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THE CHOICE

GEORGIST PROGRESS
or
SOCIALIST POVERTY

THE SOCIALIST FAILURE

an exposure of policies of
CRIPPLING TAXATION
PLANNED INFLATION
PROFLIGATE SPENDING
DESTRUCTION OF INCENTIVE
INDUSTRIAL ANARCHY

An introduction to HENRY GEORGE and
THE SCIENCE OF POLITICAL ECONOMY

with

Abolition of ALL Taxation
Collection of Land Rent for Revenue
Freedom to Work, to Exchange, to Save,
to Invest and to Bequeath

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AUTHOR'S NOTE

This series of essays is commended for the attention of all who are concerned for the welfare of their country, their wives and families, also to those who believe "it can't happen here".

Unfortunately it is happening here, quietly and insidiously; in but a short time it may be too late. The socialists policies of crippling taxation and inflation, capped with capital gains tax levied on inflated money will have the ultimate effect of confiscating nearly all private wealth within the foreseeable future.

The immoral taxation system of once "Great Britain" has brought national shame to the mother country. The empire gone, cheap food and raw materials a matter of past history, crime, drug dependance and violence on the increase, are all a tragic testimony to the failure of socialism.

Australia is plunging headlong in the same direction with trade union, communist controlled, dictatorship; its leaders openly inciting people to break the law without fear of prosecution, destruction of small business and our primary industries; all to the tune of political propaganda that makes a mockery of truth, honesty and justice.

Through all the chaos and confusion the message of Henry George rings loud and clear — there is a way out; the choice is yours.

Graham Hart.

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1. THE "HENRY GEORGE" SYSTEM OF GOVERNMENT

The political policy is simple and easy to understand. We propose to collect the rental value of land for revenue and abolish all taxation.

What is not so easy to understand is the tremendous benefits which can flow to almost every phase of social life. An explanation is attempted within these covers.

The System of Government advocated by the Henry George League is not a panacea for all social ills. It can be stated, however, without fear of contradiction, that without at least a substantial application of our proposals very little impact can be made on any of the major social evils which beset society.

The labels worn by political parties have become meaningless and misleading. It is recommended that the reader looks beneath the surface to basic principles, particularly to the matter of freedom. The writer believes that freedom is not possible when governments claim a part, an ever increasing part, of everything produced and of every service rendered, and life becomes a continual war between the people trying to retain some of the goods they have made and the government trying to take them away by the force of law.

There are many definitions of socialism, which mostly add up to governments claiming to own everything that is produced and redistributing the wealth without reference to the energy, enterprise or rights of the producer.

In practice, modern socialists allow the producer to retain some part of what has been produced, to save the trouble of confiscating and handing it back, and in order to create a psychological complex.

It being recognised that there are few if any dedicated socialists in this country willing to work for others without thought of reward, it is, therefore considered good policy to allow the producer to think that he has some right of ownership in what remains of his product, in the hope that he will continue to produce.

Taxation is socialism and must be exposed as such.

If Liberal socialists confiscate less of the product than Labour socialists, there is no magic in the lesser degree of confiscation that entitles them to be regarded as other than socialists.

In these pages we will refer in general to Liberals as right wing socialists and those who support the Labour party as left wing socialists.

In modern society it is not possible to abolish socialism, which denies the right of private property, except by Georgism, which affirms that the rental value of land arises because of the presence and industry of the community and the services of Government, and not because of any effort of the "owner"; that the duty of governments is to collect this value for revenue and abolish taxation.

The value of land depends on situation in relation to population, fertility, mineral content or other natural attributes for which the "owner" is not responsible. To collect this value for revenue has the appearance of being a tax and is often referred to as the "land tax". In fact it would call on men to contribute to revenue not in proportion to what they produced or accrued or spent or invested, but in proportion to the natural advantages they held. It would oblige them to pay as much for idle land as for putting it to the fullest use.

Quite obviously it would make the holding of land profitable only to the user. Under the system of taking land rent for revenue, land would become available to labour and capital under conditions that would ensure the maximum progress of society.

What we propose is not a tax on land but a collection of rent from valuable land. It would fall not on all land but only on land that had value; collection of rent would not be in proportion to the use made of land but according to its potential for use.

Henry George in *Progress and Poverty* makes a simple comparison between taxes and rent:—

“The way taxes raise prices is by increasing the cost of production and checking supply. But land is not a thing of human production and taxes upon rent cannot check supply.

“On the contrary by compelling those who hold land on speculation to sell or let for what they can get, a tax on land value tends to increase competition between owners and thus reduce the price of land.”

In English law the ownership of land rests with the crown, and not with individual holders.

A title to land confers the right of exclusive occupation, as freehold in perpetuity, or leasehold for a stated period.

Because the land holder “owes” dues to the crown in return for the right of occupation he has become loosely referred to as the “owner”.

With this system we do not seek to interfere. We regard exclusive occupation of land as essential to its best use.

The Henry George system of government provides security of land tenure in return for payment of the rental value to the Crown, thus ensuring that land will be put to its best use, ensuring full employment, and enabling the socialist tax structure, which is corrupting social life and creating political anarchy, to be destroyed.

The attempts to foist compulsory state socialism on a community of individualist non-socialists, is the greatest hoax that has yet been perpetrated in this country. It produces rewards under the “welfare state” to the lazy, the selfish and improvident, and penalises the industrious, the enterprising and responsible members of society.

2. WHO WAS HENRY GEORGE?

Henry George was born in Philadelphia in 1839. During his 58 years on earth he transformed political economy, “the dismal science” as it was known, into a science radiant with hope for mankind.

At the age of fifteen Henry, the eldest child, left home to ease the pressure of hard times on the family income, and went to sea.

The appalling poverty alongside of fabulous wealth in India, the oldest of civilisations, made a lasting impression. In Australia, the youngest settled country, hordes of men were unemployed.

Returning to America after fourteen months at sea he secured an apprenticeship to the printing trade at \$2.00 a week. Later he worked his passage round "the Horn" to try his fortune in the west. Hard times continued to dog the young man. George worked as a farm hand for food and permission to sleep in barns, as an unsuccessful gold digger, and then went back to the printing trade.

At the age of twenty-two, with 50 cents in the pockets of his borrowed trousers, Henry George eloped with an Australian-born girl who left a life of ease to share his poverty and become his life long companion and inspiration.

In Vancouver a man told him that wages were always lower in older countries; from a passing teamster in the Oakland hills he learned that uncultivated land close by was expected to sell for \$1,000 an acre. Like a flash George saw that the enigma of poverty midst plenty was caused by land speculation and dedicated his life to finding the remedy.

George started his crusade with a penny newspaper which grew under his dynamic pen to a five cent daily. His reputation as writer and lecturer soon gained recognition.

At the age of forty Henry George finished his classic book "Progress and Poverty". Unable to find a publisher willing to risk printing a work on economics by an unknown author, George and some of his compositor friends set the type and eventually the first edition was printed; it created a mild sensation and slowly the message spread to three continents.

Henry George toured England, Ireland and Australia, lecturing and inspiring men to the new crusade for justice.

Returning to America, his reputation made, other books were published, written in a style which, as one professor said—for the purity of expression should have been used as text books for teaching the English language.

George's attacks on vested interests made enemies and involved him in controversies which made enormous demands on time and nervous energy.

His final book *The Science of Political Economy* was put aside many a time because of the continual demands on the man who had now become a world figure. In failing health, and against the advice of his physician, George contested the mayoralty of New York in an endeavour to fight the corruption of Tammany Hall. Four days before the election a worn out body gave up the struggle further to contain the indomitable spirit.

The Science of Political Economy was finished posthumously by his son.

At the funeral a hundred thousand people passed the bier and many thousands more paid their last tribute with tumultuous cheering as distinguished orators eulogised the life and message of Henry George. The joy radiant with hope that such a man should have been given to the world surpassed the grief at losing their friend and champion.

As one of the speakers observed. "This was not a funeral, it was a resurrection."

Marking his grave in the Greenwood cemetery, New York is the epitaph—a quotation from *Progress and Poverty* — "The truth that I have tried to make clear will not find easy acceptance. If that could be it would have been accepted long ago. If that could be it never would have been obscured. But it will find friends, those who will toil for it, suffer for it, if need be die for it. This is the power of truth."

It is ninety-five years since *Progress and Poverty* was published, yet its message seems especially to have been written for our generation.

George's books have sold far into the millions of copies. They have been translated into all the major languages, many times surpassing the writings of all other economists. Henry George Societies exist in most countries. His theories have been applied sufficiently to demonstrate the truth of all that has been claimed. The great thinkers who at various times have endorsed his message include Winston Churchill, Leo Tolstoy, Hellen Keller, Dr Sun Yat Sen, Phillip Snowden, Albert Einstein and many others.

No one has ever disproved the economic teachings of Henry George, but a conspiracy of silence, more disgraceful than active resistance, has held progress back for three quarters of a century. Today we are in the grip of the terrible doctrine of Karl Marx and the various breeds of socialism that follow in its wake. Anarchy and the end of an age in a world too tired and confused to think is the final episode, unless, while there is yet time, the people will listen to the message of Henry George.

3. BASIC PRINCIPLES

- (1) Every child is born, not equal, but with equal rights.
- (2) Rights are of two kinds, personal and communal.
- (3) Personal rights include:—
 - a. The right of free access to the earth provided there is no infringement of the similar rights of all other people. Man is a land animal; without access to the earth he will die; with restricted access he will live an unnatural and inhibited life.
 - b. The right to use, sell, exchange, or bequeath as he pleases, the wealth he has produced by applying his labour to the earth.
- (4) Communal rights include a share of the advantages which arise when people live together in cities and towns etc., and are so able to specialise and exchange their products more efficiently. Community life in modern society is only possible when roads, railways, telephone systems, water supply and sewerage works etc., are constructed and maintained.

