ABILITY

ISSUE 182



ECONOMICS by L. Ron Hubbard



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ECONOMICS

BY L. RON HUBBARD

One of the primary barriers in this society to total freedom is economics. Suppressives have been weaving a web of economic entanglement for societies for some time using economic misinterpretations or ignorance to involve those societies which only recently struck off their chains of actual slavery. Today, the chains are made of economic restrictions and, to be blunt, economic lies.

An understanding of economics is a bold step forward toward total freedom in a society. Aberrations tend to blow when their lies are exposed.

Therefore I have written this short essay on the actual laws of economics, as they may help you on your way to freedom.

Today, almost any person has a present time problem, growing more pressing as time goes on and as our society evolves.

It is a simple question:

"HOW CAN I LIVE?"

The answer to this question in a broad general way can be found by attaining an understanding of a subject called "Economics."

ECONOMIC THEORIES

Economics are as simple as they are not obscured and as confused as they are made to serve a selfish purpose.

Any child can understand - and practise - the basic principles of economics. But grown men, huge with the stature of Government or Chain Banks, find it very useful to obscure the subject beyond all comprehension.

The things that are done in the name of "economic necessity" would shame Satan. For they are done by the selfish few to deny the many.

Economics easily evolve into the science of making people miserable.

Nine-tenths of life are economic. The remaining one-tenth is social-political.

If there is this fruitful source of suppression loose upon the world and if it makes people unhappy, then it is a legitimate field for comment in Scientology as it must form a large "misunderstood" in our daily lives.

Let us see how involved it can be made. If Mankind increases in number and if property and goods increase, then money must also increase unless we are to arrive at a point where none can buy.

Yet money is pegged to a metal of which there is just so much and no more - gold. So if Man's expansion is to be checked, it will be checked simply by running out of this metal. And aside from art uses and superstition, the metal - gold - has almost no practical value. Iron is far more useful but as it is one of the most common elements about, it would not serve the purpose of suppression of Man's growth.

MONEY IS SIMPLY A SYMBOL THAT PEOPLE ARE CONFIDENT CAN BE CONVERTED INTO GOODS.

The most virulent philosophy of the 19th Century was not that of Dewey or Schopenhauer. It was that of a fellow named Karl Marx, a German.

In his book "Das Kapital," he set out to destroy the world of capitalism by introducing the philosophy of Communism, borrowed in some part evidently from the leader Lycurgus, of the ancient Greek State of Sparta.

Marx has succeeded to date (though himself dead and buried in England) in extending his philosophy over perhaps two-thirds of the world's population and upsetting the remainder most thoroughly.

Capitalism, under attack, surviving only in the West in a faint form, has borrowed so heavily from Marx in its modern "Socialism" that it cannot long survive.

Capitalism had little to recommend it to the worker. He had no hope of ever getting enough cash together to loan it at interest and so retire. By definition that was all Capitalism was - a system of living on interest by loaning money to more industrious people. As it implies "All take and no active participation" it, of course, is a rather easily destroyed system. It had no vitality. It could only foreclose mortgages and seize property. It could not and did not operate cleverly. The trick was and is, to loan an industrious person half of what he needed to make a go of his business and then when he failed, to take over the business and the invested money loaned as well.

Government and chain banks in the West are still at it today. They are assisted by Income Tax. The profits of a business are taxed each year so that it has no money to renew its machinery or expand. To keep going it has to borrow money from the chain bank or the State. One slip and it is taken over entirely by the chain bank or State, mismanaged and knocked about.

Thus the world gets poorer under capitalism.

Communism in revolt, throws out all middlemen, simply takes the final step of Capitalism and seizes everything in the country. It fights Capitalism by becoming the Super-Capitalist.

It is not an idle comment that George Washington in the American Revolution, the Marquis de Lafayette in the French Revolution and Fidel Castro in the last Cuban revolution were each the richest man in the country at the time.

Communism, far different from the hope of Marx, is the tool of the rich and powerful to seize everything in sight, and pay no wages. It is the final answer to Capitalism, not its opponent.

Socialisms in different costumes all tend to the same end product - total ownership by the state. And so are also the end product of Capitalism, total ownership.

