

The American Taxpayer

Anyone can see that in the United States of America, that there is something tragically wrong with our economic system; the system that is known as “Capitalism”. Indeed, a recent Presidential candidate lost the confidence of the American people and basically sunk his chances for election when he made the comment, “The fundamentals of our economy are strong” and then just a few days later the collapse of the various markets proved him woefully untutored on the subject.

There are various socio-economic models being practiced in differing countries and regions of the world and they are mostly known by the suffix that follows them: such as, Capitalism; Socialism; Marxism; Fascism and etcetera.

Capitalism is by far the best of all those models because of the underlying premise of entrepreneurship, or that an individual can improve their life and living standards by the application of hard work, intelligence and perseverance. There is another, vital, ingredient in that recipe and it is “Opportunity” and that is the main problem with the socio-economic model known as Capitalism.

The problem is that the Opportunities are not equally shared. The deck is stacked against the majority of the population.

According to Wikipedia.org: “In the United States at the end of 2001, 10% of the population owned 71% of the wealth, and the top 1% controlled

38%. On the other hand, the bottom 40% owned less than 1% of the nation's wealth.”

More recently, according to a December 6, 2006 article in the New York Times by Eduardo Porter:

“Study Finds Wealth Inequality Is Widening Worldwide - Experts have long worried about the skewed distribution of the world’s income, with vast rewards massing in the hands of a wealthy elite and precious little left over for the vast majority of the global population. ... the distribution of the world’s wealth — things like stocks, bonds or physical assets like land — has become even more narrowly concentrated than income, according to a new report by the World Institute for Development Economics Research of the United Nations University.”

Maybe some of those individuals who are in the top 1% and second-tier 10% who control and/or own 71% of the wealth accumulated their fortunes by the application of hard work, intelligence and perseverance but a huge majority of those individuals inherited their riches. And for those who didn’t inherit their affluence, but who were smart, or lucky enough to earn it the hard way, well hey, that’s great. Bully for you. This isn’t meant to be a criticism of any of those individuals or a discussion of estate taxes.

The purpose of this exercise is an attempt to **re-define the word “Capitalism”**. Firstly, let’s look at the actual definition of that word as it is found in the New International Webster’s Concise Dictionary of the English Language:

cap·i·tal·ism

1. An economic system in which the means of production and distribution are privately owned and operated for private profit. 2. The principles, power, results, etcetera of this system.

And the word “Capitalist is defined as:

cap·i·tal·ist

1. An owner of capital especially one with considerable wealth invested in business. 2. A supporter of capitalism. 3. Loosely, any very wealthy person.

It's apparent to any thinking person that under the system of capitalism the financial benefits, or companies' profits, are largely accumulated by one person or a small group of persons who are the capitalists who've put up the 'capital' or wherewithal to 'capitalize' the business venture.

That group of individuals can also include persons who contribute no real effort to the company's ongoing production and distribution of the company's products or services, they may only have had the capital to invest in the company's stocks or bonds from which they receive a share of the profits in the form of dividends and yields.

So, while a very fortunate *minority* of the population own the vast *majority* of the wealth or capital and receive the lion's share of the proceeds from the companies' profits; the unfortunate majority, who actually perform the labor to produce and distribute the goods and services receive a miserly paycheck.. Most people's paychecks are barely sufficient to maintain a roof over their heads and put

food on the table for their families and leave hardly anything left to insure their children get a good education and promising start in life. What about the prospect of a Golden Retirement for those working people? A review of the current newspaper headlines will detail the un-likelihood of that possibility.

Most people are stuck in an endless cycle of economic desperation and their jobs are a form of indentured servitude.

Is the term “Most people” an exaggeration? Well, if “the bottom 40% own less than 1% of the nation's wealth” while “10% of the population owned 71% of the wealth, and the top 1% controlled 38%” then, yes, that could be construed as “Most people”.

It is a system of inequity that has plagued mankind since the advent of the Industrial Revolution, indeed, before that, since the dawn of time.

So, how can that word, “Capitalism” be re-defined and how can this new definition be used to balance this system of inequity?

It's really very simple and the re-definition can be summed up in four letters: E-S-O-P. Which is an acronym standing for the term: Employee Stock Ownership Plan whereby, in it's simplest meaning, the company profits realized by the labors of those directly involved in the production and distribution of a company's goods and services are retained and shared by those whose labors produce and distribute the goods and services.

According to Wikipedia:

Employee ownership occurs when a corporation is owned in whole or in part by its employees. Employees are usually given a share of the corporation after a certain length of employment or they can buy shares at any time. A corporation owned entirely by its employees (such as a worker cooperative) will not, therefore, have its shares sold on public stock markets. Employee-owned corporations often adopt profit sharing where the profits of the

corporation are shared with the employees. They also often have boards of directors elected directly by the employees. Some corporations make formal arrangements for employee participation, called Employee Stock Ownership Plans (ESOPs).