The construction of these services costs money but also adds to and maintains the value of land to at least the same extent. Land in the centres of large cities is naturally more valuable than in the outer fringes or than in smaller communities. Those who occupy the most valuable sites are willing to pay more for the privilege and each person is prepared to pay according to the value of the land selected as best suited to business requirements or residential proximity to employment.
- (5) What we are pleased to call the government really is an agent which should provide the services and collect the rental value of the land which arises as a consequence.
- (6) The government of course has other duties. For example, it must protect the services and communications it has built. Neither these

services or the land would have any value to the people were it not for the National Defence Forces.

- (7) In modern civilisations differences in land values are enormous. A central block in a great city can cost more than the total assets of a giant business corporation or a farming community. A thousand acres beyond road or rail access can be worth nothing.
- (8) The more people who live in a community the greater will be the value of the land. This value we call rent or "economic rent" so as not to confuse it with the revenue for the use of buildings.
- (9) The rent of land which is sufficient for all the necessary functions of government rightly belongs, as we have seen, to all the people since it would disappear if the people moved out. This has happened in mining towns when the lode peters out and the people leave the district.
- (10) To confiscate what a man has produced or earned by his labour is to steal his property. This cannot be sanctified just because of an act of parliament. Individual rights are by right of birth, God-given if you like, and not the gift of the state. In a just society human rights would be protected and not destroyed by governments.
- (11) Modern forms of taxation which violate human rights are stupid and unnecessary. To tax one man's income because he has been industrious and exempt that of another because he is lazy and will not work is more than stupid, it is wicked.
To tax a man with a large family to support more than a single person, as we do with sales tax and customs duties, is devilish.
To tax a man who must travel a greater distance to work more than a man who lives on the job, as we do with petrol taxes, is unjust and dishonest.
To charge a young couple stamp duty because they have bought a house is diabolical.
To tax a dead man's estate, intended to support his widow or bereaved children is inhuman.
- (12) Modern governments not only tax, they also spend. Since the cost of everything governments buy is increased by taxation—then the higher the tax the greater the cost of government services. The budget can never be balanced, so recourse to borrowing and inflation is inevitable.
- (13) If the rent of land which the people create is not taken as revenue then it acquires a capital value of about 20 times the annual rental value. Under conditions of inflation, the multiple can be much greater. The fortunate owners of the most valuable sites become enormously rich without working. Their wealth continues to grow as populations increase and land becomes more valuable. This added value is entirely tax-free (except for the recently applied capital gains tax when the land is sold). Yet those who work and create are fined for their industry as though they were common criminals.
- (14) Average people must pay rent to the land owner, taxes to the government, interest on the national debt, and also the cost of inflation. Let it be remembered that those who work pay all the taxes. "Soak the rich" advocates have their heads in the sand. The idle rich must first extract the taxes they pay from the work force.

(15) Many people must live in poverty, and tears on their behalf which are shed by politicians become especially copious at election times. Bribes and counter bribes are offered—free education, free health services, bonuses and subsidies, pensions and concessions: all to be administered by a privileged civil service and paid for by the workers. Taxation is now at the almost unbelievable level of \$1,000 per man woman and child.

(16) Production and even a place to sleep are impossible without access to land, so the land owner is in a privileged position. It costs very little to hold land idle, waiting for more babies to be born and more immigrants to arrive, who will stimulate the demand for land and so increase its value.

The worker cannot similarly remain idle for long: there is food and clothing to buy, and rent and interest to pay. He must accede to the land owner's terms or become unemployed.

The capitalist is in a similar position. Machinery will rust or become obsolete if it is not used. Interest payments have to be met and overheads to be paid.

(17) The only way modern governments attempt to contain unemployment is to stimulate spending by inflating the currency. When inflation eases unemployment increases.

(18) Modern governments allow the rent of land, which belongs to the people, to be confiscated by those who claim to own the earth, and thief from every one who dares to produce or must of necessity consume. All that is necessary is to reverse the order.

(19) Modern socialism can be achieved most effectively by taxation—which confiscates individual property. It is proving a costly failure and is lowering living standards just as surely as the old-fashioned method of state ownership of the means of production.

It is an interesting and significant observation that socialists in Australia do not include in their Bill of Rights the two essentials to freedom by which alone the other rights may be attained.

(1) The right of each person to the product of his or her labour.

(2) The right of each person to share in the community created value of land, the natural revenue of the state.

4. THE DOCTRINE OF LAISSEZ FAIRE

The doctrine of Laissez Faire, widely advocated in the nineteenth century, translated from the French means "to let alone". In politics it is accepted to mean, to "allow" the people to govern themselves to the maximum extent possible with the minimum of interference from government.

The British Liberal Party grew from this principle. The Empire grew to its pinnacle of power and grandeur during the period when the government ceased interfering with trade, which also coincided with, and no doubt assisted, the greatest break-through in technology the world had known.

Laissez Faire, however, was never applied to land tenure—quite the reverse. Following hard upon the iniquitous acts of enclosure the common people were driven off the land into the factories and mines, working under appalling conditions of exploitation—even little children working up to 14 hours a day for a starvation wage to help support the family. The industrial revolution, because the people were locked out from the land, made the rich more wealthy, and the poor reached the lowest depths of degradation.

Communists and socialists who do not believe in freedom and would establish an all powerful state, confiscating and re-distributing wealth, destroying independence and self reliance, interfering in every phase of human endeavour, justify their policies because of what they are pleased to call the failure of Laissez Faire.

The truth is Laissez Faire has never failed because it has never been fully tried, nor can it be without the land reform policies of Henry George

5. UNEMPLOYMENT

Unemployment, the scourge of western civilisation, has defied politicians and orthodox economists for more than a century.

It is responsible for condemnation of what is called the "capitalist system" and for the acceptance of socialism by people who regard themselves as true blue liberals. The only remedy that has achieved any measure of success is a policy of deliberate inflation (another name for the robbery of innocent and defenceless people) and in the case of Australia ("the lucky country") restricting immigration; this however is only a temporary expedient. Access to land under favourable conditions is the one essential to full employment. When land is held idle until community development increases its value so that an unearned profit can be made by the fortunate "owner", the speculative price reaches a point at which production becomes unprofitable and unemployment results.

Inflation is merely a process of increasing the flow of money to producers and wage earners so that they may be able to pay the increasing demands of land owners and continue production and employment. Inflation also stimulates spending and borrowing; to be thrifty and to wait until, say, a new motor car can be afforded will result in a higher price being paid. To this extent also inflation artificially stimulates employment and production. Unfortunately, however, inflation intensifies land speculation; investment in land is the surest protection against inflation—a vicious circle. Inflation must therefore be continued and perhaps intensified to maintain full employment. Usually there is a compromise; marginal unemployment is accepted and the rate of inflation reduced.

Only by the land reform proposals of Henry George can full employment be achieved without the despicable alternative of inflation.

Only by the politics of Henry George can the march of state socialism be reversed.

Socialism doesn't work—politics will drift further to the left as problems increase until the communist police state, from which there is no turning back, is a "fait accompli."

6. POVERTY

According to Mr D. Scott, the executive director of the Brotherhood of St. Lawrence, 18% of Australians live in poverty and a further 10% are very poor. Poverty is a comparative term and such figures have little meaning. It is necessary to search deeper into the nation's economic structure to understand the crippling effect of the three evils, land monopoly, taxation, and the debt structure. The former is undoubtedly the underlying cause of poverty.

The only remedies offered are hand-outs to all who claim to be in need, to be financed by further poverty-creating taxes and administered by additions to the army of civil servants living at the taxpayers' expense. It is not the function of government to provide people with a livelihood to any particular standard, except perhaps the relatively few who have suffered misfortune and are unable to work.

There is, however, an obligation on governments to administer the land (the national estate) in such a manner that there are equal opportunities for employment of all those willing to work.

Socialist philosophy is "from each, according to his ability, unto each according to his needs". This is the justification for confiscating people's earnings by taxation and making hand outs through a fraternal civil service according to government policy (usually formulated at election time in order to buy votes). By a strange coincidence the most powerful pressure groups are usually found to have the greatest needs; these are by no means the same people who contribute most by their industry and initiative.

The theory of socialism must be practised as a voluntary arrangement among dedicated people whose concern is to serve each other. In this country there are no such people. Socialism has degenerated into a scramble among selfish pressure groups each trying to take as much from society (the other fellow) as possible, and contributing as little as possible. Add to this sorry situation a civil service swollen beyond the needs of government and living at the taxpayers' expense. Consider further those living on the rent of land without making any contribution (as land owners) to production; a class of parasites of whose existence socialists do not even appear to be aware.

To add full measure to the pattern of poverty note the wealth of money lending institutions battenning on to the socialist system, which, with its policies of taxation and inflation is forcing people into debt to swell the takings of the money lenders at record high rates of interest.

The wonder is not that we have an official poverty list of some 28% of the people but that it is not much higher. Undoubtedly there are some proud self reliant people remaining from earlier times, who would rather suffer poverty than the humiliation of accepting "charity".

How long can even the present standards continue? With incentive all but destroyed, with land prices, taxation and interest rates (so called) continuing to soar, the remaining genuine people who have not yet given up the ghost, cannot be relied upon indefinitely to give of their best endeavours with little hope of recognition or reward.

