WE INTERFERE WITH HER PLAN FOR THE RACES (31)

(See *The Answer*, Dialogue 26 (59-61).)

Race prejudice is instinctive; it is one of Nature's provisions for the preservation of her species.

The races segregate themselves voluntarily, if allowed to do so.

Kipling's statement: "East is East and West is West and never the twain shall meet," should be con-

sidered in connection with the fact that Nature put the Oriental and the Occidental on opposite sides of the globe — as far apart as it is possible to put them!

She put the Negroes in Africa.

The Negroes did not emigrate to America; they were imported for buyers interested in rent, just as cattle would be.

When we acquired Oregon and Washington and became possessed of ports on the Pacific, we became interested in developing the trade of the Orient.

It was then that a U. S. admiral took historic steps to open Japan to the trade of the world.

Likewise, it was the demand of the Eastern States for a share in the trade of the Orient that led to the digging of the Panama Canal.

In California, the immigration of Mexicans, Chinese, Japanese, Filipinos, Hawaiians, Hindus, Ko-

reans and South Sea Islanders was promoted by rent-collectors.

The collection of the rent instead of taxes would solve the problem of the races.

For then unused land would be unclaimed land and the various races could indulge their racial prejudices by voluntarily segregating themselves.

Commerce is an exchange of values, hence in commerce one receives only wages and interest—which can be got only by making one's self (or his capital) useful.

Legitimate trade never arouses racial antagonism; that does not arise till men begin meddling to control conditions affecting rent.

Our inter-racial trade is proof that, strong as race prejudice is, the desire to live is still stronger.

Wise civic workers will study economics to learn how to harness that universal desire.

(54)

## REAL CLASS WAR vs FALSE MARXIST ISSUE (32)

(See *The Answer*, Dialogues 28, 29.)

Whatever helps or hurts either Labor and Capital affects both.

They are fellow victims of the misappropriation of rent.

The real class war is between the producers, Labor and Capital, and non-producers who live on rent.

The true relations of Labor and Capital and the Public is shown in Dialogue 29 of *The Answer*, in which they are likened to the relations of John Labor and Richard Capital, partners in the business concern, Labor & Capital, Inc., owned by Labor and Capital.

John puts in the labor and gets the wages, Richard furnishes the capital and gets the interest; the rent belongs to the Corporation—which is the property of John and Richard.

(55)

## WAR WITH ORGANIZED VICE IS ALSO A CLASS WAR (33)

Organized vice has its origin in the temptation which besets men who claim as their own any part of the rent they collect.

Here is another class war—another case of highly organized exploitation. This time the exploitation of men's vices.

Caught in the ruin caused by taxation, the owners of property in decadent sections of our cities often find it impossible to survive legitimately and either lease their property for illegitimate purposes or sell out to those who will do so.

Operators of harlotries gladly pay extremely high rentals, if assured protection from police interference.

This is the lure which prompts men to organize the political machines which control our cities.

To get these high rentals, the

(56)

owners of these properties organize politically that they may protect themselves from the police.

The observant reader knows it is only those who pay these high rentals and who maintain pay-rolls who get the protection of the Vice Ring.

Forgers and pick-pockets and other criminals who maintain no headquarters and carry no pay-rolls have no influential friends.

For proof of these statements, compare the manner in which the police run down forgers and pick-pockets and their fate in court with the police laxity and the uncertainty of conviction in the case of defendants who pay high rentals and carry large payrolls.

What may appear to be exceptions to these conclusions will, on close examination, be explained by the fact that in a clash of interests between two groups of rent-col-

(57)

lectors, victory always inclines to the side having the biggest stake in rent.

Napoleon is said to have held that God is always on the side of the heaviest artillery; that can be paraphrased by saying that in the matter under discussion, God is always on the side of the heaviest rent rolls.

In cities where vice is well organized there is little graft, in the commonly accepted sense of that term; such culprits do not stimulate rents by maintaining headquarters and carrying payrolls.

The title-holders who engage in crooked politics want the rakeoff for themselves; they want no money to leak out in the form of petty graft. So they are prompt to suppress other forms of graft.

They demand that the officials and the police be content with their jobs.

