ANTI-MONOPOLIST ACTION GROUP

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CONSISTENT LIBERALISM: "THE THIRD ROAD"

between Capitalism and Socialism

November 1977.

ECONOMIC POLICY
PAPER NO. 1.

TO INCREASE PURCHASING POWER

a) eliminate inflation, and
b) the monopoly exploitation of producers.
c) Encourage production and free trade.

Ref.:
G.Hardy.

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POLICIES:

ELIMINATE

Monopoly privileges

(Business, Government, Trade union etc.)

RAISE REVENUES

from

Monopoly benefits

(Land rent, Royalties, Licences, etc.)

NOT from

individual efforts

(No: Income-tax, payroll-tax etc.)

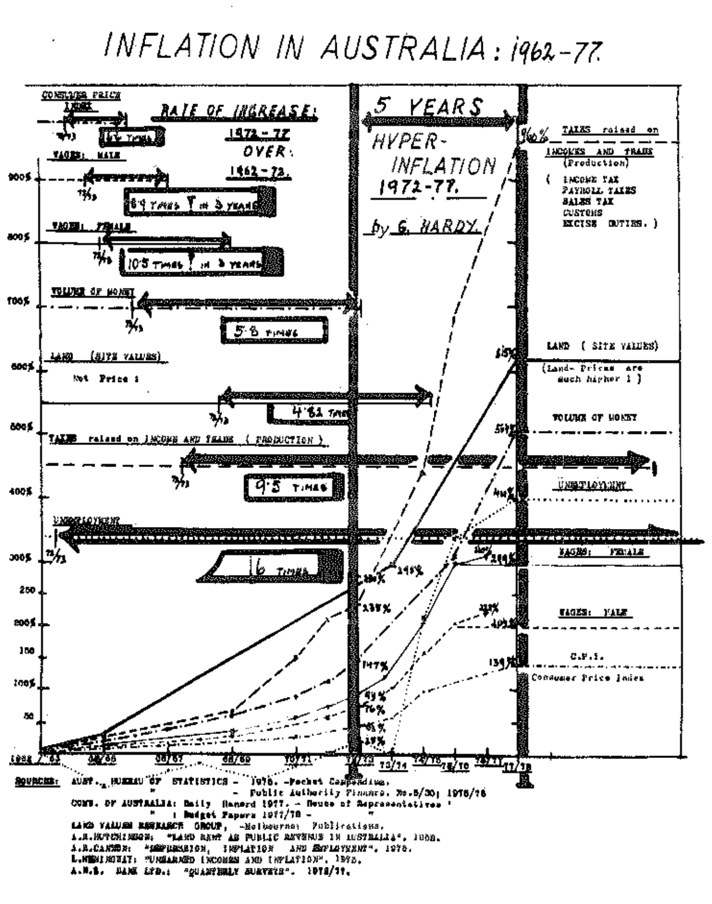
INFLATION IS the depreciation of money. Some inflations follow the the destruction of supplies by natural disasters or wars, but

MOST INFLATIONS ARE MAN-MADE. Their objective is to obtain goods and services from citizens, who would not provide them voluntarily. Instead of physical force privileges, monopolies, restrictions and regulations are used to confiscate the products of the producers.

THE EARLIEST FORM OF INFLATION WAS COUNTERFEITING. When kings did not have enough money to pay their soldiers and supporters, they used their monopoly over the issue of money to reduce the gold content of coins. With this counterfeit money they obtained what they wanted from the unsuspecting citizens through fraud, exploitation, theft.

THE PRINCIPLE OF INFLATION IS THE SAME TODAY ! The goods and services of reluctant citizens are stripped from them under false pretenses and are handed over to politicians and other privileged recipients. ECONOMIC COMPLEXITIES HELP TO DISGUISE THE BASIC CAUSES AND RESULTS.

The following GRAPH shows inflationary increases which occurred over the last 15 years in Australia. THE LARGEST INCREASES OCCURRED IN PRODUCTION-PENALISING TAXATION (960%), followed by LAND VALUES (615%) , the VOLUME OF MONEY (504%), FEMALE WAGES (299%), MALE WAGES (204%) - whilst the Consumer Price Index has increased only by 139%.



This Graph also showsthat during the "HYPER INFLATION", after 1972 some extraordinary , arbitrary increases contributed more to inflation than others.

