

# *Should There Be a Tax Hike?*

## *Part I*

**C**onservatives and libertarians alike suffer from a failure to recognize who is responsible for the accelerating march of this country into statism. Ayn Rand once wrote that big business is “America’s most persecuted minority.” Nothing could be further from the truth.

From the turn of the twentieth century, through the New Deal period, and up to the present day, big business has been in the forefront of the shift from a free economy and a free society toward statism. For it saw in the state what the mercantilists —the big businessmen of *their* day — saw: a golden opportunity to confer upon themselves special privileges through subsidies, monopolies, cartels, contracts, etc. Two brilliant books of recent years — both by historian Gabriel Kolko, *Triumph of Conservatism* and *Railroads and Regulation* — have shown conclusively that the government regulations of the Progressive period around 1900, from which grew the Great Society of today, were *not* brought about to curb big business “monopoly.” Instead, various powerful big businessmen, disappointed in their attempts to gain monopoly on the free market, turned to the federal government to impose such monopolies and cartels in the guise of “progressive” reforms.

Out of these regulations and controls has emerged the veritable corporate state of today — a society and economy run by Big Government in

partnership with Big Business and Big Unions — with the average citizen getting it in the neck. It is a corporate state with a “welfare” and “progressive” rhetoric, which some of the New Left historians have perceptively called a system of “corporate liberalism;” in short the reality of a corporate state cloaked in “liberal” and “welfare” ideology.

There is nothing that the American economy or the American people need *less* than another income tax hike. Yet now that President Johnson has suggested a ten percent tax increase, the legions of Big Business have come leaping to its defense.

The National Association of Manufacturers, once a sturdy opponent of statism and Big Government, has endorsed an income tax rise; perhaps it is not a coincidence that the president of the NAM, W. P. Gullander, who has been trumpeting the “positive” program of “partnership” between Big Business and Big Government, comes to the NAM from a term as head of General Dynamics, a corporation virtually built out of government funds and government contracts. A less free-market-oriented corporation would be difficult to imagine.

And now we find that 113 of the biggest big businessmen in the country — including David Rockefeller, Henry Ford II, and the heads of AT&T, General Electric, and General Motors — are organizing a group to press for full support of Johnson’s ten percent income tax increase.

They are certainly not *acting* like “America’s most persecuted minority.” On the contrary, we must give these men credit for knowing on which side their bread is buttered.