According to The Institute of Public Affairs, April-May 1974 publication, during 12 months of left wing socialist rule, from December 1972 to December 1973, despite pay increases, real wages declined by 0.8%.

Poverty for an increasing number of people is inevitable under present political conditions. The proposals of Henry George would be like taking a huge brake off the wheels of industry, like awakening a sleeping giant. Poverty would disappear without conscious effort in a new society with rewards, for honest work and unlimited opportunity restored. The poor would then be lazy, indolent objects of contempt and not of pity and compassion. The poverty in this lucky country is as nothing compared with the underdeveloped countries. With our own problems solved we would be able to teach and help the world to real living standards previously unknown.

7. WOMAN'S STATUS AND EQUAL PAY

More free time on the media is devoted to this subject, with the exception of sex, homosexuality and abortion (which have become positive obsessions), than to any other subject.

The male wage is calculated on the basis of a married man having to support a wife and two children. Now it is demanded that a single woman with only herself to keep receives the same pay.

This emotional discrimination against married men is called wage justice.

The effect to date has been to increase the price of goods and services and drive women out of the homes and into the factories.

The taxpayer is then called on to finance kindergarten child-minding centres and all the social services arising from the neglect of children and loss of a mother's care in the home.

"Equal pay for equal work" is a sound principle, but the rates can only be fixed under the free operation of the law of supply and demand, otherwise harm will result.

Confrontation, coercion, misleading propaganda and the arbitrary decisions of courts and tribunals are not the answer.

Under just conditions of land tenure and relief from taxation, real wages would rise and dignity be restored to family life, with a man re-established as head of the home, able to maintain the mother of his children in her rightful place, in the home, as his grandfather was once able to do.

Single people both young and old would receive as much as they could earn without government interference.

Part time jobs would be unrestricted and freedom restored.

8. INFLATION

Politicians would have us believe that inflation is a world problem over which they have no control. The latest dodge to disclaim responsibility is to blame "the system", a delightful generality that will no doubt suitably impress gullible electors.

"The system" is intended to mean the "capitalist system", another vague generality. A better description would be socialism by the means of vicious tax discrimination and the institution of land monopoly which the socialists have done nothing to remedy.

Economists advocate increases and decreases in taxation, juggle with spending in what they call the public and the private sectors, and recommend restrictions and subsidies — all without any appreciable result. The truth is that inflation is a direct consequence of government policies and may very easily be controlled. A complete treatise on methods of issuing and regulating a paper currency would be highly technical and beyond the comprehension of the average reader.

The problem, however, can be presented in simple language if confined to the matter of inflationary pressures which modern governments seem unable to resist. Inflation in other countries with which we trade need not be the cause of inflation in this country provided the Australian dollar is allowed to "float" and is freely convertible in the money markets of the world according to the law of supply and demand.

Pegged rates of exchange please no one. Importers blame the government for fixing the price too low and exporters claim it is too high. No one can quarrel with the free market.

A certain volume of currency is said to be required to transact normal trade. The Australian dollar, in common with the currencies of most other countries, does not have a gold backing although the treasury does hold limited reserves of gold bullion. There is nothing to prevent dishonest governments from printing bank notes to pay for unbalanced budgets and spending sprees which are commonly indulged in, particularly in support of election promises. Promises made at the 1972 federal election were of the order of \$1000,000,000. Without any corresponding increase in productivity inflation was inevitable.

Inflationary pressures are also caused by excessive wage demands, shorter hours of work, wasteful government expenditure, tax increases and government policies which increase overhead costs to industry, for example by forcing industries to become honorary tax collection agencies. This applies to income tax, sales tax and payroll tax.

One of the most powerful causes of inflationary pressure relates to the method of granting credit against land value. Land, which has no cost of production, is considered to be the best security for borrowing. For example, assume that \$50,000 can be borrowed on land valued at \$100,000 without any extra production being involved. The fifty thousand dollars worth of purchasing power will compete with other currency for the same limited supply of goods. It is a general understanding that paper currency is issued against securities lodged by the Trading Banks with the Reserve Bank according to a formula which also takes into consideration the velocity and amount of money in circulation, also government credit policies. There is no distinction between productivity and monopoly as the security basis. Precise information is very difficult to obtain.

This form of inflationary pressure together with the others referred to would be removed by Georgist reforms which would abolish taxes, destroy the speculative value of land and force idle land into productive use.

The management of fiduciary currency requires absolute honesty and freedom from pressure. Such conditions do not exist with the "party system" of government. A gold backed currency would therefore seem to be essential.

Silver also has been used in some countries. The metal used must be a stable nonperishable commodity having intrinsic value. It is also a necessary condition that there be no restriction on the private trading in gold or silver, otherwise the price may become artificial and not real market value.

Re-establishment of the "gold standard" would be a costly exercise and extremely difficult under present political conditions. The Georgist system of government would create such prosperity that it could well become feasible to provide a gold backing to the Australian dollar.

It cannot be over emphasised that inflation is robbery, wicked robbery, and should be branded as such in the strongest terms; the socialist politicians responsible should be held accountable.

Currencies are deliberately inflated also to stimulate employment and temporary results can be achieved. People prefer to spend now to avoid future price increases. Land prices soon rise, however, because inflation also stimulates demand for land which is the best protection against inflation. Land purchased for speculation and not for production causes unemployment, so the initial effect of inflation stimulating employment may not be sustained. America has a high rate of inflation and unemployment.

The subject of inflation is further examined in the section dealing with banking and monetary policies.

9. BANKING AND MONETARY POLICIES

Taking a superficial view, inflation appears to be a most difficult and complex problem. Politicians and economists are in utter confusion, in many instances proposing exactly opposite remedies. Some would increase taxes, others would reduce them. Some would impose further restrictions on trade and industry, others are for greater freedom. Some would expand and others would restrict credit. Some would stimulate immigration, others would stop it altogether. Some would attempt to peg wages, others prices and some both. Some want to stimulate imported goods, others strive for a closed economy. Some want to peg exchange rates at artificial values; others would float the Australian dollar, and so on. Nearly all proposals are obscured with emotional propaganda. No wonder the ordinary citizen is in hopeless bewilderment.

To restore some semblance of order the writer proposes an examination of the origin and principles of banking which appears to be closely involved, to say the least.

Less than a hundred years ago banking was a privately owned competitive enterprise serving governments as well as industry and commerce. Private banking functioned well and gave good service. There was very little inflation. The main difficulty was that in times of business depressions some of the weaker banks became insolvent, and shareholders and depositors lost their money.

There was a time when banks used to print and issue their own bank notes; these however, were backed by gold reserves.

The simple function of a trading bank is to act as a clearing house for exchanges and to negotiate the use of surplus funds acting as an intermediary between borrower and lender.

Banks lend against secured assets in the form of land and buildings, stock and plant, book debts etc. Bank notes once bore the promise to be redeemed in gold upon demand. Depositors were secured by shareholders' capital, by gold reserves and borrowers' securities.

The gold reserves were never sufficient in the event of a simultaneous "run" by all depositors demanding redemption in gold, but total assets provided adequate security at normal values.

Those were the days of violent booms and depressions. Borrowing and lending was greater than normal during "boom" periods. The value of securities collapsed during the depressions to such an extent that the panic demands of depositors could not be met and "the bank" became insolvent. Excessive gambling on the Stock Exchanges accentuated the problem. If booms and depressions had not occurred the private banking system would not have failed. Booms in nearly all instances were due to land speculation which caused land prices and rents to rise to a point beyond which industry would consent to pay. Depression and unemployment followed until land prices fell and the wheels of industry turned again.

We have much the same phenomena today except that banking is controlled by governments. There is little gold backing imposing physical restraints on the issue of credit. Paper money is printed to stimulate the economy; taxes, wages and prices soar the people are impoverished to some extent but depressions are less severe; land prices do not fall greatly—in fact the purchase of land is the best protection against inflation. Extra demand at least maintains land prices, but inflation remains unchecked.

There is no doubt that private enterprise in any capacity in open healthy competition can function more efficiently than bureaucratic government. Henry George wrote "Where the freedom of competition ends, the sphere of the State begins" and in another passage "Whatever is necessary monopoly is the function of government".

It is taken for granted as beyond question, that the issue and control of currency is an essential function of the State, yet governments all over the world in control of monetary policies have done nothing more than stagger from crisis to crisis. In our lifetime, coinciding with the era of government controlled paper currencies, we have witnessed the decline of the once mighty British Empire. Australia is plunging headlong in the same direction.

The banking business in our grandparents' day perished on the altar of unbridled land monopoly. Socialist banking, in an age where the wonders of technology have unfolded to an almost unbelievable extent, is in little better shape, floundering on the same rock of land monopoly and speculation.

No Socialist government, nor indeed any opposing party which has to compete on the hustings with the socialists, can be trusted with control of a fiduciary currency. Inflation, industrial anarchy and worse must follow inevitably. If the people would accept the "land rent for revenue" proposals of Henry George with the abolition of taxation, the nation might well return to an era of competitive private banking. With chartered banks issuing their own currencies backed by adequate gold reserves, such a policy would spell the end of inflation booms and depressions, unemployment and involuntary poverty.

