

A DRAFT POLICY FOR GOOD GOVERNMENT
(WITH EXPLANATIONS)

BASED ON JUSTICE
CONSISTENT WITH
THE SCIENCE OF POLITICAL ECONOMY
SCRIPTURAL INJUNCTION
SOUND BUSINESS PRINCIPLES
COMMONSENSE AND LOGIC

IS PRACTICABLE AND EXPEDIENT
IS THE ONLY POLICY EVER EXPOUNDED
THAT WILL
ABOLISH ECONOMIC AGGRESSION
WHICH LEADS TO WAR AMONG NATIONS

WILL CREATE
PEACE AND PROSPERITY

ABOLISH
UNEMPLOYMENT AND POVERTY

REDUCE VIOLENT AND FRAUDULENT CRIME
MURDER, THEFT AND CORRUPTION
SUICIDE AND VANDALISM

AND RESTORE
THE FAMILY AS THE
CENTRAL UNIT OF SOCIETY

100

100

100

I

FOREWORD

This treatise is dedicated to the memory of Henry George and his followers who for more than a century, since PROGRESS AND POVERTY was published in 1879, have been opposed by the forces of greed and ignorance which have almost destroyed the chances of the survival of this civilization.

Progress and Poverty has achieved greater sales than any other work of an ideological nature - beleived to be second only to the Bible.

It has been translated into 23 languages and has been acclaimed by the great thinkers of the century including Leo Tolstoi, Sun Yat Sen, Professor John Dewey, Albert Einsein, Winston Churchill and many others.

It transformed economics, formally known as "the dismal science", into a complete scientific analysis, showing why increasing wealth is accompanied by worsening want and how justice may be restored.

The Science of Political Economy, as unfolded by Henry George, is radiant with hope.

In attempting to draft a policy for this generation, based on principles, yet steering a path through the morass of injustice, inefficiency and repudiation of human rights, it has been necessary to deal extensively with cause and effect and prove the case beyond reasonable doubt from research and analysis, methods that are not normally associated with statements of policies for good government.

The advantages of doing what is right are more easily understood by making a comparison with the effects of doing what is wrong. This method has been used and for reasons of simplicity. The existing system, which applies to a greater of lesser extent in every country, is described generally, but correctly as "monopoly - socialism".

Extreme socialists call the present disorder "capitalism" which has become a derisive meaningless term that is entirely inappropriate because the efficient use of capital is essential to free enterprise and good government.

No disrespect is intended to those involved with administration and policy making.

Unless there is basic recognition of both common and individual rights the present drift away from a free economy is inevitable. Banaid treatments substituted for justice.

II
INDEX

	PAGE
1. The Basic Conditions of Good Government	1
2. Common and Individual Rights	2
3. Taxation - Property Rights and Communist Ideology	4
4. Legalized Restraints or Legal Conformity with Economic Science	5
5. The Rescue Operation	7
6. Policies for Government in a Free Economy	11
7. Democratic Principles	16
8. The Essential Conditions of Land Tenure	16
9. The Destructive Effects of Taxation and Legalised Monopoly	20
10. The Inefficiency of Over Government - with Particular Reference to Education, Health, Banking Currency and Credit	23
11. The Proper Functions of Government	24
12. Competition and Interference with Private Enterprise	30
13. Zoning Conditions of Land Use	33
14. The Only Justification for Taxation	35
15. Transition Problems	35
16. World Wide Consequences	37
17. Why Trade Unions Support Monopoly and Taxation	38
18. The Media Monopoly	40
19. Justice, Freedom and Simplicity	41
20. Conclusion	42

III

	PAGE
APPENDIX 1	
The Origin of Land Holdings	47
APPENDIX 2	
The Laws Governing the Science of Political Economy	49
APPENDIX 3	
Taxation, Monopolies and Waste, ultimately are at the Expense of Rent	54
APPENDIX 4	
A National Dividend - The Incentives for Wise and Efficient Public Expenditure	58
APPENDIX 5	
Population Explosion and the Environment	60

DRAFTING COMMITTEE FOR CONDITIONS OF GOOD GOVERNMENT

Mr Richard Clarke
Sunflower Cottage
Little London
Lechlade
Glos.
GL7 3DQ
England, U.K.

Mr George Curtis
23 Estate Ave
Broughton
Brigg
South Humberside
DN20 0JY
England, U.K.

Ms Helen Fjortoft
59 Forefield Lane
Gt Crosby
Liverpool
L23 9TQ
England U.K.

Mr Ronald Gill
40 Amber Rd
Allestree
Derby
DE3 2QA
England U.K.

Mr Michael Horsman
C/- 5 Lamberton Grove
Arklow
Co. Wicklow
Ireland

Mr N. Tideman (Nic)
Economics Dept
Virginia Polytechnic Institute
Blacksburg
VA 24061
U.S.A.

Mr Seibe Sevenster
F.C. Dondersstraat 5
6721 BL. Bennekom
The Netherlands.

Mr Godfrey Dunkley
10 Constantia Close
Muizenberg 7951
Republic of South Africa

Convenor:

Mr Graham Hart
19 Roscommon Rd
Floreat
WA 6014
Australia

Mr Richard Noyes
President
International Union for
Land-Value Taxation and Free Trade
ex officio
P.O. Box 2
Salem
New Hampshire, 03079
U.S.A.

Secretary
Mrs Barbara Sobrielo
International Union for
Land-Value Taxation and Free Trade
177 Vauxhall Bridge Rd.
London SW1V 1EU
England, U.K.

The Convenor, who drafted
this document, apologises for
the omission of degrees or
titles held by committee
members. This will be
rectified when the information
is forthcoming.

POLICY FOR GOOD GOVERNMENT

1. A STATEMENT OF POLICY FOR GOOD GOVERNMENT SHALL SATISFY THE FOLLOWING REQUIREMENTS:

- * "Government of the people, by the people, for the people" is an oft repeated Jeffersonian quotation, but the statement by John Stuart Mill seems even better - "The pure idea of democracy is government of the whole people by the whole people equally represented".
- * Each person shall have the right to life, liberty and the pursuit of happiness, provided that in the exercise of such rights, there shall be equal recognition of the rights of all other people.
- * Government shall be within the limits of a constitution, consistent with the Ten Commandments and Common Law, to which all statute laws shall conform. The policy unfolded could be adopted within the present Constitutions of most countries, but there are no safeguards against the tyranny of government. Alterations to a Constitution, before the people understand and have experienced the operation of the principles of justice, would be a risky experiment.

It would therefore be advisable to submit the revised constitution to the people for ratification after a just society has been established.

Enduring prosperity, into the foreseeable future, could then be forecast and legally protected.

- * The power of government shall be limited to functions, which by their nature, are necessary monopolies, in which the freedom of competition is impracticable or uneconomical.
- * Statute law shall not be inconsistent with the constitution, but when not specifically covered, legal enactments shall be confirmed or negated by referendum at the time of general elections.

Human rights shall not be subject to enforcement by statute law, with legally enforceable penalties; in which case, protection would be available only to the rich, at the expense of the poor.

There shall be no reliance on "equal opportunities" legislation, restrictive trade practices, fair trading, human rights legislation etc. all of which can not be violated under the constitution, are protected by the operation of the law of supply and demand and other laws of political science, which shall be observed.

* The Constitution shall be consistent with:

1. Christian Principles and scriptural injunction.
2. The Science of Political Economy.
3. Sound business principles.
4. The Preservation of the earth and the environment; to serve the needs of this and future generations.
5. The maximum conservation of non-renewable resources.
6. The replenishment of renewable resources.
7. Recognition of the family as the central unit of society and the relationship of all people with each other and to the earth upon which and from which each person must live.

2. COMMON AND INDIVIDUAL RIGHTS

Human Rights are two-fold.

1. Each person within the nation shall have the common right, with all the other people, of equal access to the land of the nation (the earth including all natural elements).
2. Each person shall have the exclusive right of property in the product of that persons labour with the right to exchange or bequeath his or her property.

* Common rights cannot be secured by parcelling out the land equally on an area basis because of the enormous differences in value, individual requirements and continual changes in population, due to births, deaths, migration and the need to provide for the rights of future generations.

* Land varies in value, because of superior natural advantages of some land and relative locational advantages of all alienated or lease hold land.

Note: Natural advantages are included in the locational (rental) value.

- * Locational advantages depend upon the density of population and the area of land available for use within the community.
- * For example. The most valuable acre of land in Japan, which has a large population and a small land area, is said to have a market price of 8 billion dollars (exclusive of improvements) which is capitalized rental value.)
- * By comparison, the most valuable acre of land in Australia, which has a large land mass and a small population, has a market price of about 160 million dollars, which is 50 times lower.
- * As a further comparison marginal land, that is the least desirable land in use, (Rent free land) would have a market price of \$ nil. The difference is infinity.

Most marginal land, even though it has no rental value at present, is privately held in the anticipation of future gain as the pressure of population increases.

- * The rights of exclusive occupation and security of tenure are essential to modern production, therefore, land titles and leases, should be in perpetuity, with the right of transfer, conditional upon payment of the annual rental value to the State (all other people). This would provide the natural revenue of government because it is the services of government which enables people to work and live in closely settled and regional communities.

Henry George proposed that equality of land rights be based on land rental value, paid to governments on behalf of all the people, by each particular land holder in return for public services and the right of exclusive occupation.

- * The condition of equality of opportunities and common rights to land in a just and practicable manner would thus be satisfied.
- * It is the presence and activity of all people in a community, state, or nation, which creates the value of land - not the efforts of individual land holders.

It is important to note the difference between the annual unimproved rental value of land and land price, which is capitalized rent, based largely on alternative forms of investment, taking into consideration - security, risk, the prospects of future increases and (under present conditions) a "hedge" against inflation.

The annual return to rent under present conditions is estimated at about 5% of land price which must compare with other forms of investment when all factors are taken into consideration. Because of the superior advantages of holding land, compared with the ownership of capital, land prices are extremely high.

Interest is the real net earnings of capital, after provision for maintenance, not to be confused with the borrowing and lending of manipulated currency which includes many factors that would not occur in a free economy.

The annual rental return on the most valuable acre of land in Perth, Western Australia, is estimated at \$2,000,000 which capitalized at 20 times, equals \$40,000,000 land price.

When taxation, public debt and inflation are abolished, land rental - locational advantage value - use value-economic rent - or whatever it may be termed, will register accurately in the market.

One will then, not be able to think of rent as a percentage of land price because land price will not exist.

3. TAXATION - PROPERTY RIGHTS AND COMMUNIST IDEOLOGY

- * Subject to the recognition of common rights, then all taxation which violates the individual right of property may be abolished.
- * Taxation conforms with communist ideology which denies the right of individual property and affirms that the State has a prior claim to the product of each persons labour and indeed, to ownership of the means of production, industry, distribution and exchange.

Communists recognize the power of land monopoly which destroyed the Czarist Russian economy and the Chinese economy under the Manchu Dynasty and have nationalized the land of these Countries.

The results have been complete disaster, because bureaucratic allocation, with such enormous differences in value, is impossible and breeds corruption. Moreover, with such vast populations and future generations having to be provided for, it would be sheer madness even to make the attempt.

Land Nationalization has been put into cold storage by Communists and Socialists in other countries which rely almost entirely upon taxation for public revenue.

- * It has been found that public ownership of industry destroys incentive to such an extent that losses usually result.
- * To allow private industry to own the titles and share certificates, as we do at present, and then confiscate a major part of the profits by taxation is a much more practicable, but equally sinister, form of compulsory communism.
- * Voluntary communism is the basis of family life, each partner performing the duties to which he or she is best suited, each giving of their best and sharing according to their needs.

