

Moral Principles

That the jargon which passes for economics today is based on high taxation and inflation both of which violate the commandment "Thou shalt not steal";

That the commandment "Thou shalt not steal" applies with equal force to Governments and that taxation without rendering equal service in exchange is theft;

That the State has no need to levy taxes which violate God given rights, since it has at hand the natural revenue, which arises from the value which the presence and industry of the community and the services of Government imparts to the land.

That to impose current policies, restriction of personal liberty is necessary and this is a denial of the right of human liberty. Relaxation of taxation and inflation under the present land monopoly system would undoubtedly cause unemployment and depression. According to the doctrines of Lord Keynes taught by current economists and practised by all modern Governments, a nation must spend faster than it earns. This is called the velocity theory of money. An individual who practised such domestic economy and not having the right to impose taxes on his neighbour or counterfeit his wages, would undoubtedly become insolvent.

Malthusianism

Henry George denied and exposed the Malthusian theory, which postulates that populations tend to advance faster than subsistence and therefore claims war, pestilence and famine is necessary to relieve the pressure of population.

Notwithstanding that Thomas Malthus was an Anglican curate, George declared his doctrine to be a denial of Christianity and refused to accept that the Almighty would create life without providing the means of subsistence and demonstrated that the cause of the abnormal increase of population is due to poverty which in turn is the result of land monopoly. For example the wealthiest of the Indian Princes is in receipt of an income of approximately £10,000,000 a year, while the depressed peasant classes must live and support a family on an income of four pence a day or thereabouts.

Atheistic Economics

The current or Empirical school of political economy is atheistic in its basic principles. It denies that man has God-given inalienable rights, claiming that such rights as men enjoy, are bestowed by the State according to the will of the majority at any given time. According to this view the State may appropriate the property of the individual in whole or in part without obligation to render equal service in exchange. This doctrine is sufficient justification for all the forms of taxation as we know them today. Taxes levied according to "ability to pay", (a Communist principle) and not according to the value of services rendered in exchange.

Just imagine a private business concern charging a different price to each of its customers according to his or her ability to pay. His Grace being charged 30/- for a loaf of bread and Tom Jones, the dustman, paying only 6d. The idea is clearly absurd. Yet our economic leaders fail to see that Government is a business established to do those things for the individual that he cannot effectively do for himself. For instance, it would not be practical for each householder to construct his own strip of road frontage or extend his water main.

The failure of governments all over the world to balance budgets and maintain stable currencies is due to methods of charging for services that would send a private concern bankrupt in a very short space of time.

Contrast

How simple, just and practical by comparison is the teaching of the forgotten man Henry George, who affirmed that all men have equal rights to life, liberty and the pursuit of happiness; That these rights cannot be sustained unless it is provided that each has an equal right to use the earth and that all such rights are subject only to the co-equal rights of all other men. That these rights are the gift of the Creator, the Giver of life and that life without such rights would be impossible. That these rights are not bestowed by the State and what the State cannot give, it has no warrant to take away.

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THE FORGOTTEN MAN

By GRAHAM HART

I have read with interest the article published in the September issue of "The Rotarian" entitled "Sixteen books that changed the world", by Robert B. Downs, in which Henry George's "Progress and Poverty" finds no place.

The wonders of the physical sciences unfolded in this century constitute a revolution, which is not only changing the pattern of industry, but also the whole concept of International Politics. The potential of the war machine is now so devastating that all nations are afraid to use it. The scene of international strife is shifting to the economic field and the nation that comes first to this realization has a far better chance of survival.

Political Economy is both an art and a moral science and in common with the arts in general, has degenerated equally as fast as the physical sciences have progressed. As a science it has disappeared like the winter sun behind an impenetrable cloud of darkness and obscurity.

"Economics" as taught in our Universities must not be confused with the science of "Political Economy" and relates at best to the systematic compilation of statistical information concerning industry and commerce and the various devices that can be used as political instruments for changing its course, for instance currency manipulation, selective restriction and promotion of certain industries.

The maintenance of a proper balance between the physical sciences and the arts is essential to race progress and survival. More than twenty civilizations of the past bear silent testimony to the decline of the art of living, of the love of truth and the meting of justice, which were the preludes to disaster.

