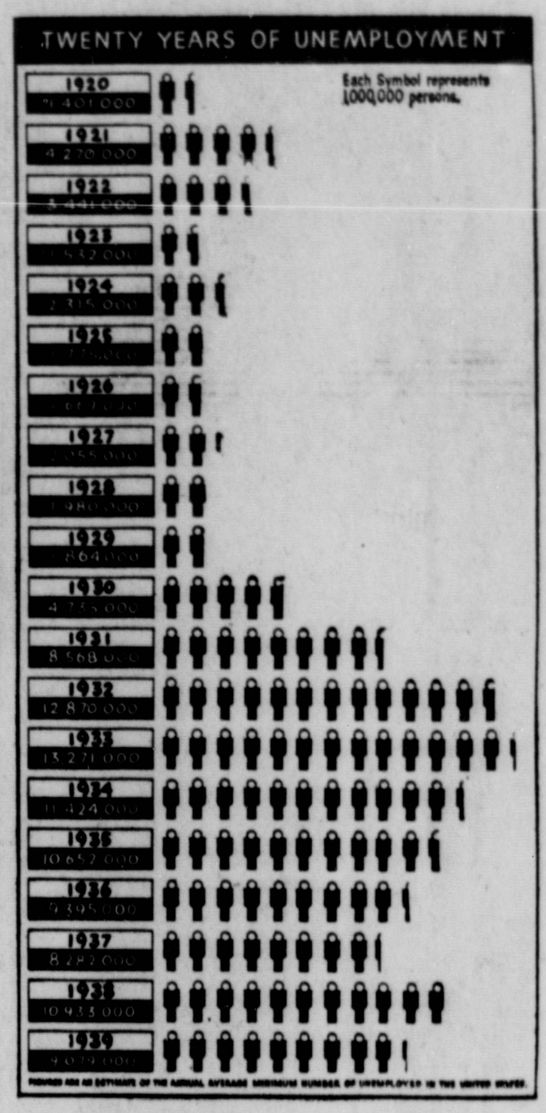


POLITICAL SPENDING VS. AMERICAN ENTERPRISE

"THERE is no permanent class of hired laborers amongst us. Twenty-five years ago I was a hired laborer. The hired laborer of yesterday labors on his own account today, and will hire others to labor for him tomorrow. Advancement—improvement in condition—is the order of things in a society of equals."

—ABRAHAM LINCOLN

THESE words of Lincoln spoken when the Nation was passing through its second greatest trial and labor are the social and political philosophy which have made this Nation great and prosperous beyond all others. Today we are at the third stage—we stand at the crossroads—we either accept and intrench the continuation of this philosophy or—continue to drift deeper into the new social theory that government should regulate and perhaps eventually take over all industry and do away with private ownership as we have known it.

Do we believe—what a recent national survey proved and what more than 50% of the unemployed believe—that the great open road of opportunity for individual success and prosperity still lies ahead for each of us in private enterprise. However, we must have a sound, practical and sensible government economy of operation to make this possible.

All history—our own experience and logic proves—government cannot continuously spend and borrow way beyond income without finally going politically, socially and economically 'on-the-rocks' and taking every citizen with it.

Our problem lies with those we have elected to office. They must withstand the demands of selfish minorities and above all realize that tried and proven policies and methods are safest and work best for everyone. The way out lies in drastically reducing the almost 100% increased bureaus, departments, and number of employees on the Federal payrolls and get back to a balanced budget with a definite sound and stable economic program that will give the individual and business the chance to make a reasonable profit as a reward for investment and labor instead of continual harassment through needless regulations and more and higher taxes.

There must have been a reason for the 365,000 business failures in 1938—IT WAS—TAXES-and-WAGE and HOUR and LABOR TROUBLE—In 1920 to 1921 the National Income dropped $20 billion—in '21 Federal Expenditures were cut 40% and National Income immediately went up $7 billion. **During the next two years tax adjustments were made downward along with Government Spending and each year National Income rose—EXACTLY OPPOSITE TO PRESENT GOVERNMENT POLICY.**

Today we find Government constantly expanding and Spending beyond anything we have heretofore known.