The Christian disciples also were voluntary communists, pooling their resources and sharing alike. The basis of giving and taking was love and trust.

- * Compulsory State Socialism or Communism is a very different matter. Millions of people, unknown to each other within the nation, comprising those with good and evil intentions, energetic and lazy, with different aspirations, ignorant and wise, spend-thrift and frugal, cannot be expected to give of their best, without thought of reward and taking only what the State allows them, without regard to their differing needs.

4. LEGALIZED RESTRAINTS OR LEGAL CONFORMITY WITH ECONOMIC SCIENCE.

- * Government imposed socialism, therefore, does not work, either justly or efficiently.

Increasing applications of force are necessary, supported by a maze of legal enactments and regulations (48,000 in Australia during the past 20 years), enforceable with vicious fines and penalties.

- * Each new law creates a crime. In many cases, for doing what people have a moral right to do.

The West Australian Government is now in process (Oct. 1989) of introducing "anti racism" legislation with the harshest possible penalties, when in fact the Federal government has been discriminating against the Anglo-Saxon race which colonised Australia. Were they not so serious, such antics would be laughed out of court.

- * When basic causes are ignored Socialist Governments attempt to deal with the inevitable effects by legislation which only creates further anti-social problems which hasten the drift to the communist police state. The ideology of compulsory communism is identical with socialism but with a more ruthless disregard of human life and moral values.
- * It is much easier to drift into communism than it is to reverse the process which is a highly dangerous operation. Those who take the initiative can easily be branded as traitors and lose their lives.
- * It is ironical that while the western nations are drifting to compulsory socialism and communism the Russians and Chinese leaders are trying to extricate their countries from a system that denies human freedom and has not contributed to material or spiritual progress.
- * Most of the Western developed nations have reversed the natural order, allowing the favoured few to monopolise the most valuable land without contributing in like measure to the public treasury and substituting a vicious discriminatory disincentive taxation system for the raising of public revenue. The same applies in the under-developed countries.

In the process there is a progressive escalation in unemployment, the need of welfare, degeneration of public and private morality, a steadily rising crime rate, mental illness leading to murder, suicide, vandalism, inflation, national debt, disintegration of family life and a falling birth rate in the developed nations.

- * All that is necessary to restore good government is to conform with the laws of economic science, which are entirely consistent with scriptural injunction, pronouncements of the great philosophers of the ages, with common sense and with sound business principles.
- * The laws of political economy are few and simple, as are all great truths, and may be easily understood by anyone with an open mind and the ability to set aside pre-conceived beliefs. Complexity only arises in trying to relate basic principles and eternal truth to the morass of perplexing interferences with human rights to which we have become so accustomed.
- * 1. The Law of Motivation defines human response to justice or injustice and incentive or the reverse.

2. The Law of Rent determines the distribution of wealth, justly in a free economy, unjustly in a monopoly ridden economy in which the big land holders have superior bargaining power.
3. The Law of Supply and Demand registers values and prices, which are a guide to industry, indicating consumer demand and the areas where, and the extent to which, production will yield the best returns.
4. The Law of Diminishing Returns explains that there is a point of maximum efficiency, to expand beyond which, reduces productivity per unit of labour or capital expended.

This is particularly applicable to the size and scope of government but is well understood in private industry.

5. THE RESCUE OPERATION

- * Fortunately the exercise is very simple. Complexity only arises in establishing priorities for the progressive reduction and ultimate abolition of taxation (about 70 different taxes and revenue producing charges apply in Australia).

It is necessary that full employment opportunities should be restored as quickly as possible.

- * The full programme should be phased in over a 5 to 10 year period, in order to reduce transitional problems, but once it is realised that there are no future prospects of making unearned profits from land speculation, land prices will fall dramatically and land will become available for use under attractive conditions. This is essential for full employment.
- * Labour applied to land, either directly or indirectly, is the basis of all employment.
- * With full employment and just rewards, production will increase and consequently the demand for consumer goods and capital equipment.
- * Secondary monopolies can be reduced as production costs, caused by land monopoly and taxation are reduced and alternative opportunities for capital investment arise. All monopolies ultimately, must be abolished.
- * Australian products will again become competitive in world markets.

- * Each of the 70 different taxes and charges is administered by an army of bureaucrats doing useless or counter-productive work. As these taxes are abolished progressively a large part of the civil service will transfer to productive enterprise. Their wages will then create further demand for goods instead of inflationary pressures and increasing national debt.
- * Australia is richly endowed with natural resources and has an enormous land mass. Yet its economy is being eclipsed by nations with greatly inferior natural advantages such as Japan.
- * The land of Australia has been valued and facilities exist in Local Government for the collection of "Economic Rent" as the market value of natural and locational advantages is described by economists.
- * Australia is ideally placed to set an example that could lead the world to prosperity.
- * The saving of human lives and misery would be beyond calculation and description. There are said to be 200 million unemployed young people throughout the world, denied access to the land of their native country.
- * People are crowded unnaturally into swollen cities because of the depressed condition of agriculture and basic industries - to swell the unearned fortunes of central land monopolists.
- * Even in Australia, despite its vast territory and natural resources, the majority of people are driven by unnatural economic forces into half a dozen capital cities because these are the centres of employment in the largest businesses, which include:-
 1. Speculating in Real Estate.
 2. Collecting, enforcing, avoiding and evading taxation.
 3. Banking, currency and credit management including organising inflation, public and private debt.
 4. Government organized monopoly i.e. socialist regimentation including the control of industry and the private lives of the people.
 5. Government welfare services.
 6. State monopolised education.
 7. State monopolised health services.
 8. The monopoly media sanctioned by government.

In a free economy, the activities under reference would be abolished, greatly diminished, or transferred to private enterprises. The importance of capital cities, therefore, would be greatly reduced, regional productive industry would be restored and employment opportunities would attract population to less crowded, less polluted, more healthy and pleasant environments, conducive to the raising of families and with cheaper living conditions.

- * Because of the disincentive effect of taxation which dries up the source upon which taxes are based governments cannot consistently balance their budgets and must have recourse to borrowing and inflation which creates an unnatural stimulus to increase interest rates.
- * Taxes increase production costs. Rents are unnaturally high because of the artificial scarcity of land due to land speculation and the withholding of land from use or under-developed.
- * Governments, as the largest purchasers of goods and services, must buy back their own taxes and the added costs arising from monopolies and sinecures, inherent in monopoly-socialist legislation.
- * Australia and Russia are the only countries known to the writer to have compulsory electoral systems. This results in a mass vote of apathetic or ignorant people which enables socialist governments to do virtually as they please, with little regard for the freedom and well being of those whom they were elected to represent.
- * Superimposed on this is an undemocratic, single member, electoral system, which, in effect, disenfranchises nearly half of the electors.
- * A vote has no value unless it has the effect of helping to elect a candidate to represent the elector reasonably in accord with his or her views.
- * This is only possible in multi-member electorates, under the proportional representation system. In an 11 member electorate, for example, less than 10% of the voters can be disenfranchised. Moreover and most importantly, because members are elected on a quota system, 11 different shades of opinion can be represented in parliament or the local council, as the case may be.
- * Under the single member preferential system only 2 or 3 blanket policies are submitted for the peoples choice none of which may coincide with the electors views.

- * Under present conditions, in Australia, this has degenerated to choice of either right wing or left wing socialism, the policies of which do not vary to an important extent.
- * All parties subscribe to the alienation of common rights to land and denial of individual rights to the product of each persons labour and in consequence, the mal-distribution of wealth, unemployment, public debt and inflation, rising crime rate, etc., must be tolerated.
- * Fortunately Australia does have proportional representation for the Senate, the Legislative Council in W.A., and for the State Parliament of Tasmania, but this is marred by compulsory voting and to an extent, for Local Government in N.S.W.

With the one exception referred to none of the lower houses of parliament, State or Federal, have provision for democratic elections nor do the major parties support such a system.

- * Effective leadership is one of Australia's greatest problems and this is much more likely to arise under P.R. because there is not the same measure of party control by the "back room boys" and voting according to conscience is more acceptable. See page 16 Democratic Principles.
- * There would be an enormous reduction in the cost of Government in a free economy compared with monopoly-socialism, not only because of the greatly reduced functions of government but also because of the decrease in the non-productive and counter-productive eligible work force, estimated at 40% in Australia.

Note: 1. Unemployed (idle poor)	10%
2. Idle rich	10%
3. Surplus Public Servants (32% employed by government assume about half	15% *
4. Private industry employed in honorary tax collection regimentation and avoidance	5%
TOTAL	<u>40%</u>

* (In Australia)

- * It is estimated that the productive workforce ultimately would increase by about 20%, taking into consideration those presently unemployed, the proportion of civil service supporting the tax structure and socialist regimentation and also those living on monopoly tribute, all of whom, ultimately, would be obliged to join the productive workforce.

Mothers with young children would no longer be obliged to work to pay for a home site plus mortgage interest and many people would temporarily retire for cultural or other pursuits with the certain knowledge that employment would be available when needed. 20% has been deducted for this reason.

Each person usefully employed creates a demand for land; in consequence there would be a buoyant public revenue situation together with higher real wages and attractive conditions for real capital investment.

- * For such reasons it is certain that the collection annually of the locational or site rental value of land, would provide adequate revenue for the necessary functions of government at all levels.
- * The foregoing resume of the ideology of government, its relationship with the people and the land is supported by reinforcing evidence which may be confirmed by observation.

6. POLICIES FOR GOVERNMENT IN A FREE ECONOMY

- * It now remains to outline a practical statement of policy.

In British law, legalised in Australia by the Statute of Westminster, all land belongs to the State Governments and titles are granted in 'fee simple' subject to the prior right of the Crown (representing the people).

The collection of revenue should therefore be by the State Governments, apportioning revenue to Local Government and to Federal Government for specific assignments, including Defence, the national coordination of which, obviously, is essential.

- * Local Government, which is nearest to the people, probably is not the least important tier of Government. It should be responsible for the valuation of land, kept up-to-date annually, subject to State coordination and for the collection of 'Economic Rent' (the annual market assessed value of the particular advantages of each holding) acting as agent of the State Government.

Apportionment should be by the State Government.

- * Local authorities should provide for roads and the infrastructure generally other than main highways.

Valuations should be recorded and displayed publicly to enable each land holder to check his own assessment and compare with others (as in Denmark).

- * Site values are concentrated in the centres of population and centrally collected funds should also support regional development because regional settlement creates central land value.
- * State Government should be responsible for centrally provided services, electric, gas, and water, and the reticulation thereof, also for drainage and sewerage disposal. Coordination of Federally provided telephone services also is necessary in the matter of reticulation involving the use of roads and highways.

State Governments should provide railways, main highways and organise the coordination of bus services. Ports and harbours etc. are State Government responsibilities in cooperation with local authorities.

State Governments should be responsible for Justice, Police, Corrective Rehabilitation Institutions, and for Traffic Control.

- * The Federal Government should exercise powers delegated by State Parliaments, including Defence, Epidemic Disease Control, Telecommunication and Postal Services, also for interstate railways and highways etc.
- * The foregoing definitions are indicative only as ultimate objectives for decentralisation in a free country and do not purport to be exhaustive.
- * The guidelines are that Government should be responsible only for matters which by their nature are necessary monopolies (such as reticulated services) in which freedom of competition is impracticable, uneconomical, or against the national interest.
- * The national debt should be reduced progressively and ultimately abolished by the sale, as the market can absorb, of capital works and structures which support the monopoly - socialist system.
- * The present public revenue system is based on theft and is almost total rejection of Scriptural injunction.

