

College Unbound!: The MRC's Liberty Learning Program

"Saving Liberty Requires Knowledge of Its Enemy"



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Series 1: Marxism-Collectivism

Episode 05: The First Five Planks of The Communist Manifesto

Teaching Text

In our previous sessions, we explored the logical, moral, and economic problems with Marxism and collectivism. We hit The Incentive Problem, the Information Problem, the Calculation Problem, and the overall trouble created by collectivism's smothering of resource discovery, a mess that is, itself, caused by collectivism's negation of the *individual*.

Now, we dive into Marx's 1848 black book, *The Communist Manifesto*, co-written and edited by Friedrich Engels, to understand its inconsistencies, and see the planks that have been implemented in the U.S.

Plank One is a whopper: "Abolition of property in land and application of all rents of land to public purposes."

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Any sensible person might notice that this is internally contradictory, and it runs into The Incentive Problem, The Information Problem, and the Calculation Problem. If private land property is abolished, there can not only be *no collection of rent by any owner* (because there is no longer a true owner), but the *economic calculation of land prices*, or even what parcels *are*, is impossible. Without private ownership, no one can engage in market exchange to determine the borders and values of parcels or negotiate prices. It makes the landscape one giant concentration camp, owned and controlled by the government — and makes all the supposedly “freed proletarians” new forms of serfs.

And we’ve seen how it plays out. The nationalization of land and industry [in the USSR](#), [communist China](#), [Vietnam](#), [North Korea](#), [Cambodia](#), [Cuba](#), and [Venezuela](#) led to mass starvation and deprivation. Even in nations considered “democratic,” when collectivist ideas such as property seizure, heavy “regulation,” and welfarism have been introduced, the productive capacity of these nations has crashed. [As economist Ludwig von Mises said in 1920](#): “Every step that takes us away from private ownership of the means of production and from the use of money also takes us away from rational economics.”

But, of course, contemporary Marxists deny reality and the disastrous consequences of this first plank, and call for even more — using the fruits of capitalism such as cameras, communication tech, automobiles, farmed food, supply chains, and air travel to promote their crusade against capitalism, especially here in America. Already in the U.S., this property theft has been committed to varying degrees through land and home taxes,

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eminent domain, condemnation of properties, zoning, professional licensing, and so-called “regulation” of businesses.

And a note for the so-called “AntiFascists” out there... The nominal — in name only — ownership of a business that is actually run beneath government diktats and “regulation” is the technical definition of “fascism,” and the so-called “right-wing” fascists of World War Two were really collectivists, enamored with Marxism. We’ll show you evidence of that later in our series.

Now, let’s dissect Plank Two. “A heavy progressive or graduated income tax.”

In fact, a [visit to the National Taxpayers Union](#) reveals that the U.S. income tax is (and has always been) highly “progressive”:

“The IRS 2017 data shows that filers with AGI under \$30,000 had an average income tax rate that was negative, thanks to the refundable credits. As filers’ income increases, the average tax generally increased. Those in a range from below to just above the income of the middle-class, with AGIs in the range from \$50,000 to \$200,000, paid an average income tax rate of 10.8 percent. The top one percent (incomes above \$515,371) paid an average income tax rate of nearly 27 percent”.

According to federal government stats, the top ten percent of U.S. wage earners (those earning \$145,135 or more per year) paid 70.08% of all income taxes in 2019. The top

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25% of all earners (those earning \$83,682 or more per year) paid 86.10% of all income taxes. When [FoxNews' Ami Horowitz offered information on this topic to New York leftists in 2014](#), these people— who had previously said that “the rich don't pay their ‘fair share’” — were surprised.

Then, of course, many said that “the rich” should pay more. But, not only does this confiscatory taxation stifle the incentive to earn and start businesses, not only does it skim away the very profit needed to *invest* in new ventures (which could employ more first-time job holders), the view of “rich” is relative and subjective. Based on the conveniences he or she has obtained and the resources at his or her disposal, [a person the federal government might list as “poverty-stricken” in the U.S. would be considered wealthy in many other nations](#). Yet, regardless of these facts, and the deeper truth that taxation is *theft of someone else's earnings*, both BLM and Antifa embrace Marx's ill-conceived expression of “class” envy in action.