Westbrook Pegler said of the corruption in Kansas City that a Kansas City policeman would be as able to shake down the Santa Fe Railroad Co. as he would be to exact graft from a Kansas City brothel; for were he to try to do that, he would be disciplined by the High Command of the Vice Ring.

The way to put the Vice Ring out of business is to collect the rent instead of taxes; then the organizers of the Ring would lose interest in the game and the operators of these joints would quit business.

The plan urged here would not make men virtuous, but it would make it impossible for any one to profit by the vices of others.

When every man can afford a home of his own and time for vacations, there will be less support for illicit entertainment.

## A FEW OF THE TAXES OF AN AVERAGE FAMILY (34)

*The Answer*, Nos. 63, 65, 67, 73-6.)

Usually, title-holders have four times as much in improvements and personal property as in "land value," thus losing in taxes four times their gain in rent. (See Sec. 17.)

With business and professional men the ratio of improvements and personal property to "land value" is higher than 4 to 1; for very few of them have the title to the site which they occupy. Of 419 in a central section of Stockton, all but 16 are tenants.

Here are some of the many taxes paid by an average California family in 1941:

Tax on the title to the lot .....	\$10.00
Tax on house and contents .....	40.00
California "in lieu" tax on autos .....	7.00
Federal "use tax" on autos .....	5.00
Gas tax 4½c per. gal. say 9,600 miles at 20 miles to the gallon .....	21.60

(60)

In insurance bills, about 15% .....	9.00
In bills for water, light, etc., 15% .....	15.00
Cigarette tax, a pkg. a day .....	21.90
Theater tax for the family .....	6.00
State sales tax, 3% on purchases except food, with a new car each third year .....	42.00
Social Security tax .....	6.00
Income tax .....	12.00
Av. family total for year .....	\$195.00
Community service bill, under new plan, say three times present "land tax." .....	30.00
Average family saving, per year .....	\$163.50

## BUSINESS WOULD BE GOOD; PROSPERITY THE RULE (35)

*(The Answer*, Dialogues 26(63-65), 94.)

If the rent were collected instead of taxes and all taxes were abolished, producers would have all they produce and their combined buying power would enable them to buy the entire product and pay cash for it and business would always be good.

(61)

Under our present system, a man who sets aside \$5,000 for the construction of a residence may spend that money as follows:

For the title to a lot .....	\$1,000
In construction of residence .....	4,000

Were the rent collected instead of taxes and taxes abolished, land titles would not have to be purchased; then such a householder could spend that sum as follows:

For title to the lot .....	NOTHING
In construction of residence .....	\$4,000
For a new automobile .....	1,000

Where the ratio between "land value" and labor values, is 1 to 4, business would be 25% better under Nature's plan, for such a man could spend his \$5,000 for labor and materials instead of spending only \$4,000 in that market.

Nor would the wealth of the world be destroyed by war.

There would be no war!

Man is gregarious—that is, he is a social creature.

(62)

It is illogical to assume that a gregarious creature can have unsocial instincts. (See pp 9, 10, 35.)

Explorers report that strange peoples are invariably friendly at first. Trouble begins when one of them begins exploiting the other.

When great disasters occur, it is noticeable that peoples of different nationalities and races are quick to rally for relief.

As shown in Sec. 14, rent belongs to the public; denied rent, the individual is limited to wages and interest, which can be got only by being useful.

(See Section 15 for the difference between rent and interest.)

Limited to wages and interest, men would be compelled, in self-defense, to be mutually helpful.

Then, men would be selfishly eager to be useful and agreeable.

(63)

## THIS NEW 'SCIENCE' IS NOW MAKING RAPID PROGRESS (38)

(The Answer, pp xi-xvi and No. 97.)

Constructive progress in the Science of Economics began in 1776, the year Adam Smith stated the law of rent.

In 1879, Henry George stated the law of wages and the law of interest.

That completed what may be called the framework of Economics.

Unfortunately, neither Adam Smith nor Henry George correctly sensed the nature and significance of rent.

For years, beginning almost with its first issue in 1921, *The Forum* of Stockton, California taught that rent is for *service and is the Public's wages and interest*; yet it continued inconsistently to speak of it as being paid for land!

Not till 1932 was the nature and significance of rent correctly set forth.