However, the term ESOP utilizes the word “Employee” in it’s description and the functional arrangement. A better description, in this re-defining of Capitalism, would be **JOP** or **Joint Ownership Plan**. Under this model each person would no longer be just an ‘employee’ but would be an Owner, an entrepreneur who is directly involved and has a real stake in the success of the venture. And, what is it about Capitalism that makes this economic model so promising? Again, it is the opportunity that an individual can improve their life and living standards by the application of hard work, intelligence and perseverance; in other words the spirit of entrepreneurship is what drives Capitalism.

An individual who is part of a JOP would know that all of their actions would have an effect, either positive or negative on the company’s bottom line, and on their own personal bottom line. For example, from a positive viewpoint, finding ways to improve quality; increase production; create more satisfied customers and make their company and the company’s products and services the best it can be would be to their own advantage. They would have pride in ownership which equates to professional satisfaction.

On the other hand, from a negative viewpoint, people who are just employees and who know that they are only going to receive a paycheck for their efforts, while the owners and stock holders receive the bulk of the profits haven’t got a lot of incentive to improve quality; increase production; create more satisfied customers and make their company and the company’s products and services the best it can be.

Think about this: every wasted pencil; every ream of wasted paper; each wasted hour that the owners and stock holders fret over would be a thing of the past. Because now, in a Joint Ownership Plan, the real owners, or the people who actually create and distribute the products and services of the company, would know that they aren't wasting some valuable resource that belongs to someone who already has more money than they will ever need – but, they would know that they are wasting their own money.

Also, the people involved in the JOP would know that every item that rolls off the assembly line, or whatever the product or service they create, has their own name on it. They would have Pride of Ownership and Quality Control would increase at every stage of production.

Of course, there are considerations and details to consider such as:

- If everyone is the Owner, then who is in charge? Who is responsible for making the decisions to further the goals of the company?

Firstly, the question of management: The members of the JOP could elect the qualified individuals who are also members of the JOP, and who would represent them in the functions of what are normally thought of as management, but the difference is that instead of an environment of Labor versus Management, which is common, it would be **Everyone Associated With the Venture Working Toward a Common Goal**. Those elected individuals would work to represent the Will of their Fellow Owners in the JOP

- Secondly, how to insure retirement and other benefits for the participants in the JOP? (see the Enron debacle and how those employees personal investments in the company went up in smoke for a practical lesson in how NOT to do it.)

To answer that, if the company is successful and making money and the customers are happy with the QC of the products and services, and most importantly, the profits aren't being distributed to capitalists in the form of dividends and yields, then logically there will be funds to pay retirees.

This may sound like a radical departure from the normal way of doing business in a Capitalist system and, frankly, it is. But, if you look around at the results of conducting business, the normal way in the Capitalist system, then you will see that it hasn't worked. In the normal way of business in a Capitalist system the results are 10% of the population own 71% of the wealth, and the top 1% control 38% of that wealth.

If you happen to fall in the category of the 1% or the 10% you are probably wondering if this is the crazed thinking of some kind of Socialist. Wrong.

The system of Socialism, as defined by Webster's is:

1: any of various economic and political theories advocating collective or governmental ownership and administration of the means of production and distribution of goods

2 a system of society or group living in which there is no private property b: a system or condition of society in which the means of production are owned and controlled by the state

3: a stage of society in Marxist theory transitional between capitalism and communism and distinguished by unequal distribution of goods and pay according to work done

This re-definition of the word and system of Capitalism is **not** advocating anything remotely like Socialism because in this new-fangled theory, **there is not** “*governmental ownership and administration*” – **there is** “*private property*”, **but it is** owned by the creators of the “*means of production*” – and, **it has been proven** that anything “*owned and controlled by the state*” is soon run into the ground and bankruptcy – and last but not least, anybody who calls me a “*Marxist*” **better be prepared to fight a duel at sunrise.**

Another consideration is the value of capital that is raised in the financial markets that enable a company to expand production and acquire assets and how to get that capital if there are no dividends or yields to pay out to those investors, which is essentially their reason for investing their capital.

This theory doesn't necessarily eliminate the possibility of investment by others, who aren't engaged in the day to day activities of production and distribution of a company's goods and services, it merely advocates a more fair and equitable arrangement for the sharing of the profits.

For example, let's look at the utility companies and their history of rewarding their investors. The supply of fresh drinking water, electricity, natural gas, sewerage, telephone service and other of these basic commodities and services are vital to the health and orderly continuation of society and are a prime example of the **Rich Get Richer While The Poor Get Poorer.**

Many years ago the government awarded the utility companies monopolies in the supply of these services based on the theory that the economies of scale in

those companies, with their exclusive contracts, would enable them to supply their services to the consumer in the most efficient manner and at the lowest possible price.