The tax structure is one maze of temptation. It is not totally enforceable and rewards go to the dishonest and unscrupulous ("Lead us not into temptation" - the Lords prayer).

Moral degeneracy and mental illness, which arise from unjust taxes, frustration and enforced idleness, lead to violent crime, murder and suicide and are a denial of the Commandments - "Thou shall not steal" and "Thou shall not commit murder" which frequently result from injustice, idleness and poverty.

Land monopoly is inconsistent with Biblical injunction. "The land shall not be sold forever".

Real estate transactions, in effect, would involve the transfer of titles with the right of exclusive occupation, subject to payment of public charges and ownership of property improvements affixed thereon. Only man-made buildings and improvements would, in effect, be bought and sold - not the land. There would be no uncollected rent to be capitalised as land price.

"The earth hath he given to the children of men" - "To one as well as another", "He formed it to be inhabited", (not monopolised) etc.

- * To indulge in wasteful expenditure and charge the account, via the national debt, to future generations (about \$8,000.00 each person at present in Australia and rising) is the height of immorality.
- * The construction of railways and highways supports regional settlement of population; central marketing and specialised industry, which also depend upon communications, cause land values to increase. The construction costs of railways and highways, therefore, should be a charge against the State, as the recipient of 'economic rent'.
- * The value of locational advantages includes natural advantages because without the provision of public services better quality land would be inaccessible.

The net relative desirability of land is registered by market assessment as 'economic rent', use value, exclusive of improvements.

- * Therefore operational costs only should be charged for freight and passenger services.
- * It follows also that road construction costs should not be charged by taxation to the transport companies which in this event must pass such imposts on to their customers.
- * Bus services, similarly to railways, increase the advantages of central and regional settlement and reduce the congestion and inefficiencies of the great cities.

- * It is apparent that land values arise, both from the services of Government and from private enterprise, collectively, which confirms the contention that 'economic rent' is the rightful property and natural income of Government.
- * The immorality and stupidity of the tax structure is beyond dispute.
- * As populations increase, as the wonders of advancing science and technology become unfolded to industry the division of labour (specialisation) will increase productivity. This means that less labour will be required to extract more natural resources from the earth and convert such into products which will gratify the insatiable demands of human desire, either for consumption, travel, art, education or the advancement of culture generally, also for labour saving, efficiency-generating, capital goods.
- * This, in turn, will cause site rent to rise, ensuring a buoyant revenue situation and causing wages, together with the earnings of capital investment, to rise also. Proportionate returns to the factors of distribution will be determined by market forces.
- * At the same time prices will tend to decrease and living standards to improve.
- * Governments will then be receiving payment for the site value generating services they have provided, as value in return for such services which is the basis upon which any successful business must operate.
- * In essence, Government is only a business, with the special function of providing services to the community, which private enterprise can not do more efficiently because an element of monopoly is necessarily involved. Governments may subcontract some of their obligations competitively to private industry if this is more economical.
- * It never ceases to amaze that so few people believe that normal business principles should apply to Government.
- * Under present conditions the gap between fabulous unearned wealth and abject poverty, which necessitates vast expenditure by the welfare state, widens with material progress. This can be confirmed by observation.
- * In a truly free enterprise economy, consistent with economic science and moral principles and protecting both common and individual rights, the reverse would happen. All people who perform useful work would receive their full reward and no one could live from unearned income arising from the labour of others.

* In a socialist-monopolist administration the responsibilities of Government increase with the advance of material progress to a degree in which any semblance of maintaining equity and efficiency will become so complex as to be quite unmanageable. If there were corresponding advances in morality and culture this would not be so serious but an anti-social environment is an inevitable result of an unjust public revenue system and denial of common rights of access to the resources of nature. It may be noted from observation and confirmed by statistics that all forms of crime and social degeneracy increase proportionately with the continued encroachment of compulsory state socialism.

* Attempts at legalistic control also have failed, as any student must be aware. Legal enactments and enforceable regulations, must have reached a total of between 50,000 and 100,000 in Australia with which industry and individuals, in their private lives are expected to comply.

* Ignorance is no excuse and vicious penalties are imposed for breaches based on poverty or ignorance.

Governments, instead of functioning for the administration of Justice, have become instruments of tyranny against which there is little or no redress, except for the wealthy, because of the cost of legal protection.

* Dismantling this frightening maze of Statute Law is a task that can only be undertaken after land speculation has been substantially eradicated.

* Debt collection is a risky business because of the complexity of company law and other legalities which favour dishonest and unscrupulous operators.

* The prison system is based on the concept of punishment rather than on rehabilitation. First offenders convicted of minor crimes are adversely influenced by contact with hardened criminals.

* Compensation for injury to victims and rehabilitation of criminals should be the main considerations.

It costs about \$60,000 annually to keep a prisoner in goal.

In a free economy in which there was full employment and a buoyant demand for the products of industry prison industries could be organised to provide compensation and make a substantial contribution to costs. Useful occupation is essential to rehabilitation.

- * "To govern best is to govern least" is true in every respect.

The policy advocated is the essence of simplicity. It is hard to believe that three generations and more have been taught to believe that government is necessarily so complex that it is beyond the comprehension of ordinary people and politics therefore, must be left to 'experts' with the power of 'life and death' meekly handed over to them. Past records do not inspire confidence. Nothing could be further from the truth. "The people must understand for the people alone can act".

7. DEMOCRATIC PRINCIPLES

- * The establishment of democratic government must have a high priority. This can be achieved by proportional representation for all tiers of government with a single transferable vote. Electors should vote for named candidates, not for parties, although the party the candidate supports, if any, may be stated against his or her name on the ballot paper.

Electoral boundaries should be redrawn to return between 9 and 13 representatives (an odd number is preferable).

- * Voluntary voting for all tiers of government is essential with three year terms at which important legislation should be confirmed or repealed by referendum.
- * The cabinet should be elected by both houses of Parliament, if the bicameral system applies, voting together under P.R. as in Switzerland. (Subject to properly constituted government, as proposed, the second chamber, either State or Federal eventually should not be needed).
- * Citizen initiated referendums should be established to coincide with fixed term elections.

8. THE ESSENTIAL CONDITIONS OF LAND TENURE

- * Within the framework of a constitution as outlined in this study public revenue should be raised by an annual charge on the locational value of alienated land or lease hold land irrespective of improvements, without graduations, or exemptions, (including land used for public administration to ensure that land of appropriate value is used, and as economically as possible, plus royalties assessed upon the controlled exploitation of renewable and non-renewable resources.) This system to be phased in progressively over a 5 to 10 year period, when the

full market value of 'economic rent' shall be returned to the Treasury.

- * Land titles are to be held in perpetuity and to be transferable, subject to the same obligation to pay the assessed annual charge to the government.
- * Titles to be in accord with present law in the U.K. and Australia, in 'Fee Simple', subject to the prior right of the Crown (the people).
- * Subject to the foregoing, land holders shall have security of possession and the right to let all or part of their holding to sub-tenants on a prorata basis plus the addition of rent collection costs and the provision for vacancies and incidental costs at market assessed rates.
- * The locational value to be reassessed and adjusted, if necessary, on an annual basis. In a static community triennial evaluations would suffice.
- * Charges to tenants for the annual value of improvements to be fixed by supply and demand without legal interference.
- * Where appropriate or desirable, land holdings may be on a perpetual lease basis subject to the same conditions and obligations as for freehold land. Leasehold tenure is often preferred for pastoral and other farming properties.
- * In the event of termination of freehold or leasehold tenure other than by sale, the market value of improvements shall be paid to the title or lease holder according to equity less the value of unpaid public charges.

The government shall then offer the property for sale or lease at competitive market value.

- * Locational value assessments shall be subject to the right of appeal which shall be reduced if the appeal is upheld. If the valuation is upheld and the land holder refuses to pay the property shall be sold at market value and value of improvements paid to the vacating land holder less unpaid debts for public charges.
- * The conditions stated are for the purpose of stimulating the best use of land, ensuring full employment and equitable conditions between all land users.
- * In respect of Crown (unalienated) land the following conditions shall apply:

1. Forest land suitable for timber cutting. The removal of timber shall be subject to the control and direction of the Forestry Department subject to approved replanting obligations and royalty payments assessed under competitive market conditions.

There shall be due regard to forest preservation as a sanctuary of wildlife and for the maintenance of climatic conditions.

2. Fishing rights shall be granted for prescribed areas and periods at fees arrived at under competitive market conditions with due regard to the maintenance of marine life for the satisfaction of future requirements.

* In respect of land which is the repository of non-renewable resources the rental system is inappropriate because this has the effect of stimulating land use whereas there must be due regard for conservation.

* The foregoing is proposed for the recovery of deeply located minerals, metals, oil, gas and precious stones, basic building materials, etc.

- I. The government shall determine the maximum quantity of deposits that may be extracted within a stated period.

- (a) Tenders shall be called for drilling, coring and logging of prescribed areas in which geological data has established the likeliest prospects of success.

- (b) The information collated shall form the basis of a specification upon which tenders shall be called for the rights of extraction and marketing for prescribed approximate quantities within a stated period as geological experts shall agree is both in the public interest and attractive to tenderers.

The tenderer offering the highest royalty, subject to satisfactory accreditation, shall be awarded the contract.

- (c) Royalties shall be charged to existing mining companies at rates established by competition (all things being equal).

In the event of disagreement tenders shall be called similarly with the requirement that the successful tenderer shall purchase the capital equipment from the existing operator at predetermined market value.

All contracts shall be subject to:

1. Satisfactory, predated conditions of safety being observed.
2. Upon completion or abandonment of a project the works to be made safe in accord with predated conditions to the satisfaction of the Mines Department.
3. The Government to pay additionally for increased costs arising from its own policies in accord with a predetermined formula.
4. In the event that specifications are found to be inaccurate or unjust to either party the matter shall be negotiated or arbitrated if necessary.

II In the matter of the extraction and marketing of surface deposits of metals, minerals, precious stones and valuable rock etc. which require open cut operations similar appropriate arrangements shall apply.

III There shall be due regard to the interests of prospectors whose operations shall be encouraged to the extent that such are compatible with the interests of the people.

- * With due regard to the need of conservation of non-renewable resources there shall be no withholding of exploitation to the disadvantage of the needs of the people of other countries or for the purpose of establishing monopoly prices.

This could be regarded as an unfriendly act that could endanger world peace.

- * In respect of oil and gas located below the ocean bed, outside territorial waters, this is a matter for the United Nations Organisation.

The United Nations Organisation has not been successful as a world peace keeping body because it is dependent on finance from governments the particular interests of which appear to conflict with the general objective.

None of the member nations recognise, in their official policies, the common rights of their people in the land of their countries or individual rights of property in the product of each person's labour and, in this regard, support the ideology of Marxism through the tax structure although the English speaking nations do shout vociferously in support of free enterprise.

A charter of elementary human rights has been publicised which is impossible of realisation without a recognition of common and individual rights.

In consequence of Marxist ideology there are no limitations to the functions of government or protection of people against the tyranny of governments.

The U.N.O. might be more successful in the matter of exploitation of non-renewable resources beyond territorial limits because this is a practical rather than an ideological matter.

The same considerations apply to the preservation and control of marine life in the ocean and in the matter of prevention and containment of pollution.

9. THE DESTRUCTIVE EFFECTS OF TAXATION AND LEGALISED MONOPOLY

- * Subject to the foregoing, all taxation which discourages production and employment shall progressively be reduced and finally abolished within the 5 - 10 year programme period.
- * The most unjust and tyrannical taxes shall be given a high priority for abolition.