So we can conclude about economics that:

(1) There may be a subject called economics, and

(2) There is certainly a large use of economic confusion in the effort to bring about total ownership.

What you are observing, apparently, in our modern world, is an obscuring of actual economics to the somewhat ignoble end of taking everything away from everyone but the State. The State can then be a chosen few who own all. Capitalism, Communism, and Socialism all wind up with Man in the same situation - owned body and soul by the State.

So if you are confused by "economic statements" by a few chosen mouthpieces of the intended few who will be the State, realise it is not the subject itself but the intentional misuse of the subject which is causing the trouble.

Since all roads - Capitalism, Socialism, Communism, all lead to the same total ownership, none of them is in actual fact in conflict. Only those several groups who each want to own everything are in conflict - and none of them is worthy of support.

There is an answer to all this. If these isms all tend to a total State, then the obvious rebuttal is a no-State. This alone would be an opposition to the total State.

As this is instinctive in Man - to oppose his enslavery - people manifest their personal revolt in various ways.

They cannot simply overwhelm a well armed government. So their revolt takes the form of inaction and inefficiency.

Russia and Cuba, for two, are going on the rocks of individual inefficiency and inaction. They do not see it as a revolt as it hasn't any peaks. The grain and cane just don't come up, the trains somehow don't run and the bread doesn't get baked.

America and England driven still by some faint remaining spark of "free enterprise" muddle along. But the economic squeeze is too great for this long to continue. Income tax, bank and state loans, all the evils are there waiting.

Sensing the coming total ownership of all, the worker even in the

U.S. and England begins to put on the brakes. A good day's work today was an hour's work a century ago. Strikes enthusiastically paralyse anything they can. Inefficiency and inaction are the order of the day.

Not clever, the Capitalist, the Commissar, the Great Socialist do not believe anyone has penetrated their actual intent and so continue to twist economies about in the hope of convincing the people - who strike, won't really work and get more inefficient.

The societies of Earth, whether East or West, are all approaching with rapidity the same end - dissolution by a personal people's revolt. The revolt has no name, no leader, no banner, no glory. It only has a common end in view - the end of all States and all economic systems. And surely the people will win.

THE SCIENCE OF ECONOMICS

Any group of children will soon work out a practical economic system.

Recently children in a park in Russia became the subject of government horror by developing a barter system, exchanging toys for toys, an act which was duly chastised as "Capitalistic." The Russian word values are shakey, for to be Capitalistic, they would have had to develop an interest system of recompense for the loan of the toys, not the barter system.

So long as there is a supply and as long as a demand can be generated, some form of goods exchange system will develop.

There are innumerable combinations of supply and demand actions. There is the reluctant supply and the demand by force - a system commonly followed by troops or feudal barons, or simply robbers.

There is the eager supply action aided by creating a demand by advertising, a system we know as business and at which Madison Avenue is so adept. Man finds this the most pleasant of the systems, but it has a limitation in that it demands in return money and causes people to demand pay in order to buy the advertised goods.

Then there is a system based on creating want. Governments almost uniformly believe in this system and use it. They repress supply by taxation of suppliers, and increase demand by punishment of the consumer for lack of funds - i.e. income tax. The theory, in its most crudely expressed form, is the reduction of production coupled to the enforcement of demand. Fathers can be arrested for not caring for children, and the price of bread, rent and services is beyond father's ability to pay. One is arrested as a vagrant if one does not dress well, but the price of clothing through scarcity puts it beyond his reach.

There are many, many variations of the same two factors, supply and demand, and these can be played on by huge industries or the State or robbers or beggars or anyone almost without number.

A great deal is made of "deflations" and "inflations" and tomes are written to interpret them but there are only two operative laws that govern them:

(1) An INFLATION exists where there is more money in circulation than there are goods.

(2) A DEFLATION exists where there are more goods than there is money to buy them.

These two laws can be twisted about at will to confuse people. But that's all there is to know about either an Inflation or a Deflation, or booms or depressions either for that matter.

FUNDAMENTALS

The economic laws break down to only one fact, or fundamental usually never mentioned in the best suppressive circles.