Happiness is the goal we are all striving for—every man—woman—and child on the face of the earth. Unhappiness—causes wars—revolutions both social and political. We are concerned most with our own individual problems confronting each one of us. Primarily, that problem is one of Security—To know—that we have a job—that our family has a home and food. What makes jobs possible is in turn healthy thriving and growing business—whether it is on the farm or in the City—**It is estimated in industry that it takes an average investment of $7,000 to create one job**—but who is going to buy a farm—start a new business or expand an old one, if most of the profits of that investment are taken by taxes and the investor must always take the chance that he may lose his money as well—That is exactly the crux and crossroad of where every one of us stands today.

Government Spending—which must be paid in taxes—has increased 45% in the last 10 years—private investments have correspondingly decreased—less than 10% as much money was invested in new business to give new jobs in the eight years after 1929 as there was in the same period before.

This surely indicates we must return to practical government operations before it is too late. **In the last 10 years the number of Federal Employees has almost doubled—of every six employed, one is on Government payrolls.**

The increasing size and spending of the Federal Government has not solved the unemployment problem, but aggravated it. *See Chart.

Moneys for Government Spending come from the rewards-of-labor of the people—earnings they cannot invest or expand business with, as they otherwise could. In 1924 to 1930 Debt increased only 5 billion dollars while new corporate financing stood at 32½ Billion. In 1931 to 1937, the Public Debt increased 20 billion dollars and new corporate financing stood at $5 billion. It is corporate financing that expands industry—builds factories—promotes new inventions and gives jobs, i.e.: $4,800 million less were invested in Housing—Utilities—and Railroads in 1937 than in 1925. The travel bill alone for Federal Government Employees in 1937 was $76,000,000—**Where were they going—what were they doing? Postage bill in '32 was $9 million and $35-7/10 million in 38.**

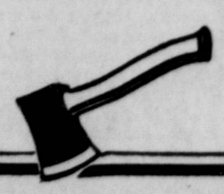
Why Industry is not able to expand and take up the slack in the unemployment problem is to some degree demonstrated from the fact that—**All the industries of a great Western State were left only 29% of their profits when the Tax Collector got through**—Surveying business in New Hampshire, a typical New England State, **we find the citizens saved $13-7/10 millions, but business as a whole lost $6-9/10 millions.** The people of the State were thrifty and hard working, but business chiefly due to labor troubles and taxes lost milions.

General Motors, one of the Nation's greatest industries, paid out 72% of its earnings in taxes—Consolidated Edison of New York paid 50% more in taxes than in stock dividends. American Tel. & Tel. taxes increased 56% in 3 years. Goodyear paid $6.61 in taxes to Government and $1 dividend per share to stockholder owners—Goodrich was worse with $7.87 taxes and $1 dividend. A survey of a group of 150 of the Nation's greatest and most prosperous industries shows that the Tax Collector gets 35% more than the stockholder owners. The Pennsylvania Railroad paid 3 times as much to Government in taxes as it paid to the stockholder owners in 1938. Taxes leave practically no profits for Industries to expand and create new jobs.

In 1928, 75% of new capital ($446 million) went into private enterprise and 25% into Government Expenditures. 1938 — ten years later — only 20% ($70 million) went into private enterprise and 80% into Government Expenditures—20% into jobs that produce and 80% into jobs that consume taxes.

IT IS QUITE EVIDENT FROM ALL THIS STUDY AND IN CHECKING THE '20-YEAR-UNEMPLOYMENT-CHART' ON THIS PAGE THAT GOVERNMENT PROFLIGATE SPENDING MUST BE STOPPED, UNNECESSARY BUREAUS AND DEPARTMENTS ELIMINATED AND THE BUSINESS OF THE NATION CUT LOOSE FROM ITS SHACKLING OPPRESSIVE TAXES. EVERY ONE OF US IS SERIOUSLY AFFECTED BY THESE CONDITIONS – LET US VOTE ONLY FOR THOSE WHO WILL REMEDY THIS DESTRUCTIVE ECONOMIC POLICY

Write—Wire—'Phone—Your Congressman Out with All 'Boondoggling' and Political Spending—Give a Clear Right-of-way for National Defense



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