

PAUL REVERE MESSAGES

Including BI-WEEKLY NEWS LETTER

Defending FREEDOM and the CONSTITUTION



Distributed by COMMITTEE for
CONSTITUTIONAL GOVERNMENT,
205 E. 42nd St., New York 17, N. Y.

Releases
#116 & #120

FATTENING ON THE SORROWS OF THE LAND By Ralph W. Gwinn

AMERICAN HOMES WERE cold. Factories were shut down. Trains were taken off. Miners' children went hungry. All because of the evil power of one man.

The miners did not vote to strike. Nor were they allowed to vote whether or not to go back to work. No individual coal operator and no individual union in the United States could bargain with each other. They had to await instructions from Washington. Why? Because John L. Lewis can take away the right to work in the mines from anyone who disobeys him.

Whoever who bought an oil heater was "suspended" by his union, barred from work. Another miner, Joseph Dickmon, A Navy veteran, called Lewis a dictator. Dickmon was "suspended" for six months. Three small mine owners in Zanesville, Ohio, were caught talking to their striking employees. They were threatened by 35 goons. Lawlessness prevailed around the mines in an area populated by 1,600,000 people. When one man can control the labor of 400,000 men, he has a club by which he can force every part of the nation to do his will.

What do the miners get in exchange for the freedom they so lightly gave away? One man with a club says to the whole industry, "You gotta. You must pay and accept my orders, or else." But he overlooks one thing. People can still change to other fuels without Lewis's permit. They cannot endure constant crises ruining their businesses and destroying jobs and freezing their homes. So they turn from coal to oil and gas.

Coal furnished three-quarters of the total power for locomotives in 1939, but only one-third today. Even in 1948, coal supplied three-quarters of the energy used to generate electricity, but in 1949 the demand was off by 9 million tons. Sales of oil and gas burners rose from 700,000 in 1948 to 1,000,000 in 1949.

This means a loss of markets for 120 million tons of coal a year, or full-time work for 82,000 men. The miners hope they will have a full work-week. But they won't. Thousands must go back to the farm or other jobs. Those in unsafe or high cost mines are already out of jobs. Lewis has simply shifted 82,000 workers from the column of low cost to the column of high cost mines--mines where their jobs are washed up for good. So, the miners who made their sacrifices out of fear or loyalty made them in vain.

Who won this war? Only the union officials. Lewis illustrates how "absolute power corrupts absolutely." He says, "We hold the vitals of society in our hands. I can twist, squeeze and pull until we get the inevitable victory. Whenever we strike, time is on our side, for coal is basic to our economy."

If we want to stop any one man's having the power to "twist, squeeze and pull" at our vitals, there is still time. Let us start now a grass fire in our own election districts and consume the political corruption of one-man rule that threatens our country. The challenge is clear. The decision is with the people.

Wicked men, ambitious for power, with hatred of liberty and contempt of law, may sometime fill the place once occupied by Washington and Lincoln.---From an opinion handed down in 1866 by the Supreme Court of the United States."



CONSUMERS ARE TAX SUCKERS

By Ralph W. Gwinn

LOW AND MIDDLE-INCOME families, the bulk of all consumers, are the real tax suckers. Families of under \$5,000 a year foot most of the tax bills. The rich can't. They haven't enough money. And corporations are collectors, not the real payers of taxes. They collect first of all from consumers what they must pay out in taxes.

A Senate Finance Committee report shows that if the government took every dollar of every American family income above \$10,000, Mr. Truman would have only 22¢ for every dollar he wants to spend. According to the Joint Committee on Internal Revenue, if the Treasury took every cent of family income above \$5,000 a year, the Fair Deal would have but 35¢ of every dollar it would spend during the next fiscal year. This means that two-thirds of all Mr. Truman says he needs must come from families getting under \$5,000 a year. The Federal Reserve reports that 8,250,000 families receive more than \$5,000 a year; that 29,250,000 families get 1

But these 29,250,000 families pay most of the taxes because they consume the products. For products pay taxes! There is a hidden tax on every product that moves from mine or farm or forest or fishery, or from factory to wholesaler, from wholesaler to retailer, from retailer to consumer--and transportation taxes every time the product moves. By sheer force of numbers, the smaller income group pays most of these taxes.

The 38% of net income that a corporation is taxed is paid by consumers who buy the corporation's products. Families with incomes of less than \$5,000 buy 72% of the nation's automobiles, wear most of the clothes sold, use most of the electricity, and eat most of the food. Every time they buy a new automobile, the \$400 which taxes represent give them less automobile and more tax burden than they think. They smoke 70% of all tobacco; about 50% of what they pay for tobacco and gasoline is in taxes.