I Pay Roll Tax and Fringe Benefits taxation which are within the same category must be given number 1 priority.

It is little short of criminal to fine a company for organising employment or rewarding valued employees under conditions of chronic unemployment and forcing firms which are not making profits to borrow money at extortionate interest rates and subjecting them to vicious fines for inability to pay, taking, on occasions, more than the whole of a firms profits, in total repudiation of the most elementary recognitions of human rights and ability to pay.

II Stamp Duties would not be far behind. Such apply generally to people obliged to borrow to start a home, a business, or those in unfortunate circumstances.

Such imposts add to the final charge against a deferred payment contract and frequently cost the unfortunate purchaser twice or three times the amount paid to the Treasury with additional interest payments to money lenders.

If a farmer can get better terms from another bank this vicious tax must be paid on the transfer of securities, adding to the debt or making it too risky to negotiate a better deal.

Stamp duties are normally paid three times on housing projects, once by the project developer, again by the builder and a third time by the eventual home owner, all of which are passed on to the end user.

(Payroll and stamp taxes can be cancelled immediately with no adverse effects. Total abolition of tax is necessary to cancel collection costs. A reduction makes little difference in reducing bureaucratic costs.

- III Protective Tariffs constitute an unfriendly act against other nations, endanger world peace, such are discriminatory, and encourage monopolies and inefficient industries. Tariffs also increase local production costs and discourage exports.

Total abolition of tariffs must be contingent upon near full employment and alternative investment opportunities, otherwise temporary unemployment would result. Production costs will decrease with the reduction of other taxes and the stimulation of land use.

- IV Excise Duties, particularly on fuel, are especially harmful in a country with such vast distances to travel, as in Australia, and only beneficial results will follow from total abolition as expeditiously as possible.
- V Income taxes on wages, salaries and corporate bodies, discourage production, so vital to the nation. Graduated rates can result in a net decrease from a rise in wages and also increase overhead costs to industry. A flat rate would favour the wealthy and penalise the poor.

Exemption up to a stated income level should be increased progressively until total abolition is possible, as economic rent flows to the public treasury. There is not other reason for delay.

- VI Indirect Taxes of all kinds may be reduced and finally abolished as quickly as possible without any adverse effects. Such injure the poor more than the wealthy.

- VII Capital Gains Taxes, imposed at the point of sale, discourage sales and therefore increase the price of land and buildings by creating an artificial scarcity of land. This was found to be the effect of the Betterment Tax in the U.K. which has since been abolished.

In the Free Economy proposed land prices would decline progressively and planned inflation would not be tolerated.

This tax, therefore, would yield little net revenue and should be repealed immediately.

- VIII Local rates, imposed on property improvement, depress the building industry and should therefore be drawn from site value only. There is no reason to delay. About 70% of local rate revenue in Australia and South Africa is already derived from this source.

It costs about 5 times as much for accurate assessment of rental values which include improvements as to assess site value only or capitalised rent (land price).

- IX The multiplicity of other taxes, yielding lesser amounts of revenue, on banking transactions, on travel and numerous other legitimate activities, are frivolous and vexatious and have no place in an honest society and should be repealed immediately alternative revenue is available.

- X Public charges for the use of reticulated supply services, postal, telecommunications, garbage disposal, licenses and fees of all descriptions etc. should be reduced to actual cost, without any hidden monopoly tax ingredient.

It is necessary to charge for reticulated services such as water, gas and electricity on a consumption basis in order to discourage waste.

- * Legalised monopolies including counter monopolies and sinecures should be abolished as land previously held idle or under-developed becomes available for use and full employment is restored.

The object of counter-monopolies is to prevent over production and the provision of services and artificially to increase wages, for example:

In Australia:

I Poultry farmers are licensed to carry a stipulated number of birds which monopoly has been capitalised and has a market value of about \$25.00 each bird, that is, \$50,000.00 for 2000 hens. The license is transferable and newcomers unable to obtain license for a new venture would have to pay a \$50,000.00 unearned tribute in addition to the cost of stock and the developed establishment, plus land price.

II Taxi licenses are restricted and a license transfer has a market value of \$50,000 to \$100,000 depending on the locality.

In a free economy, with full employment, people will invest or operate only where there is market demand and there would not be an excess of Taxis on the road nor the need to restrict the establishment of poultry farms nor any other form of productive industry or service.

III Only licenses for the protection of public health and safety should be issued. These, as issued to qualified electricians and plumbers, are not transferable and no monopoly tribute arises.

10. THE INEFFICIENCY OF OVER GOVERNMENT, WITH PARTICULAR REFERENCE TO EDUCATION, HEALTH, BANKING CURRENCY AND CREDIT.

- * Because of the complexities of over government in a monopoly-socialist economy there is a tremendous load on those responsible for decision making and administration. Hordes of advisers, without specialist qualifications but well connected, are engaged in addition to the public service at salaries which they could not hope to earn in competitive industry. Such sinecures create further confusion, mostly in areas which should not involve the government, and may be dispensed with as a free economy begins to take shape.
- * Other sinecures arise from joint ventures between governments and multi-millionaire opportunists in a variety of ventures which sometimes show paper profits from buying and selling land and by other dubious means but, in total, enormous losses at taxpayers expense inevitably result. Such ventures, which compete with free enterprise, are not the concern of government and should cease immediately.
- * Not the least of the interferences with the law of supply and demand is the farcical wage fixing structure which is, to an extent, necessary under conditions of chronic unemployment. The more powerful unions, however, are best served, irrespective of market demand.

Such activities are not without cost, for example, Aborigines are not allowed to be employed at less than the white man's scale of wage. As a result, about 75% have become unemployed and are kept in idleness at tax payers expense; moreover idleness and handouts have a socially degenerating effect. Some are employed in artificial ventures at taxpayer's expense and unemployment of only 35% is admitted.

It is difficult to imagine how a greater injustice could be inflicted on people who are believed to be the original inhabitants of a country.

Subject to full employment opportunities, the artificial interference with the wage structure must cease.

It is not the business of government to intervene between workers and those who organise their employment.

It will then be possible to reward the industrious and efficient which is difficult under closed shop conditions. This reform will result in a substantial increase in productivity.

11. THE PROPER FUNCTIONS OF GOVERNMENT

- * It is estimated that the revenue arising from the site rental of land will be adequate for the necessary functions of government but not for the wasteful and counter-productive expenditure of monopoly-socialist governments. It is therefore necessary to confine governments to functions which are necessary monopolies, in which freedom of competition is inefficient or impracticable. Such functions have been broadly defined but attention is drawn to major activities which have come to be regarded, quite erroneously, as essential functions of the State. These are referred to as follows:

1. EDUCATION

There is no reason for restriction of competition in this field. Government encroachment has developed because of poverty arising from the unjust distribution of wealth in the past.

Governments are too vast and centralised for efficient and diversified education and cannot deal with matters involving morality, because there is no common acceptance by the people or their governments of ethical standards. In consequence, students are left in a moral vacuum believing in nothing.

Private religious and secular schools are not so inhibited and healthy competition will stimulate enquiring minds and diversify the curriculum which is essential to just and friendly relationships with "the neighbour", that is, to the process of becoming wise.

The transition to the privatisation of education must be a gradual process.

- * Parents should be issued with vouchers to send their children to any school of their choice for primary and secondary education.

Under present conditions, poor people are taxed to finance students in acquiring professions in which they can earn substantially greater incomes than many of those who provide the finance which of course is unfair.

Tertiary education can be financed:

I With the support of parents in an efficient society.

II By the introduction of collegiate terms which would enable students to earn their fees from part time work and gain practical experience at the same time, as in the U.S.

It has been found that "Free Tuition", in some of the more lucrative professions, creates an over supply of graduates. This has been corrected by doctoring examinations which increase the failure rate and so waste months or years of student study.

III By borrowing funds under contract to repay from future earnings.

- * Public school buildings and administration offices can be disposed of as the people register their preferences to independent private education ventures, which will not be more costly than public education and eventually substantial savings will result.

Primary education should be organised with the maximum involvement of parents.

Local authorities could be used to advantage in this regard, particularly during the transition period. Local government, which is closest to the people, controls education in the U.S. and elsewhere.

The system will develop naturally subject to a change of basic fiscal policy.

2. HEALTH

The failure of governments to provide economical and efficient medical and hospital services is being freely acknowledged, even when supplemented by private hospitals, practitioners and health insurance societies.

The middle classes are paying exorbitant fees to finance the improvident.

The family G.P. is victimised and price controlled by fees that compare unfavourably with a domestic appliance mechanic and is forced to work long hours in consequence. In Australia governments are endeavouring to force the small regional chemists out of business.

Specialists, on the other hand, are treated with the utmost generosity. All this is designed to support an enormous bureaucracy, consistent with monopoly-socialism.

The original free medicine scheme in Australia, because of the rising costs of bureaucratic administration, has increased to \$15.00 a prescription and doctors are restricted in dealing with their patients.

Government control of private health should be phased out during the transition period, or as soon as practicable and supporting establishments sold to private organisations as attractive market conditions arise.

As full employment at earning capacity is restored and involuntary poverty is abolished everyone in the work force will be able to afford the protection of private health insurance.

Governments should be involved only with the prevention of epidemic diseases and safety which also can be organised by private enterprise. Insurance companies have a vested interest in safe working and travelling conditions.

In a free enterprise society the health of the people would improve as the frustrations caused by insecurity and injustice are removed. Violent crime and the suicide rate are increasing at an alarming rate.

The various forms of escapism from an unnatural existence which lead to addictive illness can not be dealt with effectively under present conditions nor the anti-social effects arising therefrom.

3. BANKING, CURRENCY AND CREDIT

The business of banking has developed into a huge monopoly with a minimum of genuine competition, to the disadvantage of working people in all walks of life and for the benefit of the affluent whose incomes arise substantially from land speculation, money lending, or from some other form of monopoly or sinecure.

Banking is second only to the institution of land monopoly and speculation with which it is interlocked as a means of exploitation. It functions under the cloak of private enterprise, but is in competition and collusion with government banks, with the implied intention of keeping them honest. This alliance will be further examined as the enquiry proceeds.

BANKING FUNCTIONS ARE:

1. To act as an agent between borrowers and lenders of money which represent wealth or capital. In this function banking is not a necessary monopoly and therefore is within the sphere of private enterprise. Banks also service the necessary functions of government in collecting revenue and providing essential services.

(Under present conditions Banks are also involved with public borrowing. The security, however, is not existing tangible wealth but is an implied undertaking to confiscate the wealth produced by this and future generations by taxation).

- * Share holders funds provide for temporary fluctuations between borrowing and lending which are necessary for stable business. Private borrowing is subject to security being provided with a margin sufficient for realisation in an adverse market.

As stated, Governments do not provide security for their borrowings other than an implied undertakings to transfer the debt to future generations. "Interest" is paid by taxing the living generation or by raising further loans, also passed to posterity.

Unlike private borrowing, which normally earns interest from the earnings of capital, government debts are for past and current expenditure, much of which is wasteful or counter productive and does not earn real interest. Payments for the use of funds provided are spurious interest which, however, is interchangeable with real interest and increases the total volume of debt without a corresponding provision for tangible, realisable security.

II The second function of banking is the issue of money, tokens representing tangible value, in the form of bank notes or accounting credits. This is generally accepted, without question, as being a function of government.

This is not so, but in order to prove that the issue of currency is a legitimate function of private enterprise it is necessary to trace the origin of the use of money in promoting the exchange of goods and services.