In that year, W. R. B. Willcox, head of the Department of Architecture of the University of Oregon, at Eugene, Oregon, set this matter forth correctly as a committee chairman, in a report to the American Institute of Architects.

In 1934, Otto Cullman of Chicago published "\$20,000,000 Every Day" in which he set forth correctly the basic truth that *rent is*

for *service*. However, he often referred to it by the contradictory and confusing term *ground rent*.

Land may be a factor in *production*. It may, at least, be listed as a passive factor (if factors are ever passive); but in economics, *which begins where production ends*, land is in no sense a factor. References to land in discussions of economics are likely to divert the student's attention from the vital principles of that science.

Emil O. Jorgenson of Chicago published in 1935 *The Road to Better Business and Plentiful Employment*, and although he used the contradictory and confusing terminology of Single Taxers, his book settled affirmatively the question whether rent enters into price.

In 1938, Mr. Willcox elaborated the *Institute Report* of 1932 and published it as a book of 140 pages under the title, *Taxation Turmoil*, republished two years later as *The Curse of Modern Taxation* (privately sold by the author at \$2 per copy).

In 1941 the editor of *The Forum* (author of this *The Secret*) published *The Answer of Nature Herself to the Riddle of the Ages* (Part 1), 212 pages, plus 28 pages of history and introduction. *The Answer*, privately published by the author (\$2.50), contains 105 dialogues with as many different characters in which the challenges hurled at the

thesis of *The Secret* are answered point by point.

In 1942, Otto Cullman published *Behold The Future*. This supplements and strengthens his earlier book; from it he omits the confusing term, *ground rent*. This book of nearly 100 pages is sold by *Cause and Effect*, Chicago, price \$1.00.

*The Secret* (the little book in your hand) appeared in August, 1942.

There are now two periodicals which advocate the collection of rent instead of taxes and the abolition of all taxes, direct and indirect.

One of the publications is *Cause and Effect* (mo. \$1 per year) published at 127 North Dearborn St., Chicago. It is edited by C. R. Walker, one of the men to whom the world owes the clarification of this vital matter.

The other *The Forum* (wkly. \$2.50 per year) is a 4-p., 7-col. newspaper, published at 1323 East Poplar, Stockton, California, now in its twenty-first year. *The Forum* is devoted exclusively to the economic interpretation of news and to teaching economics as a science as exact as any science. It is recognized in the courts as a qualified medium for legal advertising and is patronized by attorneys; but its main reliance is upon what it calls sustainers' cards. These, if commercial, it limits to one column inch. Political

advertising is not limited, but political advertisers are permitted to pay for but six inches (\$6.00) in any one issue. The sustainers' cards of the good-will class are smaller than one inch.

These publications are preserved in numerous libraries, both public and academic; among them, the Library of New York City, which has kept *The Forum* on its list because it is a source of original contributions to science not obtainable elsewhere.

#### THIS IS NOT SINGLE TAX

Those (if any there be) who have the impression that the teachings of *The Secret* are the same (or even practically the same) as that of the Single Taxers must be corrected! Its teachings are so radically different that *The Forum* and its editor have been opposed by Single Tax leaders. For one thing, *The Forum* and its publisher and editor were cut off from the benefits of *The F. F. Ingram Fund* left by Mr. Ingram for the promotion of the Single Tax. Only one Single Tax club in the country has given *The Forum* any financial assistance. That one is the San Diego Club. Single Tax publications and organizations have been cool, critical or hostile to this new teaching which has "come out of the West."

One reason for this is that this new teaching will, if accepted, discredit and replace Single Tax. Another is that two prominent Single Tax institutions, *The Schalkenbach Foundation* and *The Henry George School of Social Science*, are chartered to teach this subject as it was taught by Henry George, who died in 1897. A parallel requirement in the field of aviation would be that flying schools teach aviation today as that subject was understood by Prof. Langley and the Wright Brothers back at the turn of the century.

Henry George pioneered the truth which is to make men free in the economic sense of that term, but he died in 1897 without realizing the full significance of what he had done. And his followers in the single tax group, by centering their attention upon the fiscal aspects of his discovery to the neglect of its more vital social aspects, gradually lost their vision and their influence and so missed the goal.