Plank Three. “Abolition of all right of inheritance.”

This is another form of theft. There is no moral difference between demonizing another person for handing wealth to a descendant and demonizing another person's purchase of a good or service, or how much time a person takes in a conversation with another, or any other peaceful voluntary act. The attempt to prevent such activity, or force the transfer to go in a direction other than what had been chosen by the owner — *in fact, any aggressive act to compel others how to live or stipulate how or what they may give*

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away when they die — is toweringly aggressive, immoral, and unethical. And such theft changes the manner in which people handle the wealth they acquire. Economists are well aware of the fact that people tend to spend sooner, and with less care, if they know they can't bequeath capital to loved ones. This changes the savings-to-spending ratio in the economy, decreases investment capital, and hampers the start-up sector.

Of course, as we noted in Part One, Marx hungered for HIS OWN INHERITANCE after his father died. He just didn't think others should be able to pass on or receive inherited wealth... No hypocrisy there... And what's the story about inheritance confiscation in America? Well, at times in U.S. history, the inheritance (or “estate”, or “death”) tax has been as high as 77%, on estates worth \$50,000,000 or more, all to direct wealth into political channels, rather than market channels.

Plank Four. “Confiscation of the property of all emigrants and rebels.”

Who's a “rebel”? — That will be defined by the state... And guess what? When many Americans contemplated leaving the U.S. should ObamaCare pass, President Obama and the Democrat-controlled House threatened them [with higher confiscatory taxes](#). “Hi. I'm a thief. I'm going to steal from you, and if you run away, I'll catch you and take even more, just to punish you.” That's neighborly.

Plank Five: “Centralization of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly”

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How this contributes to freedom from being exploited, Marx never explains. But his idea has been implemented in the United States — to the detriment of us all. At various times in U.S. history, the federal government has either [granted a bank monopolistic control over the currency we use](#) (and, thus, over interest rates, overall), or created its own inflationary central bank (the disastrous [First](#) and [Second](#) Banks of the U.S., in the late 18th, early 19th Centuries). How this equates to freedom is unanswerable, and in every instance, central banking — whether conducted by the U.S. government controlling the money supply, or by a monopoly bank created by the U.S. government — sees an inflation of the money supply and diminution of the buying power of currency, leading to higher prices and the “boom-bust” cycle.

In fact, since 1913, [the Federal Reserve has decreased the buying power of U.S. currency by an average of two percent per year – COMPOUNDED](#)... And now, the Fed not only controls the currency we are legally forced to use, it buys federal debt, facilitating massive over-spending by the U.S. government and an expansion of offices, favoritism, and the federal shadow over our lives. AND, thanks to the 2020 CARES Act, the Fed also has the “power” [to bail out corporations by buying their bonds](#), without telling the public which corporations the central bank is bailing out...

And when it comes to other forms of lending, the U.S. also teeters close to Marx’s troubling ideal.

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The United States government now handles [nearly 100% of all college loans](#), and it or the Federal Reserve (or [U.S. corporate creations Fannie Mae and Freddie Mac handle](#)) control nearly 100% of the home loan market.

Welcome to the United States of Marxism.

Give these and some alternatives serious thought, if you'd be so kind. Next time, we'll explore the last five planks of the Communist Manifesto, see how unworkable they are, and explore how they have — or, if we're REALLY lucky, have NOT — been implemented in the so-called "Land of The Free."

Meanwhile, let us know if you think these first five have been implemented in ways we haven't mentioned! Take our quiz! Remember the info, and teach others about this and about freedom!

That concludes Part 05. Be sure to test your knowledge here:

<https://forms.gle/GBnC6TmR1rxhVHqb8>