Even a national currency with gold backing under the control of the tax mad socialists would be unlikely to remain unadulterated for long. The right wing Conservative socialist, Stanley Baldwin won an election from Ramsay MacDonald the British Labour Prime Minister in the 'thirties with the slogan "Save the gold standard". His first act on being elected was to abandon the gold standard and

rescind the land reform Bill piloted through the House of Commons by Chancellor Phillip Snowden, a disciple of Henry George. The essential difference between a gold-backed and a paper currency is that in the former case gold backing has to be purchased by an exchange of goods and services, whereas a fiduciary currency is increased by the issue of paper bank notes whenever necessary to accommodate rising price levels caused by the irresponsible action of governments. Advocates of unbacked paper currencies point to the waste of labour involved with gold-backed currencies "digging gold out of one hole in the ground (a mine) and transferring it to another hole" (a bank vault). Despite this apparent waste it is likely to be far cheaper than the cost of rampant unchecked inflation via the printing press such as is being experienced today.

It is difficult to imagine either a private banking gold-backed currency system or a taxpayer-guaranteed paper currency system working satisfactorily under conditions of land monopoly and taxation. The former is to be preferred; either is theoretically possible, but the political pressures inseparable from land monopoly will cause the private banks to fail in depression times under the one system and the printing press will run hot under the other—to relieve poverty, unemployment etc., indeed all the emotional issues upon which party politicians depend to win elections.

10. INTERNATIONAL FINANCE

Nearly all civilised countries are victims of land monopoly: in consequence policies of vicious taxation, excessive borrowing and inflation are inevitable in varying degrees.

Countries which tolerate the greatest amount of poverty and unemployment usually have lower rates of inflation and vice versa. Most countries have fixed or pegged rates of exchange and at times of recurring crisis adopt stop and go credit policies, increase taxes, inflate currencies, raise interest rates and adopt welfare schemes. In short, they do everything except deal with the problem of spiralling land prices, without which other measures are of little avail.

In party politics the party in power dare not admit to making mistakes even if able to recognise its blunders, and it has become fashionable to blame the foreigner for causing our inflation.

Exchange rates are altered from time to time when reserves become either too low or excessive. Rates also are altered as a matter of government policy, either to encourage exports or imports. This is sometimes considered by other countries as an unfriendly action calculated to secure an unfair advantage, and retaliation follows.

We recommend that freely convertible currencies should be adopted for the following reasons:—

1. The law of supply and demand is infinitely more accurate than government attempts to establish currency values and is quicker to react to changing conditions.
2. Governments could not blame other countries for their own wrong policies which would then have to be faced.
3. Rates of exchange fixed on the free market, however unpalatable to some, would nevertheless be accepted without the embarrassment of pressure and publicity from sectional interests.

4. Depressions in particular countries to an extent could be averted. If their currencies lost value, export trade would be stimulated to correct the situation.
5. Friendly relations could be better maintained between all nations.

11. THE SCIENCE OF POLITICAL ECONOMY

Henry George shows that Political Economy is an exact science. Experimental legislation is therefore unnecessary. The laws of Political Science are as invariable as the science of physics. All the government needs to do is to conform to the laws in the same manner as those concerned with the physical sciences. It will be found upon examination that the laws of political science are entirely consistent with Christian ethics and sound business practice.

Access to land, which is the source of all wealth, under favourable conditions, is the first condition without which all else will fail.

Unemployment and poverty would be impossible under just conditions of land tenure.

A government which has to spend vast sums and levy crippling taxes to provide employment and relieve poverty condemns itself as a bad and incompetent administration.

Once the land question has been resolved it will be found that freedom of trade and many other freedoms, now denied by governments, may be restored.

A vast pall of ignorance surrounds the science of political economy. As governments have departed from sound principles so pressure groups and selfish sectional interests have developed a vested interest in the perpetuation of malpractice. These could well present a formidable opposition to return to honest and efficient government. Such influences, however, can readily be exposed and the people will respond to honest, efficient and courageous leadership.

The alternative is the progressive, but certainly the ultimate destruction of the best features of Western civilisation as we know it and a return to barbarism and degeneracy. The signs of disintegration are already apparent to those willing to face reality.

An atomic scientist who refused to conform to the laws of nuclear physics would plunge the world into destruction with equal certainty. Fortunately there is no one with a vested interest in breaking the laws of the physical sciences as there is with the abstract sciences, the perversion of which can enable some to live at the expense of others.

The political party which comes first to the realisation that it is only necessary to discover the laws governing their profession, could remain in office indefinitely secure on a wave of increasing prosperity such as this country has never known.

There are numerous publications dealing with Georgist political economy which are readily available to the interested student. The complete text book is *The Science of Political Economy* By Henry George.

12. THE TRANSITION FROM TAXES TO LAND RENT REVENUE

Wherever there is a social evil, there will be found people who have a vested interest in perpetuating that evil. Such people may be relied upon to distort the truth for their own selfish advantage; such people will be among the idle rich who have funds available to control the media. The power of propaganda is too well known to require elaboration.

There are also some real problems to be overcome. Many people fear the land tax, and with very good reason, believing it to be just another socialist imposition to be added to the existing tax burden. For this reason it is of the utmost importance that there should be a corresponding reduction of taxes as the land rent revenue system is applied.

The advantages will soon be noticed.

The land tax will not cause inflation or unemployment. It will be much cheaper to collect; there will be no frustrations and legal anomalies as with the existing tax structure.

Government revenue rises as increased taxation is imposed on industry, incomes and consumer goods. Unfortunately, so also does the cost of everything the government buys, so that there is no net increase in revenue, and taxes must continue to rise with socialist experimenters in control.

Under the Georgist system governments could function more efficiently on about half the present revenue. Government borrowing could be eliminated, with enormous reduction of the interest burden. The reduced demand for loans would result in cheaper money for industry and home building.

Not everyone suffers under a socialist economy. Those who would live without working are better off; money lenders are relatively better off; the enormous increase in the civil service at higher than average rates of pay, not only provides an income advantage, but the voting power wielded by the public service is sufficient to elect and dominate governments. The unnatural development of the inner metropolis poses a problem that must be dealt with. One can not help noticing the incongruity of skyscrapers of thirty to forty stories dominating the skyline, interspersed with numerous one to three storey, buildings, many of which are ripe for demolition.

Building skyscrapers enables more people to be crowded into a given area, increasing land values in the locality. Such increases also apply to land upon which dilapidated buildings ripe for demolition stand.

Application of the land rent revenue system would oblige the owners of such sub-standard properties to develop in order to pay the rent. Obviously it would be undesirable for every city lot to accommodate a thirty storey building. This would be uneconomic, especially under present zoning conditions, cause traffic hazards, pollution problems and eventually "choke" the city.

Under a Georgist economy a more even pattern of development would occur because with the elimination of speculation in the "rural" zoned urban perimeter" overpriced central city land would be subject to increased competition from the relatively cheap land on the outer fringe and in fact because more land would be on the market. However, the existing skyscraper problem must be faced together with the enormous public investment in the freeways which serve them. A limitation on building heights to say eight storeys, at least during the transition period, is the obvious solution. This is probably necessary in any case in view of the experience of New York, Vancouver and many other American cities and certainly of Sydney. No great imagination is necessary to

envisage the concrete jungle that will be Perth within the next fifty years if present trends continue. The great advantage of the Georgist system is that it may be applied progressively with proportionate results. No drastic upheavals are involved as with socialist experiments. Georgist economics have been practised in different parts of the world in varying degrees with marked success. For example, in Indonesia and Malaysia under Sir Stamford Raffles, in Denmark, and in Hong Kong, also to a lesser extent in this country, Canada and South Africa.

13. SOCIALISM-COMMUNISM

The words Socialism and Communism as in general use are merely labels without any particular meaning.

There could be no objection to people living in families or communities, pooling their income and sharing according to their needs, provided all are in agreement and no one is forced to belong. The Christian disciples in fact lived in this manner. Compulsory State Socialism is a very different matter because personal rights and liberties are violated.

The earliest concept of socialism was based on ownership by the State of all the factories and paying the expenses of government from the profits. Under extreme socialism or communism the state also owns all the land and housing, directing people where they shall work and live; in fact owning everything except some personal belongings. In theory the state provides everything, so wages should not be necessary. In practice, however, communists have found it impossible to monopolise everything and have had to rely on private enterprise to a great extent and pay a reduced scale of wages sufficient for certain living expenses; for example perishable fruit and vegetables are produced and marketed by private enterprise in Soviet Russia.

Because of the destruction of incentive to work and the cost of the huge bureaucratic machine necessary to run the socialist state, living standards are low under socialism and even more so in communist countries.

Modern socialism practised by so-called Labour and Liberal Governments permits private enterprise to own the factories, take the risks, and bear the losses, and then confiscates the profits by various tax devices with little regard for the right of property or of personal liberty.

Some of the larger industries are state owned just to keep up appearances, but profitability is soon destroyed by bureaucratic methods. When a complete monopoly can be established by the elimination of private enterprise a "profit" is made by artificially increasing prices.

Socialists and communists believe that the people are so stupid they cannot be trusted to spend their own income. The state, which knows best, must spend it for them, and so ever increasing taxation is justified.

When the land which rightly belongs to the people is monopolised, all incomes except a bare minimum are drained off by land owners. Under such conditions the progressive growth of socialism is inevitable.

Socialism as we know it in 1974 is really a bid for power by officialdom seeking an easy living under privileged conditions at the expense of a lower standard of living by the rest of the community.

14. THE ABORIGINAL RACE

The problem of assimilating the Australian aboriginal in modern society is one of the most difficult that any government has to face. Under the present conditions of land tenure, taxation and largesse (hand-outs in the name of social welfare), a solution is virtually impossible. Notwithstanding the vast sums of taxpayers' money which have been spent on misguided policies, the aboriginal people are probably in a more degraded state than ever.

A government which does not admit to equal land rights for white people can hardly expect to do any better for the black people.