Such exchanges originally were by barter. A farmer who had surplus sheep and needed wheat, for example, was obliged to find another farmer who had surplus wheat and needed sheep. This was a time wasting effort and the idea was conceived of paying gold and silver smiths with surplus products to produce coins of equivalent value. No unsecured credit was involved. The coins were accepted as a medium of exchange because they had real value and could be used over and over again to facilitate exchanges and save the wasteful practice of barter.

Gold and silver coins, however, were heavy and had other disadvantages. As a further labour saving device, much of the gold and silver was held in storage and notes issued entitling the bearer to demand coins of equivalent value in exchange.

As the banking business developed and became specialized, debit and credit entries, to a large extent, as a further refinement, replaced both the use of coins and bank notes.

To this stage there was no government involvement. Shareholders funds provided the reserve necessary for notes and coins in circulation and for the realisation of borrowers securities, if need be.

Things started to go wrong with steadily increasing land prices which had been accepted as security in addition to real wealth.

Land speculation, late in the nineteenth century, developed to the point of national hysteria. Unearned fortunes were to be had simply by borrowing money from the banks to be repaid from rising land prices. Millions were borrowed on the security of fictitious land prices. Then followed the inevitable depression; the bottom temporarily fell out of the land price market; borrowers could not repay their loans; foreclosures were inadequate; banks had insufficient reserves to meet depositors demands for redemption in real money; banks became insolvent; shareholders and depositors lost their investments and savings.

Big brother then intervened and "the taxpayer" was substituted for real wealth security. The obligation to redeem bank notes and credits in real wealth was repudiated.

Instead of collecting their natural revenue from the socially generated rent fund and so preventing land booms and depressions, governments, which then had control of the issue of currency and credits, instituted the fiduciary monetary system and controlled the economy by currency manipulation. Planned inflation and increasing vicious taxation was thus imposed on producers and consumers of wealth.

The effect was to reduce the severity of major booms and depressions by substituting minor chronic depression, increasing poverty, unemployment, crime and disorder, public debt and inflation. In the process the business of banking, privately operated but government controlled, has become a vast highly lucrative monopoly, accompanied by a steadily widening gap between the fabulously rich and the abject poor.

Private banks, operating independently of government, would not inflate their own issued currency. Shareholders funds would provide ample reserve for business fluctuations including a gold reserve with which to redeem the notes and credits issued in the event of demand and the period necessary for the realisation of securities. Unless adequate reserves were held by particular banks, such would be less favourably placed to meet the competition of other banks. The issue of excessive unsecured loans would have the same effect.

With booming land prices and following depressions eliminated there would be remote likelihood of a "run on the banks". This has been the major cause of the failure of private banks in the past and the reason for government intervention.

More than 90% of banking business under the present conditions is handled by accounting, i.e. by debit and credit entries and only about 2% - 5% of money is required. Banks would issue their own notes which would be interchangeable with the notes of competitive banks and accounted for. Coins could be obtained from a common authorised source at face value.

Unsecured credit in the form of bank cards also generate inflationary pressures. Banks would be obliged to increase shareholders funds to the value of unsecured credit issued. That is, withdraw a corresponding value of purchasing power from circulation. This would also be necessary for private banks to remain competitive with each other.

Governments, in the foreseeable future, cannot be trusted with the issue and control of money and credit. The temptation to increase the issue of unsecured credit to support massive, wasteful, pre-election promised expenditure, is too great.

- * Funds arising from the sale of assets which support the monopoly-socialist taxation system and competition with private enterprise should be used to reduce the national debt.
- * With the measures proposed only borrowing for private capital investment would continue and interest would reduce to the real earnings of capital. Spurious interest on land price and the wasteful or counter-productive use of funds by government would cease.
- * Real interest in a prosperous community is estimated at about 5 - 6%. This will be determined in the free market. The higher rates demanded at present are accounted for by inflation, excessive need for public and private borrowing, taxation and monopoly tribute. When monopoly incomes are abolished all capital will be subscribed by wealth producers and real interest will be the source of supplementing incomes in old age etc.

12. COMPETITION AND INTERFERENCE WITH PRIVATE ENTERPRISE

- * National airlines and other government ventures which are not necessary monopolies should be disposed of at the earliest favourable opportunity. Airlines would pay an annual charge for landing grounds and terminal sites in common with all land users.
- * Probably the greatest item in the cost of government in the socialist-monopolist State is welfare, not only for handouts but also for bureaucratic administration which is enormous.

Dole payments, at present, to provide the minimum level of subsistence, are very little below the minimum wage. When taxation, the cost of travel and working clothes etc. are taken into consideration, many people fare better on the dole.

Young people whose ambitions have been destroyed by hopelessness can shack up together, share the cost of lodgings and take it in turns to accept occasional work. Some take pleasure in disfiguring themselves and dressing in a manner which renders them unemployable. Work can be refused without losing the dole entitlement. Girls may turn to prostitution when extra, tax exempt, money is needed.

Living from welfare instead of from honest work leads to the loss of self respect both in individuals and families alike. Unnatural anti-social behaviour is the result.

- * In the free economy proposed, in which there is a steady demand for labour, no able bodied person of working age would need or would be entitled to welfare payments.

The aged, infirm and incapacitated would be entitled to a decent standard of living at the expense of the State.

Pensions would not be subject to means tests or any inquisitorial violation of private lives and would be payable to every eligible person irrespective of their assets or income.

- * Part time work would be readily available, free of tax, for those desirous of supplementing their income and, at the same time, may wish to enjoy the pleasures of useful occupation.

In a fully employed society all people should be encouraged to provide for old age and infirmity by subscribing to privately organised superannuation funds which could be well afforded by any responsible and prudent person and or from interest on invested capital.

Eventually, in the next generation, subject to the acceptance of a free economy, the government provision of old age and disability pensions, except as a national dividend from surplus funds, should be unnecessary. Those who fail to provide for retirement and misadventure, will be obliged to rely on private charity.

In addition children will be able to help their parents and communications between the three generations, so necessary to cultural and progressive family life, will be restored.

People must be encouraged to organise their own lives. Industry must be relieved of responsibility for compulsory superannuation contributions which become a problem when inflation is taken into consideration (as at present), especially so with Trade Union or Government control of funds. Union officials have been taught that the boss is their natural enemy, without understanding that increased costs imposed on industry are passed on in rising prices to their members as consumers.

Governments shall cease to be involved with interference in trade and travel either by imposing tariffs, financing advance payments, price support schemes, embargo's, sanctions, subsidising or licensing production, other than for safety and health reasons. The ultimate absurdity is for the State to subsidise reduced production, as practiced in the U.S.A. The European common market has gone to the other extreme and subsidised sheep producers. The result has been over production of sheep and prices have fallen below production costs. In Scotland land owners are evicting tenant farmers and leasing their land for grouse shooting at enormously greater profits to playboys. Only the landowners, as such, benefit from subsidies.

- * Port charges should be substantially reduced because the increased land values arising from sea transport are of benefit to the State when taken for public revenue and services should be provided in return. Loss of revenue would be recouped as rent which is stimulated by trade.

- * Trade commissions should assist private traders by making introductions to potential importers and exporters and publicise the free trade policies of their country with a view to encouraging reciprocity.

Markets will be stimulated by a just distribution of wealth which will increase consumer demand rather than by preferential or retaliatory interference with trade.

- * Real free trade, not only by tariff reduction, is the greatest influence to ensure world peace. Cordell Hull, Secretary of State to U.S. President, Woodrow Wilson, said that "if goods do not pass frontiers, armies will." All taxation increases export and import prices and jeopardises friendly international relations.
- * Governments shall not interfere in the artificial fixing of international exchange rates which shall be freely convertible, adjusting to export and import trade balances.
- * Subject to the provision of constitutions protecting the common and individual rights of all people and allegiance to the Crown, the National and State Parliaments of Australia shall be the supreme governing bodies. No country should be subjected to domination by world government which, at present, through the United Nations Organisation, is unduly influenced by communist ideology as, indeed, are all National governments.

- * Australian land titles shall remain, as at present, in Fee Simple "subject to the prior right of the crown". These confer surface or locational rights only and do not include property rights to deeply located natural resources.

Absolute titles, as granted in the United States, which confer ownership to the centre of the earth should be brought into line with British and Australian law in all nations. Absolute land titles have been the source of enormous unearned fortunes which rightly belong to the people of the nation.

- * The term "Land", in economic parlance, embraces all natural features including oceans, rivers, air and sunlight, and common rights shall be preserved by restricting foreshore development and building heights to a desirable limit, for the benefit of all people.
- * The planning of highways, railways, and the infrastructure is the responsibility of the State governments in cooperation with local authorities and the Federal government for inter-state services.

13. ZONING CONDITIONS OF LAND USE

The conditions of land tenure, also, shall be prescribed, with the object of establishing and maintaining the most desirable working and living conditions. This is called zoning. The advantages of prescribed zoning permissions are reflected in the locational value, the market assessment of which will react to any change in approved conditions.

When the annual site value is taken for public revenue there can be no advantage or disadvantage to any land holder from a zoning change as there is at present. For example, a change from residential to high density residential or commercial might double the land value. At a stroke of the pen millions of unearned increment can accrue to favoured owners. It is difficult to control corruption under such conditions. Those with advance knowledge of a government intention to rezone a particular area, can buy as much land as they are able to from the uninformed occupants and resell at an enormous profit.

When site rent becomes the basis of public revenue, this will adjust with any increase or decrease in the benefits arising from a change in zoning regulations so that land holders will neither profit nor lose therefrom.

Zoning regulations should not be over rigourously applied: For example: residential and commercial should be merged otherwise a city can become largely uninhabited after working hours.

Noxious industries should be segregated and protected by green belts and other forms of environmental protection.

The need of rezoning does not happen instantly, it follows individual demand. The maximum freedom of land use should be preserved, provided no nuisance is created, the environment is protected and the desirable character of particular areas are maintained.

There must be no discrimination in favour of or against particular owners. Alternative conditions of land use should be considered in advance of requirements.

Under present conditions the commercial use of land is severely restricted in suburban areas in order to crowd such activities into highly priced central zones, thus forcing people to pay exorbitant rents to multi-millionaire land owners.

Maximum decentralisation, for less congested living conditions, should be the objective.

There should be the right of appeal against unfair discrimination. Financial loss will be avoided by rent adjustment but inconvenience could result from over-restrictive zoning.

Building heights should never be permitted to exceed the road width between opposite boundaries in central areas and should recede progressively to outer areas. This is essential for protection against atmosphere pollution.

Building alignments should be set back and plot ratio provisions be adequate for the planting of trees and gardens in order to relieve the stark array of buildings, beautify the area and improve atmospheric conditions.

Existing buildings which exceed the height provisions or do not conform with the plot ratio and set back conditions should be allowed to remain on a non conforming use basis, with the payment of higher site value charges which the market would register.

All citizens should have equal rights to build to the maximum approved height but it would be totally impracticable to allow every central site to be developed to a height of say 50 stories. The city would not be able to function because of traffic congestion, wind tunnel effects, lack of sunlight problems and atmospheric pollution. In fixing maximum height limitations, civic planners should also give advance consideration to the effect if all land holdings are developed to the maximum extent. It might be necessary in some instances to further reduce maximum building heights to less than the road width. It would be unfair to the title holders of under-developed sites to grant general approval for an excessive height limit and to rate them accordingly when full economic development would cause congestion and environmental problems which, in turn, would lower the value of their holdings.

An understanding of the problem is most important. (The maximum road frontage height condition under reference was proposed by Perth City Councillor and Town Planning Architect, the late Harold Boas, in Perth many years ago but has been ignored).

