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FREEFOLK

PUBLICATION OF THE COMMONWEAL SOCIETY
FOR ECONOMIC EDUCATION

ADVOCATING

THE TOTAL ABOLITION OF ALL TAXATION, THE
COLLECTION OF THE FREELY OFFERED AND
AUTOMATICALLY ADEQUATE GROUND-RENT.

WE BELIEVE

THAT THE FUNCTION OF GOVERNMENT
SHOULD BE LIMITED FIRSTLY TO THE PROTEC-
TION OF EQUAL RIGHTS OF ALL PEOPLE, AND
SECONDLY TO PROVIDING COMMUNITY SER-
VICES EXPEDITIOUSLY AND WITHOUT PUBLIC
DEBT.

1978
JANUARY & FEBRUARY ISSUE

CONTENTS

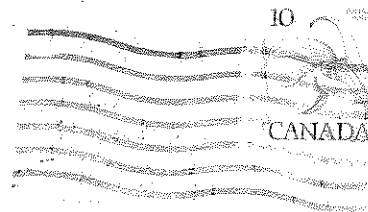
Beckwith Said
Trudeau's Solution
Steal or Steel
Government Involvement
Why Pay Them?

6748

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Cover

BECKWITH SAID

The value of a land-title has nothing to do with what is done upon the site. It is caused by the activities around and about. Good neighbours add to the value. The accessibility of private services like those of the doctor, the hardware merchant, the barber, contributes. Provision of public services like roads, utilities, libraries, schools, and so forth, plays a great part too. The advantages derived from occupation of a site are entirely due to others, - the good citizens around and about.

TRUDEAU'S SOLUTION

Prime Minister Trudeau has just given us his philosophy on unemployment. His government will generate confidence which in turn will generate investment, which in turn will generate jobs.

We can be sure that if economic conditions improve it will be due to nature alone; they will have to improve in spite of politicians, because the thinking which posits that investment (or capital) creates employment is the old rubbish of J.M.Keynes which is responsible for the abominable situation we are in. It is a reflection of the disproved Wages Fund Theory which views human beings as things or animals to be fed while work is extracted from them, and at the same time views capital as living and conferring benefits upon the "work-force".

During the lifetime of most politicians it has been an observable fact that full employment has existed during war-time when capital was being destroyed, and immediately after war before the replacement of destroyed productive power. The extreme example may be found in a report of

Cover

an experiment in living. A number of people copied the life-style of the Iron Age, growing their own food, weaving their own cloth, chopping their own fuel, living in mud huts they built. They survived and were fully employed. After a year they had found the new life-style bearable. Obviously many of our unemployed could do better using modern methods and skills, so why don't they?

The unemployment problem is created by lack of access to land. The Iron Age dwellers obviously had the use of an area on which they could freely produce. Our unemployed however, are barred from the good earth by the institution of quasi-ownership of land which demands that they turn over part of the produce of their labour for permission to work. The greater the population, the greater the competition of workers for a limited area, and so the greater the proportion of their wages they must forego until they just cannot meet the price demanded for access to the freely provided earth.

As long as our politicians ignore the fact that access to land is the basis of all employment, we shall suffer, some severely, some only a little, the penalty of ignorance be it keynsian or trudeaunian.

STEAL OR STEEL

B.C. has a small steel-fabricating industry. Its materials come across the Pacific from Japan. In Ottawa a law has been passed putting a tariff of 30% on the greater part of the B.C. imports. The aim is to keep the Ontario steel industry in operation by selling Ontario steel to B.C.. However, the greater cost and the high freight rates will merely put the B.C. fabricating industry out of business, then there will be no Ontario steel sold to B.C..

GOVERNMENT INVOLVEMENT

The rule of nature is beautifully simple in contrast to man-made regulations. The land was freely provided and people work on it to produce the wealth and services they desire. (This statement cannot be repeated often enough) That part of wealth and services which we call wages belongs in full to the workers according to their individual efforts, - not their collective efforts. This constitutes a natural channel of distribution.

That part of the wealth which is being appropriated due to our system of land-ownership (mainly by individuals) really belongs to all of us because it is the combined existence and activities of the whole society that determine the price or income a titleholder can get for "his" land, not the landholder's individual effort. This part is called "rent" or "ground-dues" in order to distinguish it from wages and it constitutes a second channel of distribution.