In his natural state the aboriginal forages and hunts native animals; he neither cultivates the land nor engages in animal husbandry.

With a near starving world depending on our food supplies, such inefficient methods are not acceptable. Under Georgist policies, which would cure unemployment without causing inflation, there would be a steadily growing labour market in which the black man would have an honourable place. When all men and women can demand a fair return for their labour without the need to shelter behind artificial, trade union imposed conditions, the black people could compete effectively for employment. Since these people do not like the regimented conditions of modern factories, the attendant high wage levels do not appeal. They should be permitted to work for what they can earn.

Marginal land and the vast hinterland upon which the white man cannot earn a living, no longer monopolised, would also be available free of cost to the aboriginal people who are more skilled in its occupation. Those wishing to assimilate would have no problems finding employment.

All this could happen without cost to the taxpayer. The black people also would benefit from the abolition of taxes.

An unemployment bureau handing out "relief" money to people who only have to say they are unable to find the kind of employment that suits them, is a disgrace and a measure of the incompetence of any government. A person who doesn't like work need only nominate some obscure vocation such as lion taming or glassblowing to live at the taxpayer's expense. It is estimated that half of the \$80,000,000 paid annually to the unemployed is fraudulently obtained. All this is destructive of morale and the social fibre of white people but to the aboriginal it spells complete degradation. Only under Georgist policies of free land and free people can the aboriginal people be emancipated.

15. PRICE CONTROL

History teaches that price control is the last resort of politicians who cripple the economy of their country with taxation and bad legislation. History also records that attempts to control prices have never worked, can never work, and furthermore, success would be more disastrous than failure.

A free price in a free economy is an indication which tells manufacturers what consumers demand, in what quantities, where production is most economical, and when it is advisable to instal labour saving machinery. Once the free price structure is destroyed the business world is like a ship without a rudder. Black markets enable the wealthy to buy goods which are most severely price-controlled, driving producers to the freer luxury goods market.

Destruction of the free price structure and of the value of money is the chief weapon which communists use to attack what they are pleased to call "the capitalist system."

Higher taxes are necessary to pay for the bureaucrats who do with great expense to the taxpayer what nature's law of supply and demand does more efficiently for nothing.

The government should negotiate fair prices only where there is a monopoly but since monopolies are usually the result of tariffs or other bad legislation, it is better to encourage healthy competition.

16. RESTRICTIVE TRADE PRACTICES

Socialism does not work because incentive to work is destroyed.

The civil service must continue to expand because of bureaucratic inefficiency and the problems so created.

Taxation must continue to rise but never sufficiently to balance budgets since each increase in taxes also increases the cost of government.

To cover up the failure of socialism the wicked capitalist is blamed and legislation introduced to control alleged "restrictive trade practices."

The greatest restrictive trade practice is the power to hold land idle until community effort increases its value and unearned profits can be made. This practice is exempted from the provisions of legislation.

The disruptive activities of militant unions are the next most restrictive trade practice. Such activities also are exempted.

The actions of governments which increase taxes and charges to a greater extent than rising costs in private industry, are also excluded.

Powerful monopoly organisations sheltering behind protective tariffs or other privileges conferred by bad legislation are not affected by restrictive trade practices legislation.

The only forms of industry likely to be affected are those in highly competitive areas which endeavour to protect themselves from the unfair practices of the privileged exempted sector.

Even when on occasions consumer prices are lowered, shortages and black markets usually result because the profit motive is destroyed.

Restrictive Trade Practices legislation, like price control, is intended to delude the people and divert attention from the failure of socialism to deliver promised results.

17. VANDALISM AND CRIME

The Biblical injunction to the people was to "inhabit the earth and subdue it." The earth is so fashioned that its life sustaining riches can only be won by human effort—the combined power of muscle and brain.

Men and women are made to struggle and contrive so that they may fulfil the natural desires to live and to mate, to develop character, to serve others and to achieve happiness. Mankind cannot survive without access to the earth which in turn serves no purpose without people to support. Young people in particular need an outlet for their energy, exuberance and ambition. Deprived of the natural opportunities which the good earth provides they will turn to disorderly and sensational alternatives.

In our sick society we have "locked out" the earth by making land the subject of speculation and unearned wealth for those who render no service in exchange. As a consequence, all manner of frustrating restrictions are imposed on those who seek to follow nature's plan of yielding rewards in return for labour applied to the land. This is an impossible predicament for youth, particularly the ambitious and the headstrong. Just to start a home, someone "sitting on the land" has to be paid \$5,000 to \$10,000 to get out of the way before even a brick is purchased or a man put to work. This is beyond the resources of the average youngster, who in order to win his bride is expected to own a car and provide all the "perks" that go with modern living. The money lender, however, is willing to help at twelve to eighteen percent, which will mean pledging a large part of income for the next twenty to thirty years. The young man's grandfather could have taken an axe and carved himself a farm out of the bush, and with long hours of toil gained an early independence and the joys of family life.

The wonder is not that so many turn to vandalism and crime but that so many let ambition die and accept the life of hopeless respectability that our society expects of them—to cram the mind to pass examinations, to make money and eventually to become landlord and money lender "fodder." Is it any wonder that the schools and universities are breeding grounds for socialism with its vague promises to overthrow the capitalist system—to rob the "haves" and give to the "have nots"?

Should we be astonished at the growing dependence on alcohol, drugs, unnatural sexual experiences and other forms of escapism, from stealing motor cars and defacing buildings, to rape and brutality? How can people be expected to respect the right of property when government is little better than a legalised thieving agency; stealing from anyone who dares to work and achieve and making life easier for those who would avoid honest industry and prey on their fellows?

Despite the millions spent on education and rehabilitation, crime and lawlessness continue to increase.

Dr. Paul Wilson, a reader in sociology at the Queensland University, claims that serious crime is increasing at a rate 10% faster than the growth of population. He states that the most frightening trend is motiveless assaults and street bashings ("just for kicks"). Women and young people under 21 are more heavily involved in crime than ever before. Dr. Wilson blames the law, the police, the legal profession and others for failing to control the situation but the question, "why?" remains unanswered. For the full report see "The Sunday Times" W.A. 30/6/74.

The clock cannot be turned back, the bulldozer has replaced the axe and the shovel, modern technology has come to stay. Opportunities and incentives for honest work, however, must be restored and nature's penalties for idleness and improvidence must not be interfered with by paternal socialist governments.

Only the principles given to the world by Henry George can remove the rotten core of land speculation and monopoly that is corrupting all that is best in social life.

18. POPULATION AND IMMIGRATION

Australia's rate of growth is advancing in a declining ratio and if present trends continue will commence to decline by 1983.

As a future supplier of food, minerals and wool, Australia is one of the best endowed countries in the world. It is inconceivable that a relatively few people "sit on" this enormous wealth without regard to the needs of the teeming millions of the impoverished nations, the people of which rely on this country to great extent for life itself. The almost prohibitive cost of land is the greatest single barrier to immigration and the growth of family life.

At the present time immigration is deliberately restricted in order to create a labour shortage in support of the exorbitant demands of some of the militant unions. Restriction of the birth rate is also encouraged. Since it is generally agreed that at least the Western part of this country is indefensible with our present population, anything less than a rapid rate of development of the vast empty territories is not far removed from treason.

Under present conditions an increase in population would proportionately increase the price of land and the monopolies based on land speculation. Only the land reform policies of Henry George, would reverse this dangerous and unjust situation.

World population is increasing at such a rate that orthodox economists are predicting an early date when the earth will be unable to provide sufficient food. At this time 500,000,000 people are said to be existing undernourished, on the verge of starvation.

It is a denial of Christian belief that the Almighty would bring children into the world and overlook the matter of sustenance. The responsibility, therefore, must be with man for his violation of the laws of nature.

It is a law of nature that if people specialise and exchange their products greater production and a higher standard of living is possible than if each man grew his own food, made his own clothes and in fact did everything himself. From this follows that the more people, the greater the division of labour and the higher the standard of living can be. Wherever there is poverty the greater is the need for people to enable more wealth per head to be produced and poverty relieved.

The laws of nature are invariable and do not take human folly into account. The law of gravity enables engineers to design a water scheme but it also makes it possible for a man to commit suicide by jumping from a tall building.

Nature provides a fertile earth and an expanding population as necessary to achieve a higher standard of living but when some men claim to own the earth and prevent needy people from using it unless tribute is paid to the "owner", more people "locked out" from the means of subsistence becomes a tragedy instead of a blessing.

In almost every country land monopoly is rife. Vast areas remain untilled and unproductive in order that a few may obtain higher rents arising from artificial scarcity and from the pressure of population forcing up land prices.

In nearly every country tariff barriers, embargoes and strikes prevent people from freely exchanging their products. If we will not accept the products of underdeveloped countries, our food cannot be bought in exchange and many people must starve.

Josue de Castro, a Brazilian Professor, in his book *Geography of Hunger* showed the relationship between population and hunger. The poorer countries cannot afford sufficient protein rich foods which are dearer than the carbohydrates. The result is an unbalanced diet causing unnatural sexual stimulation.

Statistics also prove that the more highly educated people have less children. Education is denied to the starving millions. How many people in this lucky country realise that to cast a vote on election day for a political party which supports land speculation and restriction of trade is to condemn many innocent people to premature and horrible death from malnutrition, and before the merciful end, to a life of useless and hopeless misery?

The Good Book does not say "Thou shalt not kill quickly". The Commandment is "Thou shalt not kill". Is the crime mitigated because a slow death from starvation may take several years longer than a knife in the back?