Families of under \$5,000 income bought 64% of the food in Denver, 69% in Detroit and 71% in Houston, according to a Labor Department study of these typical cities. Of course, they must have paid about that proportion of corporation taxes levied on food companies in those cities. What is true of these products holds true for almost all family consumption. And since taxes can be paid only out of products, it is the total family spending of these 29,250,000 families that pays the bulk of our taxes.

Since they consume about 70% of production, these families must pay about 70% of all taxes. But to be conservative, let's say that these families pay two-thirds of the total tax bill. This is an average of \$1,106 for each family of \$5,000 a year or less. It includes the alarm clocks that awaken them, all their meals and the bed covers at night. Suckers! This is the ball and chain that holds you back. What do you get in return? When are you going to rebel against deficit spending and confiscatory taxes?

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Releases
#117 & #119

WATCH YOUR DOLLARS SHRINK
By Willford I. King

DID YOU EVER see a magician make a rabbit disappear? Have you an annuity or pension--Social Security or otherwise--a bank account, any kind of bond or a life insurance policy? If so, you, too, will probably take part in a great disappearing act sponsored by no less than the President of the United States. But it will be your money, not a rabbit, which will vanish.

This sleight of hand is called "an unbalanced budget," another name for government spending more than it takes in. Formerly, a deficit in peacetime was conclusive proof of financial mismanagement. But Mr. Truman knows that people don't like to pay taxes and that taxpayers vote. Also that powerful pressure groups demand huge doles from the Treasury. So, he must try to make out that deficit financing is really respectable. But once it is admitted that a nation may spend even a dollar more than it takes in, the bars are down. There is no definite stopping-point, and billion after billion is blithely added to the deficit.

When government borrows to meet current bills, its most convenient source of cash is commercial banks. The fact that they do not have the money on hand is no trouble at all. The banks merely ask Uncle Sam for some IOU's called bonds, and in return they give him a checking account equal to the figures printed on the bonds. Then Uncle Sam writes checks to pay his bills, and everybody is happy.

Here is where the disappearing act comes in. More dollars are put in circulation, but the supply of goods that can be bought remains the same. So, every dollar in the nation loses value. Dollars of your savings account, your salary, pension, life insurance and bonds slowly shrivel. During World War II, such wildcat financing shrunk your dollars in half. Now the disappearing act is put on again; there is no second act in which dollars return to normal size. They remain shrunken.

The set-up is perfect for officials who run the show. Since dollar shrinkage is gradual, few of those affected know it, and they continue to vote for the men supervising the robbery. Also, the Administration counts on the support of those who receive the plunder--whether it is new schools or hospitals, price supports, bonuses, housing subsidies, or doles to those who can't or won't work.

Politicians are always thinking up new ideas for buying votes with your money. One fantastic scheme now seriously considered in Congress is for government to guarantee against loss investors in new enterprises. Figures show that only one in five new enterprises becomes a steady profit-maker, so this outlet for your stolen money has endless possibilities. But that is not all. A new twist to Mr. Truman's Point Four is a proposal for guaranteeing against loss those willing to risk their capital for modernizing industries of backward nations, another possible sinkhole.

When the Great Disappearing Act was first devised, some officials feared that savers who saw their money steadily losing value might be annoyed. For savers comprise most of those who vote. But such alarm was needless. Protests have been too feeble to menace debt-financing programs seriously. So, watch the value of your saved dollars gradually disappear---and enjoy it!

"It has been said that democracy is the worst form of government except all those other forms that have been tried from time to time."--Winston Churchill

-- See Other Side --



USING HERBERT HOOVER AS A CAT'S-PAW
By Willford I. King

WHEN FATE BROUGHT Harry S. Truman to the White House, many felt sorry for the naive little man from Missouri who was suddenly called to fill the shoes of the most adroit politician ever to be President of the United States. Largely forgotten was the fact that Mr. Truman trained under Pendergast--who was no amateur in politics--and he has shown so much political astuteness since then that one-time critics wonder whether, as a politician, he is inferior to the great Franklin D. Roosevelt.

One example of his cleverness is how he used the F.E.P.C. issue to keep Republicans and Dixiecrats from alliance against him. Another example is his handling of the coal strike. He did not intervene until the fuel shortage became acute. Then he used the threat of seizure to force employers to grant most of the miners' demands. By refraining from seizure, he avoided open conflict with the mine owners; by settling the strike before most areas actually ran out of coal, he escaped the wrath of the general public. And by getting higher wage rates and more per diem money for the miners, he intensified the loyalty of his most dependable group of supporters--labor organizations.

For thorough-going adroitness, his latest move eclipses his previous political maneuvers. He is using the prestige of Herbert Hoover to solidify his hold upon labor unions! Mr. Truman has asked Congress to adopt 21 plans for reorganizing various executive agencies, thus ostensibly following recommendations of the Commission on Reorganization of the Executive Branch of the Government. These recommendations were prepared under Mr. Hoover's direction and received almost universal acclaim.

