

INFORMATION...

Concerning

THE PURPOSE, ECONOMIC SCIENCE PRINCIPLES,

METHODS OF EDUCATION AND HISTORY

of the

PUBLIC REVENUE EDUCATION COUNCIL



The Public Revenue Education Council is a non-profit, non-political, educational institution chartered by the State of Missouri. A Board of 15 Directors elected by the membership selects and supervises the officers. Its income is derived from membership dues and contributions of individuals and of organizations that believe in its basic objectives. The Federal government has given it a tax-free status and ruled that contributions are deductible.

Purpose

The purpose of the Public Revenue Education Council is to educate by disseminating information regarding, (1) the collection and expenditure of public revenue, (2) the elimination of artificial barriers to the production and distribution of wealth and services, and (3) the unblocking of the natural incentives which encourage maximum production.

The Council seeks to reach men and women who are concerned about the state of the Nation and the creation of an environment in which freedom and individualism can come to maturity. The Council seeks to contact those who want an economic system which can provide un-

limited opportunities for everyone without artificial stimulation.

Educational Emphasis

The Public Revenue Education Council believes a science of economics has been sufficiently developed that can aid mankind as surely as the other sciences have done. Science is useful only as we understand and use its cause and effect and predictability patterns without prejudice. Engineers can produce engines for power or speed by the use of known laws of physics, chemistry, metallurgy, and the like. Economic science also has cause and effect patterns to help us secure the basic economic results we desire. The educational emphasis of the Council is on the basic facts and principles of the Science of Economics, especially as they relate to public (and private) revenue; and how they may be used to achieve predetermined goals.

Two Tax Facts That Can Lead to Tax Relief for Producers

Two vital truths essential to tax relief for Labor and for owners of true (man-made) capital are revealed by

the Science of Economics. The first is that government has a source of revenue as naturally its own as do workers and owners of capital. This revenue arises from its activities in providing services and in aiding private interests to produce their own amazing flow of services to the public. These activities make the community—local, state and national—a more desirable place in which to live and to produce and this increased desirability is reflected in increased land values. No individual can attribute any particular part of this publicly created value to his personal efforts. Land economists and land dealers alike recognize that land value is produced by population and the character and progressiveness of the people; it is a result of the general blending of the public and private activities of everyone. This general, community-generated value is measured in the market place as RENT-of-land. Therefore, RENT-of-land is the **Natural Public Revenue** of the community.

In contrast to this publicly created RENT-of-land fund, privately produced products and services have their own built-in-value-determinants—generally considered to be their labor and capital cost of reproduction. Facts and figures on costs and market prices are involved and controlled in private productions which private producers offer for sale. Man-made productions are easily identified as being privately produced and are economically and morally private, and any income resulting therefrom is **Natural Private Revenue**. The Public Revenue Education Council believes this identification of public vs. private income is vital to an understanding of the people's problem of income for government.

The second truth is that a tax is not a source of public revenue. A tax is no more a source of public revenue than a pump is a source of the water it pumps—the pump is not the lake, well, watershed, etc. A tax is like a pump—it draws from a source. The confusion in education of taxes with scientific economic sources of public revenue is a cause of much tax-confusion; it prevents a clear understanding of public revenue problems.

Only Two Basic Sources From Which to Choose

Capital-owners and all who work have strong and observable common interests. A demand for labor is a demand for capital, tools, machinery, materials, buildings, etc. When wages tend higher, interest tends higher unless there is intervention by government. Because of these relationships Labor and Capital-owners can and should be treated as "one family" as far as the basic principles of public vs. private revenue are concerned. Of course, millions of people are both workers and capital owners.

Human effort (including all labor, and man's efforts in producing capital), and Land (the source of all sites and raw materials), are the two basic factors of production.

The wealth they produce is distributed in the form of wages and interest (Rewards for human effort), and as rents or royalties for the private use of land (RENT-of-land). These two avenues or channels of distribution are also the only basic sources from which government can draw income. These facts tell us that the one vital decision we, as citizens, must make is this: which of these two basic sources . . .

Rewards of human effort

or

RENT-of-land

ought we use, or use first, to provide income for government.