Even now in this country by policies of inflation, restriction, greed and ignorance, Australian meat (a high protein food) has been priced beyond the means of those most in need.

The policies of Henry George would free the land, increase production and stimulate trade with nothing but advantage to all people willing to work and invest their capital. By no other means can the population explosion with its dire consequences for mankind be arrested. It is both pitiful and criminal to play about with contraceptives as we do in this underpopulated country in the smug delusion that we are helping to solve the problem.

19. PARTY POLITICS AND BUSINESS PRINCIPLES

It must surely be one of the strangest features of parliamentary government that we have two parties, one called "the government" and the other called "the opposition". The parties are usually nearly equal in numbers and often take turn about in being the government or the opposition. The opposition opposes nearly everything the government tries to do and the government when its turn comes to be the opposition, does the same. The country is thus plagued with violent changes of policy, of building up and tearing down. We might call it paranoiac instead of democratic government.

Imagine a board of directors trying to function with half the board opposing everything the other half proposed. Bankruptcy would be the inevitable consequence. This is exactly what happens to governments, except that instead of calling it bankruptcy we use the term "inflation". Instead of the company's creditors getting 60 cents in the dollar, the taxpayers' money is debased to 60% of its former value.

There is a difference, however. The directors of an insolvent company are dismissed and the company wound up. The insolvent government carries on leaving a trail of wreckage and trouble in its wake. The directors called cabinet ministers will receive generous pensions on retirement or perhaps "cushy" jobs for which they have little or no qualifications, and some will even be knighted.

A radio commentator likened the party system of mis-government to the occupants of a boat;—two opposing groups who could agree on nothing and so decided to cut the boat in halves.

Even stranger than the party system are the methods which governments adopt in charging for the services they provide.

The government constructs roads, water mains, sewerage and electric services, schools, hospitals, etc., which enable people to congregate together and live in communities. The more people that can be serviced the higher becomes the value of the land. The government permits certain people who claim to own the land to charge rent for its use, notwithstanding that the revenues they collect arise because of expenditure by the government. If the roads, watermains and other services were to be destroyed, people would be obliged to move out and the land values would disappear with the population.

So lucrative has the business of cashing in on government expenditure become that many people live without working, entirely on land speculation.

The rise in land value is at least equal to the cost of services which the Government provides and is therefore its natural revenue sufficient for all necessary requirements. The government collects only a small part of the land value it creates and therefore is obliged to levy taxes. So the people must pay twice, once to the landowner and again to the government. This is not the worst of it. The taxes are based by one method or another on productivity, and naturally kill the incentive to produce, so that people do not give of their best. Taxes also increase the cost of goods and cause poverty.

Even this is not the worst. Taxes increase the costs to governments, which are the largest users of labour and materials. The higher the taxes the higher the cost of government; so budgets can seldom be balanced without resort to borrowing and inflation, and the people pay yet a third time.

The methods used in making people liable for taxes are based on the theory of communism: "there is a man, he has been successful, let us steal most of what he has earned. Let it be called 'income tax', which sounds better".

Charging for the use of land is quite different. People occupying land of different value as best suited to their business or chosen place of residence, should compensate the rest of the people accordingly.

It is quite absurd even to imagine a private business using such methods—paying for all the costs of production, for labour and materials, and then allowing some one else to render the accounts. This of course would mean that the company concerned would have to indulge in stealing or begging in order to balance its budget. It certainly sounds ridiculous but nevertheless is a close analogy to the financial policies of socialist governments.

The proposals of Henry George are simply an expression of the sound principles which the reader applies to his business or household economy. Exactly the same principles are necessary for the financing of governments.

The system of government proposed by Henry George is entirely consistent with Christian principles. The methods of modern socialist governments are based on force and the confiscation of property without equal service being rendered in exchange, and are inconsistent with Christian principles.

20. THE FEDERAL SYSTEM OF GOVERNMENT

Australia is comprised of sovereign States with Upper and Lower Houses of Parliament. The Upper House is intended as a house of review to prevent the passage of hasty, ill-conceived legislation. The Federal Parliament was

established by the States conferring certain of their powers upon the Federal Parliament under a constitution.

There is also an Upper Federal House or Senate which was intended to safeguard the rights of the States. Unfortunately, the whole concept of federation has been destroyed by the growth of a taxation system which could not have been conceived when the constitution was adopted.

Central taxing powers were conferred on the Federal Parliament by the States as a wartime measure. These have not been returned and the constitutional provisions safeguarding the rights of the States have been eroded and distorted through the financial power exercised by the Federal Parliament.

The function of the Senate has been largely destroyed by the introduction of party politics. Enormous sums have been wasted by the Federal Parliament duplicating the functions of the States and controlling the activities of the States, by the provision of finance only, under conditions imposed from Canberra.

Under the Henry George system Federal-State relations could be entirely changed. Revenue could be raised by the States according to the value of land within the States, a proportion of which would be allocated to the Federal Parliament for defence and certain other services better undertaken by the Central Government.

The States naturally would not provide federal revenue for the duplication of functions which they already perform. The people have always rejected the power-grab referendums initiated by the Federal Parliament. It is therefore reasonable to assume that a constitutional referendum restricting Federal powers to those necessary for the original concept of Federation would be passed, if supported by State Parliaments and properly presented to the people. This would result in an enormous reduction in the cost of Government.

The Henry George policy is that the land rent should be collected as an *alternative* to all other taxes, and not as an *additional* tax to finance wild-cat socialistic policies.

Both the Federal and State Parliaments have power to operate under the Henry George system. The States, however, are restricted within the limits of their present taxing powers.

The Federal Government did at one time impose a land tax. This, however, was repealed by the Menzies Government in favour of inflationary forms of taxation.

The alternative to the Henry George League's proposals of collecting land rent for revenue and progressively abolishing all present forms of taxation, will certainly be a drift to more extreme forms of socialism, punitive taxation and eventual anarchy.

21. ELECTORAL REFORM

The object of democratic government is to enable the maximum number of people to be represented in parliament. In the horse and buggy days before "work" became a dirty word, when land had little speculative value and taxation was a scourge of the future, before the power of money had at its disposal the "mass media" to brain-wash and influence people, it was reason-

ably satisfactory to divide the land into areas with electoral boundaries and elect some one to represent the people living in each area. Single member electorates are now under the control of political parties which "pre-select" the candidates and give the elector a choice of but two blanket policies on a take it or leave it basis—left wing Labour Socialism or, let us say, right wing Liberal Socialism. This, quite naturally, has destroyed interest in politics. The parties seldom select men of outstanding calibre and ability but rather "safe" men who can be relied on not to "get out of step." So the elector whose ancestors once fought for the right to vote, now has to be forced to the ballot box and is then offered the choice of two parties, neither of which will represent his views or govern efficiently if elected. In consequence government is at an all time low—neither politicians nor the laws they make are respected by the people.

The successful party claims a mandate for the whole of its policies, when in fact it was elected only as a choice of evils and therefore has no mandate.

At one time the writer used to deplore the holding of federal elections, which have become almost farcical, on the ground that the people were bribed with promises to be fulfilled, if at all, with their own money, as taxpayers, to the order of \$100,000,000. Such an assessment now would be hopelessly out of date. Promises made at the 1973 election assessed at \$1,000,000,000 triggered off the worst inflation and the most vicious taxation this country has ever known.

The Henry George League believes that responsible and efficient government would be very difficult to achieve unless a representative form of democratic government could be established.

We propose that all elections be by the system known as Proportional Representation, that the cabinet be elected from both houses of parliament sitting together,—by the system of Proportional Representation, and that the people be consulted on important controversial matters by referendum.

Proportional Representation is already being used for Senate elections, but the Senate System is unnecessarily complicated. It is not essential to vote for all candidates. The exercise of preferences should be optional. The responsible elector would, however, indicate as many preferences as possible.

For the House of Representatives elections the states would be divided into one, two, or three electorates according to population, each returning approximately 9 candidates who must receive a quota of the votes to be elected.

A quota is arrived at by dividing the number of votes by the number of candidates plus 1 and adding 1 to the result.

$$\begin{array}{lcl} \text{i.e. 10,000 votes cast} & \text{quota} = \frac{10,000}{(9+1)} + 1 & \text{equals 1001.} \\ \text{9 candidates to be elected} & & \end{array}$$

State Parliaments and Local Councils would be elected similarly.

The advantages of Proportional Representation are:

1. Only about one tenth of the people can be disfranchised instead of one half as with single member electorates.
2. As many as nine schools of thought can be represented instead of only left or right wing socialists as at present.
3. The domination of "parties" can be broken if the people so desire.
4. Principles involving right and wrong may become the issues upon which elections are contested instead of stagecraft, policies of expediency and vote-catching trickery.

It is fashionable today, for politicians, when it is to the advantage of their party, to become eloquent in support of the principle of "one vote one value." County electorates are much larger than in city areas but contain fewer people. This has been considered not unreasonable because of the great distances politicians have to travel to serve their constituents, the hardships of country life compared with city comforts, and the political disadvantages which rural communities suffer because of the tariff. It seems to be entirely overlooked that a vote has no value at all unless it serves to elect a representative. The same people who would abolish the slight "edge" which country voters have, openly advocate "first past the vote" voting. The experience of this system in England has been a mockery of the democratic franchise. England has only had a majority government once since the year 1900. The Liberal Party has been almost annihilated because it takes about 6 Liberal votes to equal 1 Labour vote. (The ratio has been as bad as 18 to 1 in some elections).