This is the genus of ecoromics, the beginning, how the whole subject comes about.

To bring about economics, a being must be led to believe he needs more than he can himself produce and must be restrained from consuming his own production.

After that, one has economics, a society and rules, laws, governments and huge industrial combines.

Let us take the simple matter of a poor cow. The cow produces milk, more cows, and even meat.

By being a producing animal, the cow is made to surrender the lot. She does not need her own milk, cannot use her calves and is also made to surrender her own body for meat. In return she gets a sloppy barnyard, a thistle pasture, barking dogs and abuse.

Sentient or not, intelligent or stupid, the cow yet sets us a fine example of the perfect citizen of the State.

The perfect citizen (from a suppressive governmental viewpoint) is one who demands nothing and produces everything and even surrenders her own body on demand; the ideal citizen; the perfect factory worker; the complete soldier; the praised comrade.

Life gets itself rigged this way. Those who can produce are then convinced they must produce and in production are given less and less until at last we have a slave - all work, no pay, minimum food and untenable quarters.

Economics are used to bring about this condition remorselessly.

INCOME TAX

If you have reservations about the end product of various state acts or the intentions behind them, consider this hitherto hidden fact.

Income tax is designed on the Marxist principle (to be found in "Das Kapital," the Communist text) of taxation:

"To each according to his need."

"From each according to his ability to pay."

About the turn of the century, most western nations gladly swallowed this potion and wrote Income Tax laws.

It looks quite innocent.

In a letter written by the Treasury of a great nation a question as to why Income Tax was levied so unequally instead of on merely a set percentage of everyone's gross income, was answered with the astounding datum that taxation of one's net income and on a sliding scale was far more humanitarian.

Let us see how "humanitarian" this sliding scale income tax is.

Inflation is the order of the day. Few Western governments take any but inflationary actions - to wit, to devaluate the buying power of money by spending more money than there is produce to absorb it.

Income tax is arranged so that the more one is paid, the more percentage he is taxed. For a crude example, if one makes 500 monetary units a year, his tax is 2%. If he makes 100,000 monetary units a year, the law is so written that his tax is about 90%. The more one makes, the more one has to pay in proportion.

Very well, let us use this as hours of work. In a low income bracket on a forty hour week, one pays the government a half hour's work a week. In a middle income bracket, one pays the government 20 out of 40 hours. And in a high income bracket, one pays perhaps 39 out of 40 hours as tax.

All right: inflation willynilly is shoving the lowest worker toward the higher tax bracket.

The price of bread and rent and all will go up proportionate to value of money. So will his pay. But his tax will increase.

Therefore, governments are very anxious to inflate their money. The more it inflates, the more workers have to be paid but the more percentage the government gets of the work hours.

The end product is of course a total state. Industry cannot pay a worker 40,000 monetary units if tax laws take all but 5,000 monetary units.

If you will look at taxation schedules you will see that if a loaf of bread costs ten times its current price and you had other costs rising proportionately your pay would shrink to where you could not afford to eat because the higher tax percentage would engulf your pay, no matter what it was.

Now no-one has been mentioning this. And governments defend their right to a rising percentage as income rises with a tenacity that is quite surprising.

As inflation wipes out savings also, right up ahead is the big chasm, waiting.

Every time your pay rises to take care of the "rising cost of living" you then expend more work hours for the government and less for your employer and finally he goes broke too.

Anyone trying to say that inflation is inevitable and income tax vital is simply suppressive or stupid. Surely the big wheels of government economics know as well as any other trained economist that all one needs to do to check inflation is increase production and decrease government spending.

One Western nation has a lovely one going. Export the goods! is the cry. The more goods exported, the less there is to buy. By Currency Exchange laws, one cannot also export the money. A prohibitive duty is put on all imports. Naturally, inflation! With a vengeance. And this is coupled with an Income Tax which is easily the highest in the world.

Citizens of that nation are traditionally determined to never, never, never be slaves. But here come the chains; one link for every penny rise in the cost of bread. When a worker has to spend £100 a week to keep himself and family, the government will take £50 of that, leaving him on half rations. And when he would have to spend £250 a week to provide food, clothing and shelter, he will get only about 25% of that, even if he is paid that, due to Income Tax sliding scale, and he will starve to death.