14. THE ONLY JUSTIFICATION FOR TAXATION

- * After the transition to just conditions of land use has been established and taxation abolished it should be recognized that the only justification for taxation is in the event of a war of survival, because one man's life cannot be measured against another man's property.

15. TRANSITION PROBLEMS

- * With any major reform there are inevitable transition problems which are certain to be exaggerated and misrepresented because long established, vested interests are involved. The demand for compensation of land holders will be in the forefront.

Land holders, eventually, will lose the capitalised site value (land price) of their properties. However, the use value will be enhanced as all taxation of income arising from the capital value of improvements will be abolished together with taxation of income from personal exertion and the consumption of wealth.

It has never been government policy to pay compensation for the losses suffered due to the imposition of taxes which have deprived wealth producers of untold billions during the past century and have bankrupted many thousands of innocent people without compensation, except welfare payments.

It would be just and fair to all disposed proletariat people to require land monopolists and speculators to pay compensation to the people for the billions of unearned tribute extracted during their period of ownership; much of which has been invested in legitimate industry, but this would be impracticable. It is sufficient to declare that, as from a stated period, when all socially generated income has been diverted to the people to whom it rightly belongs, legally sanctioned mal-practices, shall cease. In the words of Christ, "Go and sin no more".

Those who hold land for use have nothing to fear. The capitalised rental value of their land will be gone, but they will be able to acquire another block without price. Part of the legacies they were planning to leave to their children will be lost but in future they will be able to see their families started in life without the payment of tribute to anyone. The question is: "How much do people love their children?"

The little widow, living on a pension in a central, valuable area, is usually dragged out as an example of hardship. She has two options: To move to a cheaper area or elect to have accruing charges offset against the value of her property, to be paid on sale or death. This option already exists in local government in Australia.

The advantages are that all indirect taxes will cease and living costs will be reduced, moreover, light part time work will be readily available.

There will also be greater security with full employment opportunities at full earning capacity. The present population is aging and the proportion of young people in the work force is declining in most developed countries. Where are future pensions to come from, other than from inflation, public borrowing and debts, passed immorally to the next generation?

Those who have bought land recently as an investment rather than for use, at inflated prices, will lose, but such people are usually well off and their special interests cannot be allowed to defer the restoration of natural justice and allow the drift to communist dictatorship and perhaps even to land nationalisation to continue while many disadvantaged people are dying in consequence.

- * The critics of this policy should be required not only to list objections but to justify existing policies and demonstrate how these can be expected to deal with increasing violent crime (In the U.K. crime has increased by 17% this year, estimated at 8 crimes per minute by the Daily Star 28.3.91), rape, murder, suicide, swindling, vandalism, Japanese buying up the land of other nations, with little or no contribution to socially generated economic rent being required, poverty, unemployment, inflation, the national debt, adverse trade balances, depopulation except for Asian immigration, the loss of free enterprise, increasing insolvencies, rising taxes and the tyranny of government etc.
- * Compensation for the loss of legal sanction to extract socially generated ground rent in future (capitalised as land price) would be much less than the restitution of tribute extracted in the past. It would be unfair to consider the present without reference to the past.

In general, land owners will be generously treated by wiping the slate clean.

Compensation would have to be paid from present earnings which would be quite inadequate. It has already been shown that resort to borrowing and inflation, which is the only other alternative, is robbery and therefore cannot be sanctioned.

To speculate in land with expectation of profit is to gamble that future governments will continue to tolerate injustice.

If "investors" have made wrong assumptions it is no one else's fault but their own. Compensation for backing the wrong horse in the racing sport is unheard of.

- * The Civil Service, in a free enterprise society, would become public servants in the true sense of the word, encouraged to help people in need rather than to persecute them, (because of the near bankruptcy of present governments) and there would be adequate funds available to deal generously with deserving cases of genuine hardship during the transition period.

16. WORLD WIDE CONSEQUENCES

- * Britain has lost her empire because she supported land monopoly and taxation in the colonies, that is, by extending the British system of public finance.

The Third World is experiencing dire poverty and starvation whilst the rent roll of the privileged class continues to increase.

- * Millions of people have died in France, Russia, China, Germany and elsewhere because land monopoly sparked bloody revolution and warfare. Revolutions are always a blind, uninformed reaction to tyranny. Beneficial reforms seldom result.
- * The worst example of the power of land monopoly is in Ireland. There have been 2781 political murders in the 20 years prior to 1980, in a blind, stupid, uninformed, reaction to injustice. The unsuccessful attempts to maintain unjust law and order have also been at enormous cost.
- * Irish soil is equal to the richest in the world yet Ireland is not over populated and the present population is less than half the number that got a livelihood 140 years ago. Ireland is the only country, the population of which has declined.

The nation subsists on taxation and borrowing at a rate, well in excess of £1 per head of population per day which cannot long continue.

Land prices are abnormally high, well beyond the reach of the average man and there is no collection of "Economic Rent" to force land into use and provide full employment.

This iniquitous system was forced upon the Irish people by the Tudors, Stuarts, and Cromwellians who even made it illegal at one time for Catholics to own land at all. Southern Ireland (Eire) has had home rule for more than 60 years but no beneficial changes have been made in the conditions of land tenure.

About half of the children born each year, eventually, have been obliged to emigrate in order to survive. Because of the excessive rate of emigration from Ireland parents, on average, must say good bye to about half of their families, in many cases forever.

In the underdeveloped countries, including the South American States and in India, the poverty, misery and loss of life caused by land monopoly is appalling. The racial conflict in South Africa is almost entirely due to the unjust conditions of land tenure.

17. WHY TRADE UNIONS SUPPORT MONOPOLY AND TAXATION

- * Not the least of the transition problems will the opposition of Trade Unions, the officials and members of which have been taught to believe:

I That competition must necessarily be "cut throat", unfair and against their interests.

II That taxation is necessary to "soak the rich"; they do not understand that those living on unearned incomes pay taxes from tribute that has first been extracted from working people. In effect, all taxation ultimately is paid from productivity. Those who produce nothing pay nothing.

III That monopolies should be supported because union demands on monopoly industries are more successful and that wage increases granted flow on to competitive industry.

Unearned fortunes arising from land monopoly are, in part, reinvested in industry. This gives the impression that "capitalists", so called, are the enemies of the working man. With the abolition of all monopolies the capital required by industry would be subscribed by wage and salary earners in cooperatives, in joint stock companies or in personal enterprise.

* At present those who work for a living pay:-

1. Excessive rent, due to the artificial scarcity of land or spurious mortgage interest on monopoly land prices.
2. High taxation because of wasteful public spending beyond the necessary functions of government and the cost of relieving poverty and unemployment.
3. Spurious interest on the public debt.
4. The cost of inflation which causes prices to increase.
5. Tribute to those who benefit from legalised monopoly.

* They should pay an annual public charge only, assessed at market value, on the land, in respect of which they have exclusive right of possession.

* If trade union members could be induced to understand the policy that would benefit them, without injuring any one engaged in the production of wealth or rendering services in any capacity, their attitude would change dramatically.

* Some people believe that the "back room boys" who have infiltrated the labour movement are Fabian Socialists who are well aware of the injurious effect of party policies on the working man but support land monopoly and high taxation with the deliberate intention of wrecking the economy and paving the way for ultimate Communist dictatorship.

Whether this is true or not would be difficult to prove but policies which injure the working man can only continue with the support of the rank and file who must learn to think for themselves and exercise their own judgement.

- * The Fabian domination theory explains the collaboration of governments with multi-millionaires, right wing conservatives who will accept almost anything except the collection of economic rent for public revenue, even high taxation which is contrary to their policies, regardless of the disastrous effect of land monopoly on the economy, persuading themselves that it (Communist Dictatorship) can't happen here, in my life time. It also explains why the labour unions soft pedal land reform.

18. THE MEDIA MONOPOLY

- * Private appropriation of the annual rental value of land, generated by the living generation, enables the fortunate few who claim to own the greater part of valuable, alienated land in every country, not only to buy up the cream of capitalised industry but also to own and control the media. This policy ensures that the people will be kept uninformed on matters relative to their welfare and just entitlements and that vital news will either be suppressed or, if this is impracticable, will be so distorted as to camouflage its significance.

There is, at present, legal sanction in Australia for one person or group to own a 60% monopoly interest in television stations and major daily newspapers.

- * It is proposed, therefore, that no person or group having any connection with any other person or group (public or private company, partnership or blood relationship) shall be legally entitled to own more than 1% of the shares in any major media operation.

If referred to the people at a properly presented referendum this measure would receive overwhelming support.

- * It is impossible to overstate the importance of a free press and television service.
- * Government control under existing conditions would be as bad as private monopoly domination and in a socialist - monopolist economy there is certain to be collaboration with favourable publicity exchanged for political favours.

When the electorate is closely divided the media can influence the return to power of whatever political party it chooses.

19. JUSTICE, FREEDOM AND SIMPLICITY

- * The conditions necessary for good government, as outlined, are simple and are based on the Common Law of England which in turn is consistent with the Ten Commandments and Scriptural injunctions. These are restated as follows:

1. The collection of the socially generated, locational, (rental) value of land for public revenue, exclusive of the value of improvements, plus royalties on natural resources which are more efficiently collected by this method and charges for services where necessary to prevent waste.
2. The abolition of all taxes and penalties imposed on the production, exchange and consumption of wealth together with the abolition of monopolies, sinecures and subsidies.
3. The confining of government to functions which, by their nature are necessary monopolies, in which the freedom of competition is uneconomic, inefficient or impracticable.

In other words the substitution of an incentive public revenue system based on freedom for the worst features of compulsory State socialism and capitalism, so called (described as the "socialist-monopolist" State) That is the substitution of a normal useful and happy life style.

- * It should be noted that a static or slowly developing country can be just as prosperous as a rapidly developing country, even more so, because lesser proportions of wealth need be set aside for capital investment and more time may be devoted to cultural and spiritual pursuits without affecting the equality of opportunity to full employment at earning capacity.
- * The feeling of insecurity will cease and, with it, the mad scramble for wealth. Greed will diminish and the better qualities of human nature reappear in people who will truly - "love thy neighbour as thy self" which is the basis of real happiness.

20. CONCLUSION

- * We are faced with a desperate problem: to discover why increasing wealth is accompanied by increasing want: why material progress is always accompanied by poverty and why the gap between fabulous wealth and abject poverty continues to widen.
 - * Economists, by their silence, would have us believe that the problem is inevitable and is due to a weakness in human nature.
 - * We are reminded that the institution of landownership, without obligation, has been accepted by society for centuries. What is socially acceptable, therefore, it is claimed, must be politically palatable.
 - * In answer to this argument, attention is drawn to the institution of chattel-slavery which was socially acceptable for 18 centuries, even to the established Church, without question or protest.
 - * Chattel slavery is now condemned as immoral and inconsistent with Christian principles.
 - * We declare that wage slavery, based on a system of land tenure which denies the common rights of the people who socially, as a community, generate the value of land, is a more effective instrument of injustice and tyranny than was chattel-slavery.
 - * We affirm that chattel-slavery would be uneconomic and could not compete with land monopoly as a means of compelling people to work at or near the level of subsistence.
- It would now cost more to maintain a slave and his family from the cradle to the grave, in sickness and in health, than to pay minimum wages during his working life time.
- * Land monopoly and speculation have only been acceptable in English law and to the Christian (so called) establishments for less than 4 centuries.
 - * It is as likely that the custodians of morality, could be as wrong in accepting land monopoly and wage-slavery as they were in supporting the ownership of slaves.
 - * It is not denied by economists that land is the source of all the requirements of human sustenance and the field of all human endeavour but there is no official examination of the conditions of land tenure as the significant factor governing the distribution of wealth.