Opponents of Proportional Representation point to the number of informal votes, which they say is due to the complex counting involved. Do we wish to be governed by the "donkey" voter, the man who can't count up to thirty or whatever the number may be?

Another criticism is—it takes too long to count. Is it better to wait a couple of weeks to elect a good candidate or elect a bad party hack in a couple of days?

Proportional Representation is the only system under which all votes have nearly equal value; computerised counting has removed any semblance of objection on the grounds of time or complexity.

ELECTIVE MINISTRIES

The ultimate condition for good government is for all members of parliament to elect the cabinet by Proportional Representation, as in Switzerland. Each party would then help to govern according to its numbers. Violent reversals and stop and go politics, so damaging to the economy, could not happen. There would be no government to fall and no opposition to impede. Could a private company function if one half of the directors opposed every measure the other proposed?

22. PENSIONS

Many of the people who pioneered this country had never heard of pensions and would have been insulted at the suggestion of living at the expense of the community. Today, the main object in life for some is to be pensioned off at an early age and live well on the labour of others. There is a modern delusion which is even supported by economists, that every man or woman at work deprives another person of a job. This fallacious theory lies at the root of compulsory retirements, of ever shorter working hours and more holidays, go-slow tactics and industrial disputes.

The foregoing is based on the wrong theory that wages are drawn from capital instead of from production and that the employer is the natural enemy of those who provide the capital. The truth is that the employer and the employee are partners in the processes of production, and both are at the mercy of the land owner, who, because he is in a stronger position, is able to misappropriate the wealth their combined efforts create, except for a subsistence wage and a low return for the use of capital.

With the rapid increase in taxes, land rents and inflation, few people below the upper middle class can save sufficient for retirement and most will eventually be dependent on pensions.

Improvvidence is encouraged because the squandering of savings entitles a person to live at the taxpayers' expense. Forced early retirement is demoralising to many people who have led active lives. A feeling of no longer being wanted often leads to despondency and premature death. Pensions are continually being eroded by the three scourges—taxation, inflation and rising land rents. Pensions must continually be increased accordingly and are a perpetual burden on the taxpayer.

In a Georgist society the cruelty and stupidity of compulsory premature retirements would cease. It would be possible to save and invest for retirement without fear of taxation and inflation. The improvident would be offered useful employment rather than handouts at the taxpayers' expense. The land rent revenue fund would provide adequately for the genuinely infirm and incapacitated.

It might take a generation to destroy the pension-minded virus. In the meantime contributory superannuation schemes without a means test would seem the fairest method of caring for the aged and infirm without destroying thrift and independence, so necessary in a healthy society.

23. INDUSTRIAL UNREST

Karl Marx taught that the capitalist is the natural enemy of the worker and that continual industrial strife is necessary to destroy the "capitalist system."

Henry George discovered that wages and the returns from capital investment rise and fall together and that the rent of land rises or falls in exactly the opposite direction.

The capitalist and the worker therefore have a common cause. The real enemy of both is the land monopolist.

Communist inspired strikes and disruption of industry are both stupid and unnecessary, injuring the worker more than anyone. The Henry George system of collecting land rent for revenue and abolishing taxes would enormously increase real wages and the earnings of capital.

No one would fail to benefit except those who live without working at the expense of industry. In Australia we have a cumbersome arbitration system with both Federal and State awards.

Trade unionists have been taught that continual pressure for wage increases is all that is necessary to achieve better living standards—completely ignoring the effect on prices unless there is also a correspondingly higher rate of productivity. The tactics are for unions to amalgamate and become powerful in order to cause the maximum rate of inconvenience to the public when strikes are organised, as well as intimidate employers and arbitration commissioners.

The pace-setters are unskilled or semi-skilled workers under Federal awards. If the wages of unskilled workers are raised to relatively higher rates than for skilled workers, the consequent injustice will force a flow on to more highly skilled workers and to State awards.

The only limiting factor is access to the courts and the only result seems to be an acceleration in the rate of inflation plus enormous inconvenience to the community.

The Arbitration system which has become an ineffective farce would be unnecessary under a system of land tenure which eliminated exploitation, ensured full employment at just rates of wages, abolished taxation and inflation, not to mention the liberation of all the latent productive resources which are now strangled by regimentation and bureaucracy.

24. LEGAL IMMUNITY — INDUSTRIAL ANARCHY

"One law for the rich and another for the poor" is a cliché common to an earlier generation. Today it would be more appropriate to say—one law for the employee and another for the employer. The "worker," provided he is a unionist may break the law with impunity; management may not. If a group of employers combine to fix a minimum price for their goods or services in order to survive under conditions of ruinous, cut throat competition or to ensure payment of a reasonable dividend to shareholders, heavy penalties are provided under Restrictive Trade Practices Legislation.

Under the banner of an industrial trade union the most damaging forms of restrictive practice, inflicting great losses and severe hardship on innocent people may be indulged, without fear of punishment. For example, in a news item of 23/7/74 it was reported that one particular firm was singled out to bear the loss of \$6000.00 when concrete pouring operations were disrupted by union action.

If a sub-contractor had been responsible, legal action for redress would most certainly have followed. Such incidents are almost daily routine throughout Australia and bring the whole concept of British justice into contempt. It would be quite futile for the injured party to sue for damages against a union, which if awarded by a Court of Justice would not be paid. Any attempt to enforce judgment would invoke reprisals and many innocent people would suffer.

Strikes and industrial lawlessness are matters of grave national concern. Militant union activities are in the process of destroying Australia's rural and mining export industries upon which the economy is heavily dependent. The method is delightfully simple; to increase production costs to a point at which our overseas customers cannot afford to pay.

We have seen the British shipbuilding industry, which once led the world, reduced by irresponsible union action to a small fraction of its former greatness. Not only have unemployment and poverty visited those responsible, but Britain, as a consequence of such incredible folly, has become a third rate power.

Australian ports are now more effectively blockaded by industrial greed and lawlessness on the waterfronts than by the action of enemy submarines during the war.

National sabotage of this nature is beyond reach of the law.

If industrial lawlessness enjoys legal immunity and disruptive elements are given, by weak and ineffectual governments, the power of yea and nay over Australia's political destiny, then any attempts at reform will be most difficult, if not impossible.

This could also apply to the Henry George proposals to abolish taxation, and finance the cost of government from land rent, which arises because of the presence and industry of the people.

Enforcement of the law without fear or favour to all alike, is an essential condition to the liberation of this country from the dead hand of socialist bureaucracy.

The tremendous benefits of the Henry George system of government will guarantee to all the full reward for their labour or capital invested in the processes of production and exchange.

No one must be forced to join a union or an employers' organisation.

No one should be allowed to prevent another person from working, by using methods of intimidation.

No person or group of people ought to be permitted to destroy the property of others, or prevent production by practices presently all too familiar, without the payment of full compensation.

25. POWER WITHOUT RESPONSIBILITY

There are two schools of thought on the subject of the exercise of delegated administrative authority:

1. Universally recognised in the business world:—people elected to positions of power must accept responsibility for their actions.
2. Conforming with socialist ideology:—each person should contribute to production according to his ability, but should have the right to consume according to his needs.

Man has been described as an unsatisfied animal. His needs are therefore without limitation.

Every person has abilities of different kinds, but, what is more important, some will work to the limit of their ability, whilst others are opposed by disposition to all forms of physical exertion, and will only work when there is an economic necessity, for example when they are hungry, or when their desire for something is greater than their objection to work. This is the fundamental weakness of socialism. It is obvious that people cannot be allowed to define their own needs, for who would not wish to live like a millionaire?

It is also beyond doubt that if each person were to set his own productive pace or output, without any consideration of rewards, there would be very little production to satisfy the limitless needs. There may be occasional people who would work and contrive to the limit of their ability and would consent to live on the most meagre necessities. It is apparent, however, that a socialist society must be based on force. Some dictator or bureaucracy to parcel out the needs and demand the rate of output is an

essential condition. This has been demonstrated in Soviet Russia and in China, and is becoming daily more obvious in Australia, as ever increasing tax impositions are applied and as time honoured freedoms are taken away.

The Federal Government has power to tax; the State Governments have power to spend with little concern for where the money comes from.

A board of company directors on the other hand is responsible to shareholders to invest the company's funds and produce a profit.

Councillors elected by ratepayers are responsible to provide services but a union of employees when fixing the salaries of members accepts no obligation to its employers or the well being of the community. Socialists would put union officials, who have no responsibility to shareholders, on the boards of public companies.

Pressure groups continually featured by "the media" agitate for the Government to do this or that, to dip into the public purse without any consideration for the taxpayer.

Bills are introduced to Parliament with little or no concern as to how costs are to be met. Would not it be a refreshing change if such concern was obligatory? We might then hear—"Mr. Speaker, I move that taxes be increased by say \$100,000,000 by the following method . . . for such and such a purpose.

In making election promises it should be legally incumbent upon the candidate to state specifically (a) the estimated cost (b) if to be paid for by taxation and by what method (c) if by borrowing particulars of the interest burden and conditions of repayment (d) if by inflation to say so in no uncertain language.

A company director who increased costs with no consideration to recovery and profitability would soon be in trouble.

The Henry George system of government is only the application of sound, proven business principles, the government charging for the value of its services to each person and nothing more. What business enterprise could succeed if it paid all the costs and let some one else collect the accounts? Or if it attempted to charge customers according to their ability to pay without regard to production and marketing costs? Incredible indeed! but this is exactly how modern governments behave.