Speculation (the withholding of land from use) offsets and disturbs all economic activities, but this does not detract from or add to the natural order in the economic field. The simple and uncomplicated fact of what belongs to you (wages), what belongs to me (wages) and what belongs to us (ground-dues) always remains.

If a sufficient number of people, some day, will smarten up, start to study the natural order and realise its superiority over man-made laws, we shall be able to throw the landlords from our backs altogether. Then no-one will ever again have to turn over any part of his pay-cheque to a landlord whether he buys a house or not.

G. Jeberg.

If we believe that government should "run the country" then we must accept all the clerical work imposed on us in business and in our private lives.

For generations businesses have been collecting taxes and remitting them to government. Taxes on sales have been collected from customers and all the attendant work has been accepted in a docile way. However, the work-load has increased as government imposed new rules. Income tax deduction from the pay of employees now has to be calculated, withheld, and remitted monthly along with two equal contributions for Canada Pension, and two unequal contributions for Unemployment Insurance. The progression has been from simple to complex, from a small imposition to a heavy burden.

The individual supposedly assesses the amount of income tax he is liable to pay. He is sent a form to be filled-in and a guide to help him. A generation ago, the form was simple and most people had little difficulty with it. Again, the progression has been from simple to complex. At first one amount was calculated, payable to the Federal Government. Now, two payments must be calculated since the Provincial Government takes a percentage of the loot. Our "benevolent" rulers have been concerned with making income tax "fair" and so additional allowances and exceptions have been legislated, each one adding to the work the taxpayer must perform in order to assess himself.

For the 1977 taxation period most people are faced with a form of 28 pages to be filled in, plus a 53 page booklet describing how to fill in the form on which they are to perform their own calculations in order to arrive at the income tax they will pay.

In the past, those who felt unable to cope with the forms, took them to tax accountants. Year by year these

accountants have done an increasing business until now they advertise their services with costly television commercials. The prediction is that this year they will do more business than ever because very few taxpayers feel capable of performing the chore of interpreting the 53 page guide with its 31,500 words and figures in order to fill in the 28 page form.

This taxation business is self-destructive. Soon we shall all be spending the greater part of our time in activities connected with taxation, - keeping accounts, filling-in forms, figuring out ways to evade, incarcerating those who fall foul of the tax-gatherer, hospitalising those driven to a state of mental imbalance by frustration. The production of goods and services will decline *pari passu* as labour is diverted to these unproductive channels, and we shall one day see the government completely ruling our lives.

Chuck Bayley writing in Pioneer News about taxation problems, says, "Surely there must be a better way." - There is a better way but it is not given enough publicity. Taxation as we know it should be abolished. The sole social revenue should be the socially-produced ground-rents which at present are diverted into the pockets of people who do nothing to earn them.

Assessment of ground-rent is simple. The free market will do this at no cost at all. Once we abolish allodial land tenure and allow people people security of tenure of the site they occupy as long as they pay its full rent into the public coffers, competition among those seeking to use sites will set the different rents that occupiers will pay for this "social security". This is as costless a process as the setting of a price for hay, or any commodity that is freely marketed. There is no dispute about a price set by competition, and most important of all, the government is not involved.

WHY PAY THEM?

A real estate company advertises on the radio in words like these: "Good morning! I have a special message for you. You know, it breaks my heart to see so many tenants turn over a big chunk of their pay-cheque to a landlord." and the announcer then states that if people will buy a house, they won't have to pay a landlord anymore.

This is true in relation to a home only if the buyer at the time of purchase pays the full price of the land and becomes a landlord himself. But usually the buyer makes a relatively small downpayment and keeps paying in terms to the former titleholder, who thus continues to act as a landlord by appropriating monthly payments for the use of the land.

People are being misled! Sometimes the deception is deliberate, sometimes it is by persons who know no better themselves. It is a tragic fact of life that people are easily duped because of widespread economic illiteracy. If there was a general understanding of wealth is distributed, people would not put up with paying landlords at all.

Labour alone brings materials together and assembles them into a home. Nature provides wages for those who perform the labour by allotting to them the produce of their labour. Only superior force of public or private bandits prevents labourers receiving their full reward.

But a house has to sit upon a piece of land, which clearly is not the product of labour. Ignoring that fact, people have accepted a system whereby land is claimed as property and therefore has to be bought, usually on mortgage terms. Consequently a house "owner" keeps turning over a chunk of his pay-cheque to a landlord.