- * We know that the physical world is governed by immutable scientific law which to breach is to incur a penalty.
- * By inference we are expected to believe that a wise and loving Creator would bring children into this world without providing natural laws to govern their relationship with the earth, from which all sustenance is drawn, and with each other.

As with the physical laws, failure to conform to economic laws also incurs penalties intended to lead people in the right direction for their own ultimate good. The penalties are involuntary poverty and unemployment and all the side effects of an unjust distribution of wealth.

- * The physical laws have been unfolded as needed in the march of material progress.

So it is with the abstract science of political economy which conforms in every respect with Scriptural injunction and the ideas of the great philosophers.

To behave as though the relationships of mankind have been left to chance, without any guiding principles, is blasphemy.

- * We are faced with desperate, worsening problems the solution of which requires drastic and radical remedies.

The remedy for a vested wrong requires nothing less than the abolition of that wrong. The remedy, with its transition problems, is far less disturbing than to continue the injustices which are leading the nations to chaos.

Lincoln and Wilberforce were inspired to free the chattel-slaves. Such men are needed to free mankind from the more insidious form of slavery which is based on the monopoly of and the speculation in God's gift to mankind.

- * With few exceptions, all wars in the past two centuries have been caused by the colonial-imperialist policies of the great powers, engaged in, to a large extent, to divert the people's attention from unjust government and to provide a dumping ground for surplus production and the unemployed.
- * Such policies have been due to:

I The vital need of industrialised nations for colonial markets in which to dispose of surplus manufactured goods.

II The need to invest surplus capital abroad.

III The need for outlets of surplus population (more land, in other words, for living space).

IV The need for extra sources of raw materials, (another reason for trying to get more land).

* The foregoing summary has been extracted from "Poverty and War" by David Redfearn 1987, of 15 Fennels Close, Eastbourne, EAST SUSSEX, U.K.

* The surplus manufactured goods, the surplus population in need of living space, the surplus capital available for overseas investment and the need to secure the sources of raw materials have been demonstrated in the foregoing analysis to have been caused by the maldistribution of wealth arising from land monopoly and the restriction of trade.

* About 90% of people in each of the warring countries are deprived of the purchasing power to buy back the full value of the products of their labour.

About 10% of the people, who own the greater part of the valuable land of their respective countries, find difficulties in reinvesting their surplus unearned income because of the depressed state of the home market.

The following is a brief, incomplete summary of wars between nations which definitely fall within the foregoing summary of causes:

I The Japanese invasion of China.

II The Boer War

III The Crimean War

IV The American War of Independence

V The Italian invasion of Ethiopia

VI The Opium War (for want of a more accurate name)

VII The German invasion of neighbouring countries

VIII The First World War

IX The Russian invasion of various countries

X The Second World War

XI The Falkland Islands War

XII The Israeli - Arabian conflict

XIII The Oil Wars in the Middle East involving Iraq and Kuwait with the intervention of the Western Powers.

(The writer has not had the time or facilities for statistical research but the list will bear investigation).

- * In addition there have been revolutions, causing enormous suffering and loss of life. These have been blind reactions to the tyranny of land monopoly and taxation but, in general, without any decisive beneficial results.

France, China, Spain (there are said to be 43% of young people unemployed in Spain) and Russia have, in turn, been the scene of such tragedies.

- * In addition there have been continual guerilla activities in the Latin American States in which repression by the big land owners and the poverty of the masses is beyond belief.

The Indian princes own vast estates in that country and the resulting poverty is such that Indians, who have been forced to emigrate, may be seen in every country of the world.

There is reason to fear that because of the existence of Nuclear weapons, the next World War will be the last.

- * It behoves every honest and earnest person to accept the responsibility which is inseparable from the gift of life: "to use their talents in the master's service", to restore the use of land to the people. There is no other alternative and time is running out.

The dispensing of charity relieves governments of the responsibility for mis-government and by so doing perpetuates the need for charity.

The missionaries who brought restricted Christianity to "the heathen" in foreign lands were followed in turn by the traders who introduced socialist-monopolist exploitation (wrongly termed "capitalism").

- * "If you can force the heart and nerve and sinew to serve their turn long after you are gone then yours is the earth and everything that's in it and, which is more, you'll be a man my son".

Was Kipling joking or was he addressing the favoured 10% who claim ownership of 90% of the earth and every one and everything that's in it or was it just poetic license?

The Choice is BETWEEN HENRY GEORGE & KARL MARX
BETWEEN PROGRESS AND POVERTY
BETWEEN FREEDOM AND REPRESSION

* The greatest tragedy of war is that people who do not know each other and might become firm friends if they did are obliged in the name of loyalty to "their" country to murder each other.

To achieve success in any undertaking which involves private enterprise or public administration, it must be economically attractive to do what is right, i.e. to conform with natural law.

The Georgist proposal for one source of public revenue which is the measure of the pressure of population and necessary public services is in entire conformity. Each land holder would pay for special socially generated advantages which attach to his or her holding and nothing more.

To the contrary, the present public revenue system must fail, because taxes penalise productive and useful effort and encourage speculation in the people's estate, both aspects of which are economically unattractive in the promotion of individual incentive and social justice.

NOTE:-

Where statistics or references apply to Australia, such may be varied to suit the conditions which are relevant to the particular country, or may remain if comparable information is not available and the example serves to promote a better understanding of the Conditions of Good Government.

APPENDIX 1

THE ORIGIN OF LAND HOLDINGS

Most entitlements to hold land, originally were based on either force or fraud.

The law does not accept the validity of the transfer of goods or property, unless the original vendor was in fact the rightful owner.

In other words stolen property cannot, legally, be sold - it reverts to the original owner.

In the case of land, the Indians of North America and the Aborigines of Australia, who are believed to be the original inhabitants, could claim valid ownership of the land of their respective countries. By the same arguments, the Welsh could lay claim to ownership of the whole of England, and the Maoris, to all the land of New Zealand, which would be chaotic.

The tribal inhabitants under reference, did not regard land as being subject to private ownership, nor even to tribal ownership. Land was provided by the Great Spirit for the use of the living generation. There is no evidence that it was ever sold or bequeathed prior to the advent of the white man.

Limited sales were made in New Zealand, but the natives believed they were selling their own life-time rights only, which would not involve their children's rights. They were disillusioned.

The principle is inescapable that land should be held by governments in sacred trust, to serve the needs of this and all future generations. The annual rent or use value belongs to the living generation.

It cannot be otherwise if justice is to be observed and, moreover, is entirely practicable, even in this age of material progress and specialised industry, in which exclusive occupation of land is necessary for efficient production.

The concept that the land of Australia, for example, was taken by force from the native inhabitants could be confusing.

The Aboriginal population was not making full use of the land of Australia and had no right to exclude the new settlers, nor did they, except in some instances where the new settlers were badly treated and vice versa.

Unfortunately the conditions of colonisation did not comply with the concept of equal rights to land use, for either the old or the new inhabitants.

1.2

This was hardly to be expected because the gravest injustice prevailed in the mother country (England in the present example). In fact, getting rid of surplus population etc. was one of the reasons for colonising the dominion countries.

Lavish land grants were made to favoured settlers by irresponsible monarchs and parliaments, probably exceeding their legitimate powers.

A detailed accounting of how the land of England was given away to favourites of the ruling monarchs is disclosed in "The Great Robbery" by Graham Peace, available from the International Union for the Taxation of Land Values and Free Trade, 177 Vauxhall Bridge Road, London, U.K.

It soon became evident to the emigrating section of the landed aristocracy that if the labouring classes were given equal access to the land in the new settlement there would be no cheap labour available as servants and to perform the tasks that a 'Gentleman' just Did Not Do.

This was the subject of complaint in the Peel Settlement in Western Australia and the Wakefield Venture in South Australia.

The ruling classes were quick and eager to respond. Land was lavishly allocated in large chunks to the favoured few and the working man was "kept within his proper station".

The same pattern followed in North America during the brief period before the War of Independence. For example, William Penn was given the title to the land which embraced the whole state of Pennsylvania.

The reader will be well aware of the mad scramble for land in what is now the United States and Canada by the land hungry masses from Europe. The covered wagon episodes, the railroad monopolies, the land price booms and the banking failures, etc. In general the wealthy, investing classes were able to buy up the land cheaply in advance of settlement by the common people, as is usually the case, and then hold them to ransom.

However varied and inequitable the land settlement conditions may have been, the simple remedy of forgetting the past and facing the future with a charge placed upon all alienated land, according to its market value, is all that is required to re-establish common rights and equality of opportunity to the use of land.

APPENDIX 2

THE LAWS GOVERNING THE SCIENCE OF POLITICAL ECONOMY ARE
AS FOLLOWS:1. The Law of Motivation

"All people seek to gratify their desires with least exertion of both physical and mental energy."

This law is inconsistent with the ideology of compulsory State socialism or communism because governments confiscate a substantial part of the rewards of individual effort and therefore destroy the incentive to strive for the satisfaction of desire.

When natural opportunities for the satisfaction of desire are not available people succumb to the temptations of satisfying their desires by recourse to monopolies which often provide higher incomes than from physical and mental exertion. When taxes are imposed on the production and exchange of wealth, for example, greater returns may be obtained from 'black market' operations.

2. The Laws Governing the Distribution of Wealth

- I The law of rent is the key factor because land, which is the source of all wealth and the field of all human endeavour, is limited in extent whereas populations increase and the desires of people are unlimited, except by the need to exert energy and the availability of land.

"The rent of any area of land depends upon excess of its produce or satisfactions which can be secured from the same application of labour and capital compared with the least productive or desirable land in use (rent free land). Rent rises when an artificial scarcity of valuable land is created by withholding land from use, forcing labour and capital to use inferior land, thus lowering the margin and reducing the returns to labour and capital."

- II The Law of Wages flows from the Law of Rent.

Wages depend on what can be earned or satisfaction derived from the least productive or desirable land in use (rent free land) after payment for the use of capital.

2.2

Wages tend to remain relatively constant and vary only according to energy, skill and experience, regardless of the quality or locational advantages of land to which labour is applied, whereas rent varies enormously. Wages fall as rent rises and rise as it falls (as a proportion of production). Because of the law of motivation no man will work for lower wages than he can earn by applying his labour directly to "rent free" land.

Because locational advantages are absorbed by rent, all who engage in production do so on equal terms.

III The Law of Interest is the same as the Law of Wages because interest is deferred wages. The production of some wealth for use as capital instead of for consumption secures a greater return at a later period of time.

"Interest depends upon what can be earned from the use of capital, after the return to labour, from the least productive or desirable land in use (rent free land)."

"Interest falls as rent rises and rises as it falls. Interest rises as wages rise and falls as wages fall." This is obvious because when wages are high it pays to use capital in order to reduce the cost of labour and when wages are low it is less profitable to use capital. It is important to note that the interests of labour and capital are identical and opposed to that of land holders as such.

The continual enmity between labour and those who invest capital (regarded as employers) is senseless and arises because land owners, under present unjust conditions, take the lions share of production. This results in fierce, unnatural competition between labour and capital for the share of production that remains.

It is noted that interest (real interest), as with wages, remains fairly constant whereas rent continues to rise in a developing community.

The increase in rent is unnaturally steep in an unjust economy, riddled with land monopoly and speculation when governments fail to collect their natural revenue. Land prices rise even higher because land ownership is a hedge against inflation and registers an anticipation of future rises because of the pressure of an increasing population and scientific advance.