Over time those companies changed the way they bill for their services to what is known as “Percent of Capitalization” where they base the rates they can charge as a percent of their capitalization, or how much equipment they own. So what have they done under this system? They lease cars and trucks that sit in the company parking lots, gathering dust; they build outstations that sit empty; they equip those outstations with rooms full of leased computers and equipment that no one uses, etcetera.

Why have they done this? So they can increase their quantity of Capitalization, of which their accountants can use in the form of charging a higher Percentage as it's allocated to the consumer's utility bills; then the accountants write-off the lease payments and the depreciation against income which serves to increase their net profits. Who is the beneficiary of those increases in net profits? Not the consumers who struggle to pay their bills and not the workers who produce and distribute the goods and services: No, it is the investors who receive dividends and yields on their stocks and bonds and certain members of upper management who receive salaries that are in gross disproportion to their actual duties, when compared to the workers who actually produce the goods and services.

Yes, the workers who toll at keeping the electricity on-line, and who work at the water purification plants and the sewage treatment plants, and who keep the dial tone on our telephones get their paychecks, but the main beneficiary of this system is the person who has the capital to invest in the utility company's stocks and bonds.

In this re-definition there could still be stocks and bonds and dividends and yields to the investors, but the difference is those investors would receive a fair return on their investment, not a life-long subsidy. A subsidy that they could hand down to their heirs, who really didn't do anything to earn it, or deserve it, except to win the lottery of life by being the product of an egg and a sperm of some wealthy individual.

Maybe you agree with this so far, or maybe you don't. I respect your opinion. The cold, hard fact of the matter is that civilization as we know it will decline to such an extent that ultimate collapse is inevitable. Is that an exaggeration? Look around at what has occurred over the course of the last twelve months and make your own informed conclusion.

- **America loses 1.9 million jobs in 11 months**
- **Record 10% of U.S. homeowners in arrears or foreclosure - Homeowners lose out as banks refuse to pass on the latest cut**
- **The \$700 Billion Bailout Fund — Running Out of Cash?**
- **Fired Workers Will Stay 'Until We Win Justice' - Employees wage sit-in over unpaid wages**
- **Unemployment Numbers Add Urgency to Automakers' Pleas**

This isn't something that happened overnight; the geniuses in Washington DC have known about this for quite some time, as is detailed below:

Recession started in December 2007

By Emily Kaiser, Reuters - Monday, December 1, 2008; 4:28 PM

WASHINGTON (Reuters) - The U.S. economy slipped into recession in December 2007, the nation's business cycle arbiter declared on Monday, and the downturn could be the worst since World War Two. The National Bureau of Economic Research said its business cycle dating committee members met by conference call on Friday and concluded that ... the current recession,

which many economists expect to persist through the middle of next year, is already the third-longest since the Great Depression, behind only the 16-month slumps of the mid-1970s and early 1980s.

I have a confession to make – I’m kind of like John McCain – math and the economy are not my strongest subjects.

But even for a dummy like me it’s obvious that all the money I’ve paid over the years in income taxes; property taxes; beer, bait, boat, fishing permit and fuel taxes; drivers license and vehicle tag licenses and dog-tag taxes has been totally wasted.

And hey, I hate to tell you this but I’m not alone. Your tax money has been wasted also. Why?

Because, even though the American Taxpayer has paid their fair share and more, the government is virtually bankrupt. And now the politicians want more of our tax dollars to bail out the Wall Street “Greed is Good” types and the bankers who are kicking good folks out of their homes and etcetera.

Please don’t misunderstand me: I’m not totally opposed to this propping up of the economy, I don’t want to see everything crash and burn which it probably will without the bailout(s), I just don’t trust those slash and burn morons in Washington DC with my money. Do you?

What’s the history of government funded projects? About 99% of the time it usually costs at least twice as much as they say it will and takes at least twice as long.

Well, I’ve bored you long enough and if you’ve managed to read this far many thanks for your persistence. It’s time to get to the heart of the artichoke, which is:

This new-fangled re-definition of the word “Capitalism”, that I have termed the Joint Ownership Plan, applies not only to businesses and business structure, but also to a Joint Ownership of the United States of America.

The USA was began by a group of very wise men who eloquently put it this way:

We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

Do you believe that the current state of affairs is what they had in mind when they composed the Constitution of the United States of America? Do you believe that they envisioned another monarchy like the one we have now taxing Americans to death under a system of **TAXATION WITH STUPID REPRESENTATION** until we are all destitute and homeless like the people in some poor Third World country?

