

Pathfinder

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ALONG THE AMERICAN WAY

The tax-taking champ

by Wheeler McMillen



How long will it take, at the rate they are increasing, before taxes will take *all* you earn?

The answer is a date within the prospective lifetimes of Americans already old enough to earn their own livings. You have only 38 years to wait. The year: 1990.

After President Truman in a "State of the Union" message ventured to predict the glories of the year 2000 A.D., figure sharks in the U.S. Chamber of Commerce decided to try a bit of long-range forecasting. They came up with the graph shown here. It is simple enough. The solid black shows the national income, 1800 to now. The solid red shows taxes, 1800 to now. The dotted areas merely extend the trend until, as you see, they will meet about 1990.

Of course, the people before then may compel a slow-up in Government expansion. That might leave a few dollars after taxes to spend as you please.

The only other "out" is for inflation to produce cheaper dollars.

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President Truman has now achieved a unique eminence. He has become the tax-taking champion of all time. His Administration, during six years, has collected \$262.6 billion.

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² tax champ

That is \$8 billion more than all the Federal taxes gathered since 1789. From the beginning in that year, up to Mr. Truman's Presidency, taxes collected amounted to \$254.2 billion. On Thursday, Sept. 18, 1951, the Truman tax-take passed that point.

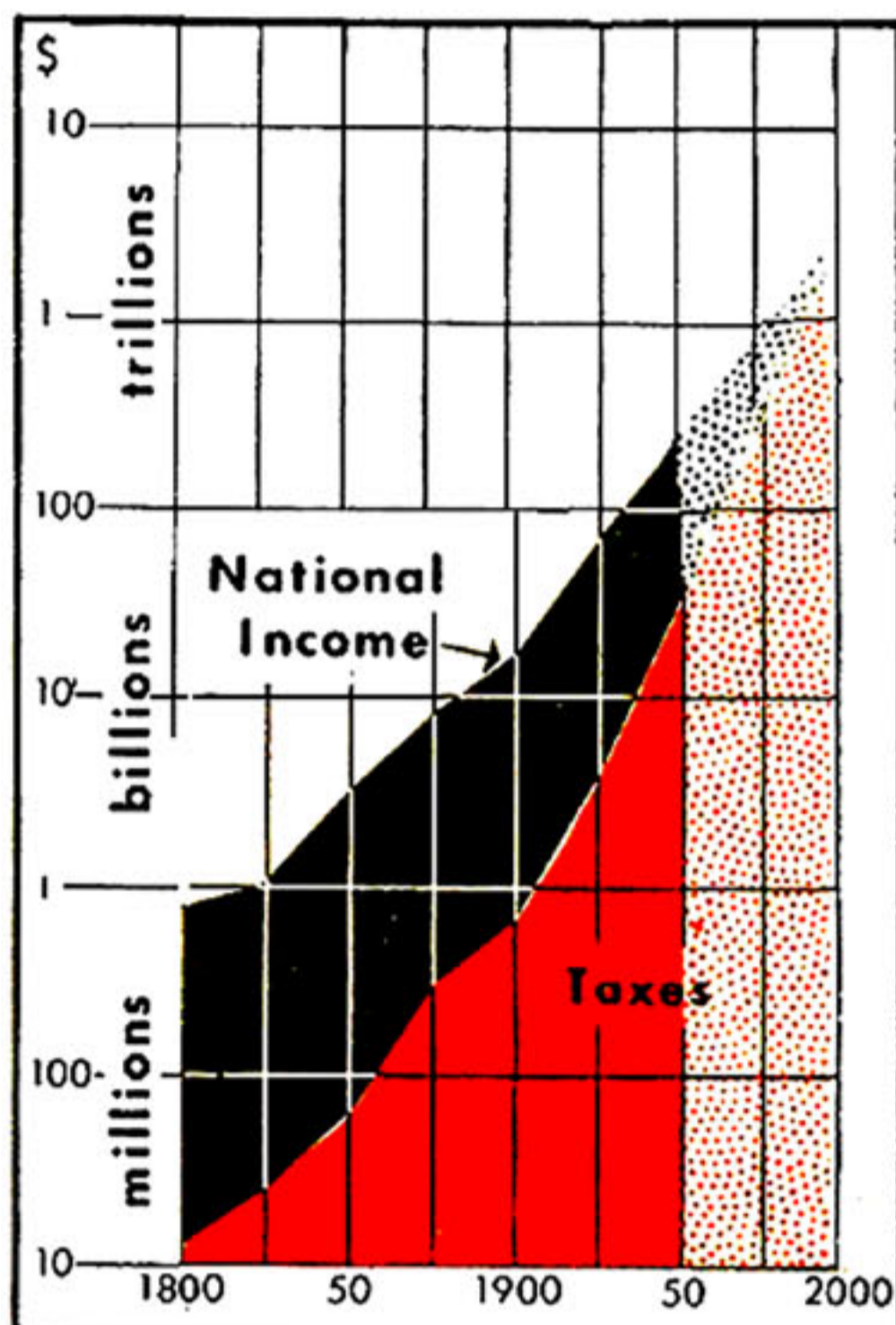
When squirming Administration spokesmen explained that High Tax Harry's record is due largely to inflation, the U.S. Chamber of Commerce replied that "most economists agree that the Federal financial policies are a primary cause of inflation."

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Back in 1935 a perceptive observer, **Albert Jay Nock**, was watching the New Deal. In *Our Enemy, the State*, he wrote ominous words: "The positive testimony of history is that the state invariably had its origin in conquest and confiscation. . . . What can be done against the state's progress in self-aggrandizement? Simply nothing."

Restraints upon the ever-expanding Government seem to have failed. A glance at the record shows:

Federal tax collections per person in 1900 were \$7.07; in 1930 they were \$29.78. By 1940 they were \$43.56. Then in 1950, \$268.22.



U.S. Chamber of Commerce—Pathfinder

1990 A.D. At the present rate of increase, taxes would soak up all income.

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The public debt that was \$131.51 per person in 1930 climbed to \$325.59 in 1940 and \$1,698 by 1950.

Last month in a single day, Nov. 26, more Federal taxes (\$366,048,072) were collected than during all the 365 days of 1897 when the take was \$347,721,705.

One civilian out of 62 now gets his pay from the U.S. Government. In 1930 the figure was one out of 203.

Local governments tend to become submerged by the Federal onslaught. Only 12 years ago state and local taxes were greater than Federal taxes; now they are only about one third.

During the last six months of 1950 new Federal workers went on the payrolls to the number of 219,494—almost equaling the population of Syracuse, N.Y. In the short month of February 1951, 62,610 were added.

* * *

Taxpayers have just forked over a record \$48,142,604,532 in Federal taxes for fiscal 1951. As they prepare to pay an additional \$5 billion next year, the fearful words of Nock describe the road ahead:

“What we and our more nearly immediate descendants shall see is a steady progress in collectivism running off into a military despotism of a severe type . . . ; closer centralization; a steadily growing bureaucracy; state power and faith in state power increasing; the state absorbing a continually larger proportion of the national income. . . .”



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