2.3

Spurious interest increases because of the unnatural increase in public and private debt and the demand for finance secured by land price which are inflationary. These latter conditions would not arise in a free economy.

3. The Law of Supply and Demand

The operation of this law is relative to value in exchange rather than value in use.

Air, water and sunlight are essential to human existence but, because such are readily available, there is little value in exchange.

People however will pay higher rents and land prices in areas where there is less atmospheric pollution or for a northern aspect facing the sun (southern - north of the equator). This further demonstrates how preferred land owners are able to capitalise even upon the elements of nature which appear to be free.

A free price system measures the market value of the demand for various commodities and services.

When shortages occur this is a signal to industry to increase supply and prices increase until normal demand is satisfied.

A free price structure also indicates where production is most profitable relative to the availability of natural resources, population and capital and where market demand is stronger.

Most people profess to believe in the law of supply and demand but governments see nothing incongruous in the artificial fixing of prices for labour and selected products, thereby increasing production costs, or in distorting prices by taxation.

Such policies, under present conditions even, have short term beneficial effects but there are also corresponding disadvantages as have been demonstrated.

When prices are increased artificially demand falls, production is reduced and unemployment worsens. The payment of full earnings for labour, however, increases purchasing power where needed and stimulates production.

It is not only the cost of labour input which determines prices (value in exchange) but the market response which ensures that the goods most needed in terms of time and place are produced.

2.4

The law of supply and demand operates beneficially in a free economy and anti-socially in a socialist-monopolist society.

To an extent prices are determined by the saving of labour by the customer, provided there is a correct assessment of the labour saving potential.

In the last analysis, if the producer does not receive a return necessary to support a minimum standard of living production will cease.

If wages are fixed artificially at an above average level in a monopoly industry and market demand persists people will move to the area and rents will rise in consequence; thus cancelling out the advantage to labour. The operation of the free market is highly complex but nevertheless values are assessed without conscious effort with an accuracy that would be impossible under conscious 'expert' direction.

This is another reason that big government under monopolist-socialist administration is doomed to failure.

An accurate definition of all the factors which influence the law of supply and demand would be impossible nor is this necessary. The law is generally understood and relied upon in competitive industry.

One definition comes to mind. Value is determined by the price that a not unwilling seller and a not over-anxious buyer agree upon.

The essential feature for the beneficial operation of the law of supply and demand is that all incomes shall be earned. Without the application of labour there can be no income to distribute to any of the three factors of production.

Rent is the wages of society, socially generated from specialised industry i.e. co-operative effort and is recorded by the market according to relative locational advantages.

Wages are the returns to labour for each person's productive effort in earning a living, satisfying his or her desire and those of others where the exchange of products and services is involved.

Interest is deferred wages, arising from the production and use of capital in order to increase the effectiveness of labour at later periods rather than from direct consumption.

4. The Law of Diminishing Returns.

(Also described as - "Ricardo's Law of Associations" and as "The Law of Variable Proportions").

This is the least important of the laws governing the science of political economy.

Henry George illustrates the operation of the law as follows:

If one man cannot roll a log but two men can, it does not follow that 20 men could perform the task with a correspondingly greater economy of effort.

There is a point at which the increased division of labour will cease to yield better results. That is, there is a mean optimum of efficiency involved.

As a further example, the mass production of goods is cheaper than to make each item separately but the larger batch quantity produced must be offset against the increased cost of storage for longer periods in warehouses because additional rent and interest must be paid.

Business men who seek to perform the duties incumbent upon them with the least exertion for the greatest return are well aware of the limiting factors.

Big government attempting to perform tasks beyond its proper function is at a disadvantage with competitive free enterprise and cannot work as efficiently as small government confined to functions which, by their nature, are necessary monopolies in which competitive private enterprise is at a disadvantage.

5. The Law of Human Progress

Fraternity in equality is the law of human progress.

All people are not born equal, but with an amazing variety of talents, enabling each to specialise in functions to which they are best adapted and in exchanging their products and services with others for the enrichment of all in the satisfaction of material, cultural and spiritual desires.

Equality of opportunity to use the freely provided, God given resources of nature is all that is necessary for the efficient operations of this law.

It could also be expressed as the Golden Rule, "Do unto others as you would that they should do unto you".

APPENDIX 3

TAXATION, MONOPOLIES AND WASTE, ULTIMATELY, ARE AT THE
EXPENSE OF RENT.

This is the most difficult proposition to understand in the science of political economy.

The question arises, if this is so, are we any worse off accepting the 70 odd different taxes and charges which apply in Australia? And is not this spreading the burden as broadly as possible instead of making the land owner responsible for the full brunt of taxation?

The answer is as follows:

- I From the laws of distribution it has been shown that real wages depend upon what can be earned from the least productive land in use which bears no rent.
- II Real wages can only be increased by making land now held idle or underdeveloped available for use which has the effect of raising the margin: that is, making more desirable (rent free) land available for use from which there will be a greater return to labour and capital.
- III In general, one man will not work for another for less than he can earn from self employment.
- IV Rent takes up the differential, locational, advantages of using land above the margin, leaving returns to labour and capital much the same. It follows that land users will not accept less than what can be earned as the margin and they are not worse or better off paying rent for better or more desirable land from which there will be a higher gross return, enabling them to earn the same net income or an equally desirable standard of living after rent is paid.
- V It follows that all taxes, monopolies, waste and inefficiency, from which there is no corresponding return, will be passed on as price increases by one means or another until finally these reduce the locational advantages of land above the margin. There is no other source from which taxes etc. can be paid when minimum living standards are set by what can be earned from marginal land.
- VI The settlement day, however, never seems to arrive because of inflation and public debts which are renegotiated when due. Thus land owners avoid much of the net effect of taxation etc. which is passed on as a debt to posterity.

3.4

It is not possible to predict precisely the amount of rent revenue available to governments in a free economy because of the distortions of current values from which statistics are compiled. For example governments having to buy back their own taxes included in increased prices.

A formula of trends, however, can be stated.

- I The rent fund would be the sum of the visible value of rent and taxation.
- II Minus the rise in real wages and interest.
- III Plus an amount equal to the reduction in spurious interest.
- IV Plus an amount equal to the reduction of taxes etc.
- V Plus an amount arising from full employment which would increase the demand for land.
- VI Minus a reduction caused by increasing the availability of land for use - raising the margin of production.
- VII Minus wages lost by withdrawals from the work force for cultural pursuits etc.
- VIII Plus the effect of advancing technology, increased population and of better government.

It should be noted that policies which stimulate decentralisation would have a variable effect and cause rent to fall in central areas, but to increase in outer regions.

The foregoing is not exhaustive.

There is no real problem when the system is phased in.

The early charges could be based on a percentage of land prices.

Thereafter, true rental values would be more precisely recorded by the market and economic rent would be collected directly. This is necessary because, with the full application of Georgist policies, land prices would disappear and in consequence there would be no base for the assessment of revenue.

APPENDIX 4

A NATIONAL DIVIDEND - THE INCENTIVE FOR WISE AND
EFFICIENT PUBLIC EXPENDITURE

As with any business undertaking, and government is only a business charged with the responsibility of doing for the people what they cannot do more efficiently for themselves, there are two columns in the annual return, income and expenditure.

I The proper source of public income having been established and evaluated in the market place, its collection is an automatic process, without any variation other than of recording increases or decreases for each land holding on a periodical basis.

Income forecasts are easily made with no political action required.

II Expenditure in accord with the proper functions of government has been outlined in principle but detailing is a more complicated exercise.

It is not sufficient to determine a just income system, but expenditure also, which involves administration, must be carefully scrutinized in order to eliminate the possibility of waste and corruption. There is a saying that "eternal vigilance is the price of liberty" and it is in the people's interest to ensure that their funds are spent honestly and efficiently.

Some form of responsible and accountable business management is necessary.

If the people are successful in getting results and a surplus is achieved, this could be distributed as a national dividend to each person. This really is not as difficult as it might appear and is not more onerous than the task of a business manager's endeavours to make a profit after dealing with the restrictions and disincentive taxes imposed by governments at present while, at the same time, his customers are being similarly treated.

There is an incentive for the people to keep their governments honest and efficient and they can profit thereby.

4.2

The people are relieved of any concern on the income side and therefore can concentrate on expenditure. If more lavish services of government are required then their dividends will be reduced or abolished accordingly.

Incentive is the basis of all successful enterprise and the greatest efficiency could well develop in the public services by adopting the recommended, scientific policies, expounded by the Georgist movement.

APPENDIX 5

POPULATION EXPLOSION AND THE ENVIRONMENT

No thesis on the subject of good government can ignore the dramatic increase in world population, nor the growing concern for degradation of the earth and its environment.

The problems must be examined in relation to natural laws which apply. Jose De Castro in his book, "The Geography of Hunger" stated that the birth rate is stimulated by a deficiency of protein in the diet which is more costly than carbo-hydrate food, upon which the poorer people must subsist.

Henry George explained that under conditions of poverty the birth rate increases because greater productivity is possible through specialised efforts by a larger work force, assuming that as nature intended the land, the source of all human sustenance, is available.

George further explained that wealthy people have fewer children because of the greater opportunities for cultural and intellectual diversions.

This is consistent with De Castro's conclusion that the reproductive urge declines with a protein rich diet, which only those above the poverty line can afford.

Nature is wonderfully in balance but is obstructed by the man-made crime of poverty.

Over a billion people, one fifth of the earth's population, exist under conditions of dire poverty and the vast majority of the remainder live an unnatural life because of restricted access to land, having to pay tribute to the favoured 10%, who have been enabled by unjust governments, to claim ownership and monopolise about 90% of the value of the earth.

Under such conditions many people have inadequate land holdings and others none at all. Others again, have more land than they can afford to use efficiently. Land degradation is inevitable when leguminous crops and land fallowing become too expensive.

Government tax demands claim a major share of incomes that could otherwise be used to preserve the quality of the soil.

In the under-developed countries not even safe water supplies and proper sewage disposal is made available and millions die in consequence, but this is the wrong way to check the population explosion.

5.2

The developed countries treat their water supplies with chlorine which is then discharged to the atmosphere and is said to have an adverse effect on the ozone layer. Safer ultra-violet treatment is available but governments without recourse to borrowing and inflation are bankrupted by their own tax structure.

It is known that forests and foliage have a neutralizing effect on green house gasses generated by production etc. and for this reason the Green's movement pressurises governments to restrict the cutting of timber needed by the people.

It is also a well known to scientists that new growth has a much greater effect of neutralizing carbon dioxide than mature growth. Controlled timber cutting, clearing and reafforestation, therefore, would pay handsome dividends, but hysterical propaganda by the monopoly media has its inevitable effect.

The failure to exploit renewable resources such as timber causes a greater recourse to non-renewable resources, such as iron, aluminium, etc. which is more serious.

Three quarters of the people in Australia are crowded, unnaturally, into half a dozen cities in which motor vehicle exhausts are a cause of pollution. Those who live in a safer rural environment are fined, together with urban dwellers by vicious taxes on fuel which discourages decentralisation.

A full examination of this subject would take more space than is herein available. The reader is referred to "Preservation of the Earth and its Environment", available through the Georgist movement.

Under the just economic conditions of government, herein proposed, the earth is capable, with the aid of modern technology, of supporting many times its present population and natural checks to unnatural growth, due to dire poverty, would be restrained.

$\frac{1}{2} \pi$

$\frac{1}{2} \pi$

$\frac{1}{2} \pi$

$\frac{1}{2} \pi$

$\frac{1}{2} \pi$

$\frac{1}{2} \pi$