So, what’s the solution to correcting, once and for all, this system of nonsense that we labor and toil under? Try these five options on for size:

1. Get Madder n Hell and demand a REAL CHANGE
2. Fix the short-term and long-term problem facing our economy by DEMANDING a switch to a diesel engine transportation infrastructure powered by home-grown Commercial Algae and Industrial Hemp.

3. Slash the politicians salaries, benefits, perks and out-of-control office expenses and make them fall in line with what honest, hard-working Americans earn for their labors. And last but not least,
4. Re-define the word “Capitalism” to a more equitable Joint Ownership Plan so everyone has an fair stake in the process.
5. Abolish the Internal Revenue Service and replace it with a system of Value Added Tax so that ‘He Who Can Afford The Most, Pays The Most In Taxes’ and further, outlaw the dozens, indeed, hundreds of taxes on all the things that nickel-dime American’s to the brink of the poorhouse.

Is all that asking too much? Is it overly-simplistic? Well, I admit, in the past, I’ve been accused of having an overly-simplistic view of things but I don’t apologize for that because in the history of our Great Nation it has been the simple, no-nonsense solutions that have worked best. As the son, grandson and great-grandson of farmers I’ve seen many a tractor patched up with baling twine, spit, sweat and elbow grease. We can fix this problem too if we just use our heads for something besides a place to park a hat. If you want more information on item Number Two above then read the Madder n Hell.org novels and America’s Energy Solution in the Stranger Than Fiction collection. Navigate the Web and do your own research – The Truth is Out There.

The following types of taxes American’s pay is probably not a complete list, but its still absurd.

Federal Income Tax	Real Estate Tax
Federal Unemployment Tax	Property Tax
Workers Compensation Tax	Building Permit Tax
Social Security Tax	Well Permit Tax
Medicare Tax	Septic Permit Tax

State Income Tax	Utility Taxes
State Unemployment Tax	Severence Tax
School Tax	Corporate Income Tax
Sales Taxes (State and Local)	Accounts Receivable Tax
Privilege Tax	Inventory Tax
Food License Tax	Fuel permit tax
Inheritance Tax	Interest Expense
Capital Gains Tax	IRS Penalties
IRS Interest Charges	Liquor Tax
Luxury Taxes	Marriage License Tax
Service Charge Taxes	Telephone federal excise tax
Telephone federal universal service fee tax	Telephone federal, state and local surcharge taxes
Telephone minimum usage surcharge tax	Telephone recurring and non-recurring charges tax
Telephone state and local tax	Telephone usage charge tax
Vehicle Sales Tax	Vehicle License Registration Tax
Recreational Vehicle Tax	Trailer registration tax
Road Toll Booth Taxes	Toll Bridge Taxes
Toll Tunnel Taxes	Watercraft registration Tax
Gasoline Tax	Road Usage Taxes (Truckers)
Dog License Tax	Fishing License Tax
Hunting License Tax	Cigarette Tax
Not one of these taxes existed 100 years ago and our nation was the most prosperous in the world, had absolutely no national debt, had the largest middle class in the world, and Mom stayed home to raise the kids. What happened?	

Compare the above, which we will term “What the Serf’s contribute” to the below to see “What the Monarchy receives”.

(data compiled courtesy of: http://www.ntu.org/main/press.php?PressID=935&org_name=NTU)

Each Congressman receives an annual Minimum Allowance with which to run their office, the amount is over \$1.2 Million Dollars per year. The total taxpayer funded annual expenditure exceeds \$556 Million Dollars. A HALF A BILLION PER YEAR. This is in addition to the salaries, benefits and perks for the Monarchists and their Staffs. For a complete breakdown on each offices use of taxpayer money please see:



http://www.ntu.org/main/components/congressbynum/house_expense/2005_House_Expense.xls

Please don't misunderstand me; I'm not a complete anarchist – I believe that there is a need for an organized form of government. But, unless I've not understood the wording in the Constitution, that government is supposed to be Representing the Will of the People and be Dedicated to Life, Liberty and the Pursuit of Happiness. Instead, it seems to me, that the government is Dedicated to itself, that is, dedicated to the Monarchists and their Monarchy.

For example, the war in Iraq will eventually cost the American Taxpayer between \$3 TRILLION to \$5 TRILLION dollars. That's TRILLION with a capital 'T' as in T-Rex. This monster is eating our economy and will continue to feast on our future prosperity for generations to come.

Who got us into this Taxpayer funded fiasco? It was our duly elected officials, who are supposed to be representing our interests. It's like another Pearl Harbor – a sneak attack aimed right into our living rooms.

Some days I don't know if I'm Madder 'n Hell or disgusted as hell.

How do you feel about it?

The American Taxpayer

(It's time we got a break)

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