George himself failed to sense the significance not only of his discovery, but of his own teaching. In *Social Problems*, last page of Chap. xix, he says:

*"Here is a provision made by natural law . . . an adaptation of nature by virtue of which the natural progress of society is toward equality . . ."*

But he shows in Chap. xxii, (last page) that he is still a moralist; for he says there that the solution of these pressing economic problems depends on our acceptance of the teaching of Jesus *that we love one another!*

Henry George died in 1897 without realizing that he had not only pointed the way to the solution of the problem of raising government revenue, but had led the way also to the solution of *all five of the great problems which had so long baffled mankind*; namely:

*The problem of Labor Relations,  
Of Democratic Government,  
Of Honest Politics,  
Of Race Relations,  
And the problem of World Peace.*

## INDEX

Bibliography	Section 38
Bare Living, Why That's All We Get	22
Civilization, How Save	3, 6, 30
Class War, Real vs. Marxist Issue	32
Conspiracy of Silence, World-Wide	24
Co-operation is Instinctive	9, 28
Crooked Politics, Cause and Cure	14, 19
Democratic Method, Its Limits	8
Dual Control, Nature's system of	7
Economic Laws Do, or Do Not Exist	6

Economic Planning Impossible	5 - 9
Economics, as Science, Progress of	38
Exploitation by Means of Sales Taxes	19
Farmers Cruelly Exploited	23
Government, Title-holders' control of	19
Governments, Why They Fail	8
Greed, How to Insulate	10; 30
Human Interests, Three Kinds	8
Land Titles Exempt from War Taxes	27
"Land Value" Is a Public Debt	20
Moral Law, Its Field Limited	7
Organized Vice, Origin and Cure	33
Producers and Co-producers	4, 11, 14
Public Ownership, the Trick in It	19
Race Problem, Nature's Solution	31
Relief as a Means of Exploitation	19
Rent, Common Errors Regarding	15
Rent Defined	14
Rent and Interest, the Difference	15
Rent Ample for All Public Needs	30
Self-liquidating Projects, the Trick in	19
"Short Circuits" in Economics	10, 30
Single Tax, this is NOT Single Tax	38
Single Taxers Oppose this Teaching	39
Tax Money is Tribute Money	17, 21
Title-holders, Most of Them Victims	25
Title-holders Bet We Are Dumb	21
Virtue is Individual, Not Joint	10
War, Its Cause and Cure	26
Win the War, Make Each Dollar Count	32

## SUSTAINING CARDS\*

"Taxpayers should read this paper and study its plan, for this is the plan we must adopt, and that quickly, if we save ourselves. We are sunk if we do not."

**J. P. CAMPBELL**

City Assessor and Auditor

**H. F. SARMAN**

Omaha, Nebraska, \$3.00 per quarter

**JOHN BATTISTINI**

Stockton, California, \$5.00 per month

**C. LOEHMAN**

Brooklyn, N. Y., \$20 per quarter

\*"Specimens of the *Sustainers' Cards* selected from the columns of *The Forum* of Stockton, Calif., to illustrate its unique financial plan. (See p 68.) J. P. Campbell, the Stockton city official who carries one of these cards has been 29 years in the assessor's office and for 13 years has been the city auditor, also. He is widely known as a student of municipal finance.

## YOUR ECONOMICS "IQ"

Rent is paid for the use of land. Is this true or false? (See p. 24.)

Is it a good sign when titles to land command a high price? (See pp. 34, 35.)

A payment of taxes is a payment of tribute. True or false? (See pp. 35, 36.)

Is our theory of the balanced power of government, as illustrated in the Constitution, correct? (See p. 18.)

Crooked politics and war are due to man's *social instincts*. Is this true or false? (See p. 9, 17, 48.)

Society has nothing to fear from the sovereignty of the individual. True or false? (See pp. 9, 11, 49.)

The higher our "land values," the more the farmers are impoverished. Is this true or false? (See Section 23.)

It is a law of Nature that governments are automatically self-supporting. Is this true or false? (See p. 26.)

Are all of us, or only a few of us, benefited when toll-bridges and other "self-liquidating" projects earn enough to pay themselves out? (See pp. 32, 34.)

By the study of economics, we learn to use greed and race prejudice just as by the study of physics we learn to use fire, steam and electricity. Is this true or false? (See p. 19.)