To be charitable, it is possible that the leaders of these countries do not know these things and are being badly advised or are confused. But if so, what vicious blokes must be doing the advising!

A very proper course for the country would be to abandon the empire no citizen of that country cares about anymore, cutting off all its support and defense funds for lands that hate the British anyway. Then, or at the same time, engage upon a furious research programme to discover how to produce food enough for its people, let down all its trade barriers, cancel the projects that make income tax vital and prosper beyond all imaginings.

One can't tax nothing; and if taxes depress the producer to zero then so goes the land.

The bright-eyed visionary (with some insanity showing through the brightness) raves about Utopia and the beautiful dreams and beautiful schemes of various political solutions.

These are supposed to open the bright new future if only we grit our teeth and starve today.

There is no political philosophy that ever can or ever will solve economic problems, for they are two different fields, aren't they?

When Marx married them, he gave a terrible tool to suppressive men.

Many Marxist complaints are just, many are quite factual, but he erred in trying to solve them.

For whenever he proposed a solution and whatever solution he proposed, he offered as part of it a government.

Governments are not always run by sane men.

The man in the street has no guarantee his ruler is not really "bonkers."

If we as Scientologists have anything to do with government it would only be to guarantee that the rulers were not suppressive and insane. And there our interest ceases.

The Question

The relationship of any man to Economics is a simple one: "HOW CAN I LIVE?"

To that adheres the question, how can his dependents and his community live?

Whenever a person asks this question or any version thereof in this, the complex society of today, he is asking "What is Economics?"

In this article, short as it is, all the vital factors of economics are listed.

What needs to be guaranteed is that one's economic destiny is not managed by men who hate and who will not be comfortable until all other men are slaves.

The long term solution to the question "How can I live?" is never work for a suppressive firm and do not support a suppressive government. And work to put us in a position to guarantee that leaders are sane.



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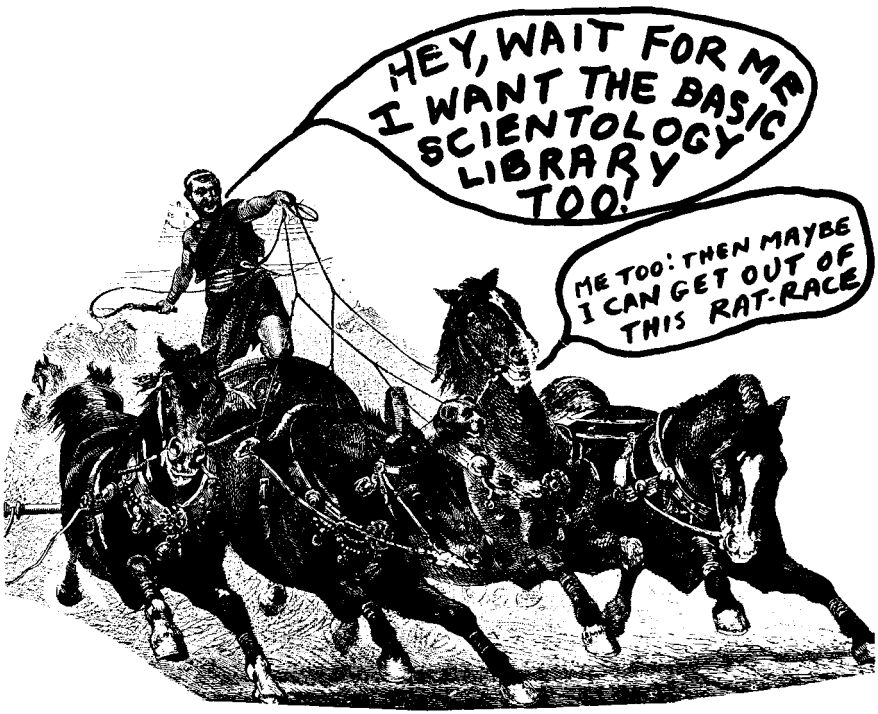
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