All this seems highly laudable. But hidden away in the Truman message is the apparently innocuous Plan 12, under which "unified responsibility is once more established in the National Labor Relations Board by transferring to the Board and its Chairman the functions of the General Counsel and by abolishing the statutory office of the General Counsel. This plan will bring to an end the confusion which has resulted from divided responsibility."

Evidently, the President hoped by this explanation to lead Congress and the public to regard this step as merely a move to systematize a bureau's operations. Actually, N.L.R.B. has little resemblance to an administrative bureau. It is virtually a court to adjudicate disputes between employers and employees. Under the Wagner Act, it operated like an arm of the C.I.O. Following the Russian model, functions of prosecutor and judge were combined, and regardless of evidence, many cases were decided in favor of the labor organization involved.

A chief reason for repealing the Wagner Act and adopting the Taft-Hartley Law was to abolish this un-American set-up. The functions of the prosecutor were separated from those of the court. General Counsel Robert N. Denham's fair, unbiased enforcement of the law gained the respect of all parties, not only for himself but for the Taft-Hartley Law as well. Now, President Truman proposes to eliminate Denham's office and return to the iniquitous system of the Wagner Act.

The super-ironical twist to this scheme is that it's under the guise of carrying out a mandate of a commission headed by Mr. Hoover. To add insult to injury, under the general reorganization act, this plan will automatically go into effect unless specifically repudiated by at least one branch of Congress. Does any "doubting Thomas" still deny that Harry Truman is a past-master of politics?

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A selection and digest of the best and most relevant recent public utterances in behalf of freedom and the Constitution and in defense of individual rights.

Digest #3

HOW NOT TO GET A BABY CARRIAGE: Just TVA by itself is not socialism. Public housing by itself is not socialism. But it is like the man who worked in Hitler's baby carriage factory, who just made one part in the factory. He was screened off from all the other departments. He was expecting a baby. He thought he would get himself a free baby carriage. He would take home the part he made and then he would get the other fellows made in the baby carriage factory. But when he got all the parts home and put them together, he didn't have a baby carriage--he got a machine

... what is happening here. The people who vote for TVA don't want socialism. The people who want all those other things--each has some particular good he is looking for for himself or his community. But when you put all these things together, you will have socialism.---John T. Flynn, author of The Road Ahead, speaking on the American Forum of the Air, NBC Network.

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GOLLY! We have benefitted all labor and we have benefitted all citizens who live under our flag.--John L. Lewis, President, United Mine Workers of America.

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STRAIGHT FROM THE HORSE'S MOUTH: It is impossible to draft a general federal aid to education bill which does not contain a great degree of control over local school systems.--Rep. John Lesinski, of Michigan, Chairman of the House Committee on Education and Labor.

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AN INTERNAL REVENUE VERSION OF SOME IMMORTAL WORDS: One score and 16 years ago, our fathers brought forth upon this nation a new tax, conceived in desperation and dedicated to the proposition that all men are fair game.

Now we are engaged in a great mass of calculations, testing whether that taxpayer or any taxpayer so confused and so impoverished can long endure. We are met on Form 1040. We have come to dedicate a large portion of our income to a final resting place with those men who here spend their lives that they may spend our money.

It is altogether anguish and torture that we should do this. But in the legal sense, we cannot underestimate this tax. The collectors, sly and clever, have gone far beyond our power to add and subtract.

Our creditors will little note nor long remember what we pay here, but the Bureau of Internal Revenue can never forget what we report here. It is rather for us to be dedicated to the great task remaining before us, that from these vanished dollars we take increasing devotion to the few remaining, that we here highly resolve that next year will not find us in a higher income bracket---From a letter from Bernard Miller in the New York World Telegram and Sun.

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LOOK WHO'S TALKING! Bureaucracy has no regard for the feelings of the people. Bureaucracy is a faceless mask to the people. It explains everything by decrees. It does not look into the life and soul of the people, but it imposes that which it considers correct---Marshal Tito.

The United States' main strength factor and weapon is its economy. If you cripple it, you cripple the military.---Admiral Chester Nimitz.

-- See Other Side --

Oh, to be in England
Now that Health is free!
Not a farthing needed
For an appendectomy.
Dentures for the asking,
For husband, child, or spouse;
Oh, to be in England
Now that Health is "on the house."

---- From Just What the Doctor Ordered. By
Leo Golden. Published by Frederick Fell, Inc.

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CALLING ALL POLICY-HOLDERS: We must choose between patience in the achievement of desirable social objectives and inflation which may depreciate savings even if we will have to practice the same patience and self-denial on a government that we must observe in our own personal affairs. Most important of all, every responsible minded policy-holder and citizen must encourage and cooperate with those elected to public office--national, state and local--to resist courageous pressures to spend more and tax less.---From a letter by George L. Harris, Chairman, and Devereaux C. Josephs, President, accompanying the annual report of the New York Life Insurance Company.