The Missing Name

There is a name missing from the sixteen titles and authors cited which is doubly significant, not only because in service to mankind he was possibly the greatest of them all, but for the reason that in "high places" and in the "centres of learning", Henry George has been subjected to a conspiracy of silence. Karl Marx has been vilified —

Gracchus they killed with sticks and stones — Socrates was given the hemlock. The teachings and theories expounded were thus strengthened by opposition, but Henry George — the man who developed political economy as a science, radiant with hope and promise — is taboo. His name and his works — as if by common consent — may not be referred to in Parliament, press or pulpit or in the educational institutions of our times.

Not only Henry George, but the whole classical school of Political Economy, built up with such painstaking and laborious effort by the intellectual giants of the past, has been relegated to obscurity. It was said, that George challenged established institutions and vested interests. Rocked them to their foundations would be a better expression.

The French Physiocrats, Adam Smith, David Ricardo, John Stuart Mill and Herbert Spencer were tolerated with academic interest, but George was more dangerous. He not only established political economy as a science, but also campaigned for action. With a brilliant and searching pen at the age of 39 he had published "Progress and Poverty" which was to become the world's best seller in its class. With a burning eloquence he toured America, England and Australia, pleading his cause, Justice for all and privilege to none.

Rent of Land

Henry George explained why the rent of land tends to advance continually with the development of society while wages and interest remain at the bare minimum the labourer and the capitalist will consent to accept. He demonstrated:—

That because wages and interest rise and fall in a converse ratio the causes of the worker and the capitalist are common and not opposed as communists and socialists would have us believe.

That the rent of land rises and falls in an inverse ratio with wages and interest; that while rent continues to rise, wages and interest must fall;

That while the private ownership of land is permitted, every increase in population, advance in science, improvement in manners and morals and in the efficiency of govern-

ment, will have the effect of raising rent and lowering wages and interest as a proportion of production;

That if the unearned increment of land value were used for public revenue, then all taxation which falls as a penalty to discourage the production of wealth might be abolished;

That since land values arise because of the expenditure of public money on development works and services, the resulting value rightly belongs to the people;

That the land value created is equal to expenditure on the services of Government, unless the expenditure has been wrongfully and wastefully directed;

That if the unearned increment of land value is appropriated as monopoly income by individuals, then the landowning classes will have a power over the wage earners that will not be less powerful or dangerous than chattel slavery. Since all men live from the products of the earth absolute ownership of the earth has the force of ownership of those that dwell thereon, "You take my house when you do take the prop that doth sustain my house, You take my life when you do take the means by which I live". (Shakespeare):

Government Revenue

That to collect the rent of land for Government revenue would not add to the cost of production since it is already being collected by those who render nothing in exchange;

That the collection of rent of land for Government revenue would react in an opposite direction to taxes imposed on the processes of production and exchange. For example to tax houses is to make houses dearer and scarcer. To collect land rent for revenue would be to lower the capital cost of land and promote availability to the user. It would become unprofitable to hold valuable land out of use. Land must therefore be put to use or disposed of to bona fide producers. Increased supply would lower the price. Ultimately only the improvements would have exchange value;

That no Government can ever succeed in balancing its budget by orthodox taxation for the reason that taxation of labour products discourages production and thus dries up the source from which taxes arise;

That Governments must have recourse to borrowing and inflation both of which add to production costs and Government administration expenses alike;

That borrowing violates the liberty of future generations. No man or group of men have the right to borrow on the security that their children and children's children will repay the loan;

That inflation is the cruellest form of robbery devised by modern Governments, since it falls with the greatest severity upon old people and those on fixed income, who are unable to take defensive action;

That a taxation system which discourages and restricts production amounts virtually to an act of treason since the vital strength and defence of a nation in the face of the gathering hordes of barbarians and communists depends on its productive capacity;

That the idle rich and the idle poor who are socially inseparable from land monopoly constitute a condition of injustice which is a fertile breeding ground for communism;

That communism has never arisen in any country which has recognised the equal and inalienable rights of all people to inhabit and use the earth;

Trade Restrictions

That contingent upon the recognition of the equal rights of all people to use the earth (subject to the payment of land rent for Government revenue in lieu of taxes), both international and internal trade might be completely free without any adverse consequences. A nation can not be injured by buying cheaper from another nation unless it has an internal unemployment problem. On the contrary the cheaper a nation can buy, the higher will be its standard of living;

That wages are not drawn from capital but from production and provided the opportunity to produce always is guaranteed by availability of economically useable land then unemployment is impossible;

That trade war is the most fruitful cause of armed conflict between nations. A nation with an internal economy which obliges it to impose tariffs and trade restrictions is an aggressor nation. As the late Cordell Hull once said: "If goods do not pass frontiers, armies will";