Assured Benefits

3 Only by understanding the nature and relationship of the factors of production and the principles of economic science can we see how to simplify our tax system. Obviously, if there are but two basic sources from which to draw income to government, most of the numerous taxes and tax bureaus now in operation are unnecessary. Once this fact is clearly understood by enough people, they will begin to resist the imposition of new taxes (pumps) and to work to abolish existing taxes.

Economic science also reveals that by our choice of a source of public revenue we can make it harder or easier for people to secure, by their own efforts, food, clothing, shelter, and some of the luxuries and cultural values of life. It makes clear that we can eliminate or greatly reduce the government-created, monopoly-creating special privileges, and government restrictions. By the use of the proper source of public revenue we can make possible the beneficent use of more automation without unemployment, the abolition of price supports and government relief projects, the resolution of our international trade policy and the reduction of international tensions and the chances of war.

Because our tax policy defies the facts and principles of the Science of Economics we make it harder, rather than easier, for mankind to improve basic economic and social conditions. It is a tax policy which makes it harder to produce capital, and to have fair and just access to land, the source of all man's material satisfactions. Using the wrong-source of public revenue makes land and capital artificially high priced and lowers the purchasing power of wages and interest (a form of wages). Yet it is the nature of our Free Enterprise, consumer-directed system to give people more and more for their labor as the years go by. Our tax system, as it is today, wipes out most of this gain by artificially raising prices of land and of products and services.

We are losing our Free Enterprise system chiefly because some people have used the tax system to build up

large private interests and are determined to prevent any fundamental change that might reduce their special privileges. They do this even though they know that the change would enable producers to function more efficiently and greatly increase production with the same amount of labor and capital now used, if only they were freed from selfish tax-impositions. Our best chance, and perhaps our only chance, to save Free Enterprise is to take steps to condition the environment in which it can work at maximum efficiency. The first and most important steps are to increase our use of RENT-of-land to support government, and to untax the productions and the rewards of human effort.

A Flexible Instrument

The Public Revenue Education Council is not limited by any rigid method of education. It can and has used circulars, pamphlets, lectures, newspaper advertisements, and single session-discussion courses with literature for home reading. It can and does plan to use more formal classroom methods, self-study books, work shops and panel discussion, slides and recordings, sound track films, television, radio, and any other methods suitable for various groups and individuals. It seeks the means to attract men whose experience can greatly reduce the time and cost required to educate, or rather, to re-educate people concerning taxes vs. scientific public revenue. The Public Revenue Education Council will provide millions of people with the precise, scientific knowledge they now need to solve a most perplexing, urgent, and dangerous problem—that of natural public revenue vs. natural private revenue.

Publications

To date the Council has published and distributed the following circulars and pamphlets to selected people in the field of industry, business, labor, education and the professions.

- The Great American Tax Shift;
How and Why It Happened.....(12 pages—8½x11)
- Wrong-Source Public Revenue: The Greatest
Threat to Free Private Enterprise
and How To Correct It(12 pages—8½x11)
- Let's Abolish Taxes and Use Natural
Public Revenue.....(16 pages—8½x11)
- Here's a Revealing and Exciting "New Look"
At Taxation.....(4 page folder—8½x11)
- Capital, America vs. Russia: An Answer to
Communism, by Prof. Harry Gunnison Brown,
Professor Emeritus of Economics, University
of Missouri(8 pages—6x9)
- Some paragraphs from Challenge of
Australian Tax Policy, by Prof. Harry
Gunnison Brown.....(12 pages—5½x8½)

History

A series of meetings of people interested in the problems of public vs. private revenue, and in government problems which result from the use of an improper source of public revenue, were held during the summer of 1950. An organization meeting followed in March, 1951. The Council was granted a pro forma decree of incorporation by the State of Missouri on the 31st day of January, 1952. On the 20th day of July, 1953, contributions to the Council were made deductible for donors in computing their taxable net income.

Income

Income of the Council comes from contributions, grants, membership fees, and the sale of literature. While the income has been quite modest it has helped carry on the present development program. During this period of seven years no appeal for funds has been made other than to those who already understood the scientific basis of the program and who had faith in the Council and its officers. No officer of the Council has received any salary during this period. Plans are underway to seek aid from those who have since become familiar with the Council's program and who desire to help extend its area of operation.