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NO MORE MUDDLED THAN THE FACT: The initiative is speaking out and the referendum is having to look at notes to see what you are going to talk about.---From a student answer on a New York State Regent examination.

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PLANNED DICTATED ECONOMY: The difficulty of keeping the control of governmentally operated industry in the hands of really competent men is so great in the case of a democracy that it seems doubtful that a planned economy can operate successfully under that form of government. To make a socialistic or fascistic state run smoothly, plans should not be disrupted by changes in popular sentiment, as reflected in elections. Officials in charge of industry, if efficient, should be protected against political attacks. Therefore, a planned economy succeeds best if operated by an absolute monarch or by a dictator, unhampered by the necessity of holding elections or catering to the wishes of the people.--From "The Keys to Prosperity." By Willford I. King.

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SEATS OF THE MIGHTY: Precisely \$2,189.12 of taxpayer money is required to outfit the office of a member of the Federal Power Commission. Furniture for a federal bureaucrat comes high. His desk costs \$298.50; he has a brown leather davenport, costing \$242; a walnut pedestal table costing \$88.43; his chair costs \$104.80; he can relax in another chair costing taxpayers \$116.50; he has two \$13 walnut waste baskets.

There are six chairs to put around his big table; his walnut desk trays (of which he has to have six) cost \$3.50 apiece; the posture chairs of his two typists cost \$46.50 each. He also has to have a couple of folding screens, plate glass mirrors, a \$124.96 walnut bookcase, a \$95.68 telephone cabinet, a \$130 walnut cupboard, and two ash trays ("large, at \$5").---James E. Warner in N.Y. Herald Tribune.

THE BLUNT TRUTH: As a nation we have shown little disposition to tackle the labor problem except in periods of crisis.

The blunt truth is that all the agreements in our basic industries in recent months have come through a painful process of economic blackmail or governmental pattern-setting rather than through free collective bargaining.---A.H. Raskin, Labor Reporter for The New York Times.

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ARE ALL AMERICANS GULLIBLE?
By Willford I. King

FORMERLY, MOST AMERICANS could resist the wiles of cure-all patent medicine vendors, thimble-rig men, gold-brick artists, and even blue-sky peddlers. But in the last few years, Americans appear more gullible. How else can one explain the widespread belief that the people of the United States can become prosperous by getting handouts from the Government which they must support?

Millions of educated citizens take it for granted that the proper function of the Federal Treasury is to set veterans up in business, to guarantee against loss those who invest their funds in backward nations, to provide housing for all without cash for new homes, to hire farmers to produce more at subsidized prices than the consumer can afford to buy, to dole out relief to all those unwilling to sell their labor at the price it will bring in the competitive market, to provide higher education for stupid pupils who detest the sight of school books, to turn out so many doctors that they will look for patients in vain, to take care of all who suffer from real or imaginary ailments, and, finally to help all to rust out miserably in their declining years.

But the harmonious chorus of pressure groups, united in common quest for Treasury handouts, is broken by a highly discordant note. Surprisingly enough, it comes from small businessmen--a group which Welfare State people court most assiduously. Indeed, a scheme has almost been perfected for lending government money to small enterprises which are too bad risks to get bank loans. Also serious consideration is given to creation of a Government-sponsored corporation authorized to buy stock in new companies whose plans have been approved by Federal bureaucrats.

The Government's experiences in setting up a mail-box factory in West Virginia, the Highstown (N.J.) clothing plant, the Matanuska (Alaska) farm colony, and the more recent Lustron modern homes enterprise all show what great opportunity there is for putting public money into ventures operated by men with big ideas, unhampered by old-fashioned business notions. The very fact that nearly 80% of all new business ventures have failed merely stresses the meaning of government aid. And the fact that small business firms already in operation seem amply able to supply requirements of all available customers does not deter devotees of progress from trying to see that every newcomer in the field of enterprise--be he competent or not--has a "fail deal."

Yet, in face of all these facts, the eleventh Conference of Small Business Organizations, boasting a membership of 600,000 small enterprises in 260 lines of business activity, met recently in Washington and declared its opposition "to the United States Government, through its various agencies, making loans direct to small businesses or guaranteeing or insuring loans made to them by private institutions." They asserted that Government funds "could better be used to help balance our budget and reduce our Government debt." They stated that private lending institutions show "an ability and willingness" to provide for all legitimate credit needs of small business.

How can one characterize such an amazing pressure group? Is it ready to "shoot Santa Claus"? Or is this Conference of Small Business Organizations merely some unusually hard-headed Americans who don't believe there is any such thing as "a free lunch"?

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MR. LEROY A. WILSON
WILSON
BOX 14
KEYO, UTAH
PA-6-50

PA 34-58 P2.8



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