Whilst the C.P.I. increased 6.6 times during the 5 years of "hyper inflation" compared to the previous 10 years - TAXES INCREASED 9.5 times, FEMALE WAGES 10.5 times, MALE WAGES 8.9 times in three years; LAND VALUES 4.82 times.

Unemployment increased 16 time -as a result of the recession brought on by the "hyper-inflation" of 1974.

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The hard earned incomes of those who produced goods and services have been "re-distributed" through the fraud of inflation into the pockets of oil-sheiks, lucky land owners, the bottomless coffers of the Welfare State, and everybody was encouraged to demand more and more pay for less and less production.

PLEASE, CONTACT US FOR INFORMATION, DETAILED POLICIES, AND SPEAKERS.

As a result, "workers have outpriced themselves" into unemployment. Producers stopped producing. It made no sense to work hard only to have ones earning stripped off for the benefit of bureaucrats, land-boomers and other non-producers who claimed to be "entitled" to be kept by the community.

The current recession and reduced purchasing power is the direct result of inflationary economic manipulations encouraged by the economic theories of John Maynard KEYNES and his followers.

They have advised the deliberate manipulation of the free exchange of goods and services with currency-, price- and wage controls, trade restrictions subsidies and "deficit budgeting".

KEYNES-ian methods of "pump-priming" resulted in the slow inflation which characterised the quarter century after the Second World War.

However the recently developed hyperinflations have proven that no economy can live on "make-believe" money for ever. The unavoidable results of unemployment, depression and loss of purchasing power brought into sharp focus the insufficiency of the "Keynes-ian" manipulations.

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Now, "Monetist" policies are being tried in order to control runaway inflations by restoring the value of currencies. **This is the right approach. BUT** INFLATION IS CAUSED BY **SEVERAL** MONOPOLIES. **We need to consider the effects of the others also.**

THERE ARE MANY PRIVILEGES, RESTRICTIVE PRACTICES AND CONTROLS WHICH PREVENT THE FAIR EXCHANGE OF GOODS AND SERVICES. All of those transfer the earnings of producers to those who could not obtain them in free, voluntary exchange. Just as kings needed to counterfeit their coins in order to obtain goods and services, which they could not - without fraud.

DEPRESSIONS, UNEMPLOYMENT, THE LOSS OF PURCHASING POWER ARE THE RESULTS OF FRAUDULENT "re-distribution" of the earnings of producers to non-producers, who claim monopoly-privileges, "entitlements" to obtain goods and services, which they can't get in free, voluntary exchange.

Inflation; taxes raised on incomes, production and trade; artificially high prices of land, wages and other commodities resulting from restrictive practices, monopolies - are all different forms of counterfeiting, fraud, confiscation and blackmail. None of this can be cured by economic manipulations such as arbitrary Bond rates; Subsidies for small business; Moratoriums; Wage and Price Controls or Social Benefits.

PURCHASING POWER AND PROSPERITY WILL ONLY INCREASE IF WE STOP CONFISCATING VALUES CREATED BY INDIVIDUAL EFFORT (= the production of goods and services) TO FILL THE COFFERS OF KINGS, GOVERNMENTS AND VARIOUS PRIVILEGED BENEFITIARIES WHO CLAIM "ENTITLEMENT" WITHOUT THE NEED TO OBTAIN GOODS AND SERVICES IN VOLUNTARY, FREE EXCHANGE.

More money and higher wages do not mean Purchasing Power - **if** the producers work less and produce less ! TO INCREASE PURCHASING POWER - PRODUCTION AND WORK MUST BE ENCOURAGED, instead of being cheated and taxed.

POLICIES:

1) TAXATION ON PRODUCTION MUST BE REDUCED & REPLACED WITH revenues which promote productivity, reduce costs. (Instead of Income tax; Sales Tax, Payroll tax - collect Land Rental-tax on Site values.)

2) Monopolies, and restrictive practices which prevent the free exchange of both goods and services (including professional and trade unions) must be removed EQUITABLY.

3) Public Utilities, Natural resources and Licenced activities should be let to private, competitive operators under strict "Performance Contracts" on public tenders.

4) THE FUNCTIONS OF GOVERNMENTS MUST BE REDUCED TO THE PROTECTION OF the safety, security and health of the citizen. This will prevent the economic manipulations which have brought on inflation, recession and unemployment.