Results

We have had good indications of interest and some 2000 inquiries for our basic pamphlet. A number of letters of commendation and encouragement have been sent us. Our educational work is being recognized by more serious students of economics and taxation as being of a more fundamental nature than that of most economic and tax organizations, or foundations that deal largely in taxation statistics and taxation trends, and who limit their proposals to recommending a shifting or eliminating of some taxes. The taxes thus eliminated are for the most part merely replaced by other harmful taxes unless arrangements are made to draw income for public use from the proper source, Natural Public Revenue or RENT-of-land. The Public Revenue Education Council is the only organization of its kind which tries to establish correct principles of public revenue rather than to patch up a faulty system while ignoring the principles of economic science.

What We Must Do

Our main objective is or should be clear: it is to save a Way of Life, a FREE economic system that has evolved over hundreds of years into one of the finest man has ever known. This system is challenged by a desperate, determined and intelligent group to whom time, which they believe is on their side, means nothing—they have sworn to destroy Free Enterprise or Capitalism in one way or another. They believe they will win by our failures and not by war, and this may well prove to be the case.

Generally, people are apathetic and long suffering; they are slow to anger and to move. Eventually, if conditions they dislike persist, they react violently, either by ballot in a democratic way or by militant revolution where governmental dictatorship exists and when hope for betterment is lost. When they support political leaders who promise to shift the economic pattern from that of Free Enterprise to a Welfare or Socialist state economy, they do so only because frightful economic pressures have been allowed to build up which, not being properly relieved, destroyed their sense of well-being and security. After they have lost their stake in the economy and see a few who are more alert, able, ruthlessly disciplined, or lucky, win fortunes in capital others have created, they seek a new stake and a new security in the quickest and surest way for them. They support those who promise to use the taxing power of government in their behalf. Who can doubt that this is what has happened in recent years in our country.

The important thing is to find a way out of this unwholesome situation. We must make moves in a direction that will win the sympathetic attention of people and which will give them hope. The American people, even at this late date, do not want to surrender the ideal of individualism and personal or economic dignity, and the long-established concept that government is their servant and not their master. But neither do they want to go back to the sort of government and economy which they know produced the trend towards the Welfare or Socialist state which has become such a fabulous reality. If we act in time, they will react in a highly favorable manner to proposals which will rectify permanently the basic economic taxation errors which caused the trouble and which will lead them forward to a finer realization of the ideals so long dominant in our country's history.

The important thing to do—an absolute must at this stage of our disturbing retreat from freedom and advance towards State Welfarism or Socialism—is to make a move that will win the attention of our people and give

them sound and cheering hope for betterment. People who wish to defend the freedom way cannot do so effectively unless they understand the basic principles on which it rests. Involved also is a willingness to frankly and humbly admit and to expose the mistakes of the past—to point them out specifically and in crystal-clear terms. Having done this, we must tell people of effective remedies which will rectify these mistakes. We must let them know that the job of education essential to such accomplishments has been started and will spread out over a greater area, and operate more quickly as they, themselves, participate.

emphasis
You Can Help

Those who have organized and worked with the Public Revenue Education Council feel that they are now evolving a type of program that will help the people of the United States to know what is wrong, and why our political and economic actions have not supported the high-sounding words of freedom that are issued by speakers and writers in unending floods. When they see the cause of their troubles they will understand the specific remedies that can end them. They can be helped to see what they must do to win the war for their Way of Life and for the defeat of the programs that put us right down the middle of the road to the Welfare or Socialist State. There are many reasons why you should help the Public Revenue Education Council in its work.

We hope you will aid us in our work of re-education by contributions of money and of ideas, and show of interest in helping us to improve our program. We hope you will purchase our literature for distribution to others, and by encouraging others to examine into our program. We ask you to help the people of our country preserve what is left of Free Enterprise and Freedom and to take steps to recondition our economy so it can advance to a peak never before reached which will attract and win the hearts and minds of the people at home, first of all, and then the hearts and minds of the people of the world—even of Russia.



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