26. RURAL POLICIES

In recognition of the disadvantages which rural industries suffer because of the Australian tariff, depressed home consumption prices and other policies which adversely affect farming communities, certain compensating concessions have been allowed—for instance superphosphate has been subsidised. Capital expenditure on clearing, water supplies and fencing have been allowed as tax deductions, and diesel fuel has been exempted from customs duty.

The concessions have had the effect of attracting investment in farming ventures by people in the high income bracket with the object of saving taxation, making capital gains from increasing property values and so offsetting the effect of inflation and taxation.

Under such circumstances an unnatural demand for farm properties has increased competition and therefore the value of rural land.

This has been most gratifying to investors who bought before the recent boom in prices for farm products, and also to long established farmers, but has been disastrous for the new generation of resident farmers struggling to become established, increasing their capital outlay and the interest burden on borrowed finance.

There have been recent changes in rural policies eliminating most of the concessions previously allowed. One suspects that these changes have been made, not because of any proper understanding of the injustices and anomalies created, but because of the insatiable demand for taxes by the socialist experimenters, and the relatively small voting power of the farming community compared with city dwellers.

Not only have tax concessions and subsidies been withdrawn but the farmer has been badly hit by higher taxes and government charges, a steep rise in the cost of operating expenses, devaluation in the currencies of customer countries, shortage of labour and the general effect of inflation, rising interest rates and the selfish industrial policies of trade unions. When all factors are taken into consideration the farmers are facing a grim future indeed, especially those operating on borrowed finance. Like business men, farmers are not economists and most do not understand the policy changes necessary to restore justice and prosperity to their industry.

It would appear that farmers have given up hope of making a profit out of farming for any sustained period and are turning attention rather to the speculative gain in land prices. The stagnation evident in most country towns is to a considerable extent due to speculative investment by farmers and others. Such conditions must spell long term disaster for the whole community.

The farmers who regard themselves as big time land speculators should have second thoughts on the subject. The high value of city land—about ten times dearer per acre than farm land, is largely a result of rural and mining industry. The cities could not exist without the hinterland they serve.

The policies of Henry George would remove the crushing burden of taxation and restore profitability to rural industry. Income from production is readily available for enjoyment and the improvement of living standards. Income from capital gain or speculative investment is a paper income, only available for enjoyment when the farm is sold.

The farmer should not assume that we have reached the upper limit of punitive taxation. Socialist governments have already cast greedy eyes on the green pastures. New tax proposals are on the "drawing board." Capital gains tax, excess profit tax, wealth tax, and consumer tax are a few of the diabolical devices in store. Investors in private companies are already paying up to 80% of net profit in taxation and many farming ventures function as such. The residual 20% is largely required to finance inflation.

Both Liberal and Labour brands of socialism are a proven failure. Henry George offers the only alternative.

Because of space limitations no extensive reference is here made to marketing boards, compulsory acquisition schemes and so on. Most farmers are well aware of the costs they are obliged to accept. At best government interference in marketing is a necessary evil inherent in the socialist system.

Finally the farmer should remember that doctrinaire socialists cannot stand still. Promised results never materialise, socialist policies must therefore become more extreme and repressive of free enterprise. Failure cannot be admitted, so the "capitalist" must be the scapegoat. This follows the pattern in other countries.

The ultimate of socialist rural policy is redistribution of the land into small "peasant" occupied holdings or "collective" state owned farms, or both.

27. HOUSING POLICIES

Every state in Australia has its Housing Commission. Millions of taxpayers' dollars are also spent by the Federal Parliament to assist the provision of housing for lower income groups.

It is not the function of government to build houses any more than it is to provide motor cars or furniture or fur coats or free passes to football matches.

Housing policies are obviously a result of party politics, irresponsible socialist promises to win elections, to gain power, to experiment with socialist theories at the taxpayers' expense.

If there is a need for the government to build houses then it is a shocking manifestation of incompetence and injustice.

Any normal young man that cannot provide a home for his bride is either incompetent and unfit for marriage or is living in a sick society.

It is not a coincidence that government housing ventures have developed during the same period in which there has been a phenomenal rise in land prices and taxation. All things being equal private enterprise will provide better houses at lower cost than government sponsored schemes. This, indeed, is recognised, because Housing Commissions invariably let their construction contracts to private builders. Dwellings purchased or rented from a Housing Commission, compared with the products of private enterprise, are generally less attractive; whole areas are characterised by a drab uniformity of design, proximity to which lowers the value of adjoining land.

In general the spec builder of a former period is unable to compete and is being forced out of the market. His place is being taken by project developers who can buy land at rural prices and make their profits from rezoning rural land for urban use, and by an accelerated rate of building by the Housing Commissions, which also speculate in land. Housing Commissions offer unfair competition to private enterprise because their activities are financed by the taxpayer, who in addition pays for inefficient administration and mistakes, and wrong decisions made by civil servants who cannot be held responsible for their actions.

The Federal Government, which is becoming increasingly active, has made some bad investments of incredible magnitude. Take for example the Glebe venture. Forty-seven acres in Glebe, an inner Sydney suburb, were purchased from the Church of England for \$20,000,000. The land accommodated 700 closely settled families. The price paid was at the rate of \$28,571 per family unit of about 1/16 of an acre, or \$425,532 per acre. An economic rental would be in excess of \$80.00 a week. It has been proposed that the houses will be

let to needy people, probably at less than one third of that figure. The difference will be made up by the taxpayers for many years to come.

A news item in "The West Australian" 22/8/74 revealed that rents in certain Housing Trust tenancies had been increased from \$2.50 to \$9.50 a fortnight. What grave injustice to other people who are obliged to pay \$40.00 for the same facilities.

Taxpayers who have brought up a family and made sacrifices to purchase a home can have little respect for governments which then require them to pay taxes to finance uneconomic rents for people who may have wasted their subsistence with dissolute living.

How can private enterprise compete with such irresponsible nonsense?

An earlier Federal Government subsidised new housing by a gift of \$250 per unit. Land prices rose by more than that amount. Land dealers reaped the whole of the benefit.

There is a new proposal to make the present colossal artificial rate of interest tax deductible. This concession also will lead to an increase in land prices.

Young couples planning to build a home are paying enormous taxes which average about \$1000 per head of population and land prices which in our vast empty continent are a national disgrace. Governments will do anything for the home buyer, but get off his back. Housing commissions are a symptom of economic ineptitude and not a remedy.

The Federal Government is proposing factory mass-produced houses in order to assist low income earners. This will have the effect of ensuring that the prevailing exorbitant prices for land, a commodity which has no cost of production, will be maintained. The announcement is probably only intended for propaganda.

The simple, sane proposals of the Henry George League would pave the way for a return to economic sanity.

28. LAND SPECULATION — THE LAND TAX — COMPENSATION

Most people will agree that it is wrong for land speculators to live without working, by cashing in on the growth of the community and the expenditure of government money. It can be demonstrated without much difficulty to any open minded person that the land tax (collection of the rental value of land for revenue) will make it unprofitable to hold land out of use; it must either be put to use in order to pay tax or disposed of to some one who will use it.

It is surely self evident that if all idle land were forced on the market the price of land would fall dramatically.

It is not a difficult mental exercise to appreciate the enormous stimulus to the building industry and indeed to all productive enterprise that would result if the capital price were to be greatly reduced and land were fully available to the user, subject only to payment of its rental value.

There is some difficulty, however, in making people understand that there is no case for the payment of compensation.

Great sympathy will be extended to the investor who paid say \$10,000 for a block of land, the value of which has disappeared because in future the rental value must be paid to the community to whom it rightly belongs. It cannot be emphasised too strongly that the use value is not affected. A person forced to sell his land because of change of job may, on paper, lose capital value but will save a similar amount when buying land of comparable value in the new locality. It should also be realised that the land holder under the Henry George system will not be asked to compensate the community for the years he has lived at the people's expense.

The short term speculator it is true may suffer some loss because he may have paid a high (future value) price to another speculator. Socialists have little concern for such people because they are now proposing a capital gains tax without adjustment for inflation, (superimposed on the multitude of other taxes which Georgists would abolish).

Any one who speculates in land, the value of which is due to community effort, takes a calculated risk—

1. That the people will be foolish enough to let such an immoral arrangement continue.
2. That pattern of growth will be as anticipated.
3. That immigration policies will continue as in the past and so enable him to maintain the rate of exploitation.
4. That government policies will not destroy staple industries and so affect land values (as governments have done in the past in certain areas, agricultural and mining industries for example).
5. That the public conscience will remain indifferent to unemployment and poverty which arises because of land monopoly.
6. That tariff charges and other sectional taxes will not affect the particular land upon which he has gambled.

Why should the land "owner" alone be compensated because of changes in government policy? Policies of the present socialist government have cost rural industry hundreds of millions of dollars—there is no talk of compensation. The socialist government's inflationary policies continually rob almost every section of the community (except perhaps money lenders) inflicting great hardship on the poorer people and those of fixed incomes. There is no uniform basis for compensation. Wage and pension increases do assist some. Private companies are expected to find more money to finance taxes, inflation and bankruptcies than in fact they earn. There is no offer of compensation. Personal income and provisional taxes are increasing steadily with higher rates due to inflation. There is no compensation offered.

One could go on examining every phase of government policy and its unjust, harsh effect on so many people who do not qualify for compensation. Many people are bankrupted as a direct consequence of government policy—there is no thought of compensation. Others are driven to suicide by injustice and frustration. These are beyond help.

The scale of relief from unjust and oppressive taxes, also the restoration of incentive and opportunities to earn, would soon compensate for any anomalies. These, however, will be insignificant compared with the present

scale of injustice which is of such magnitude as to endanger the economy of the country.

Moreover, a gradual introduction is proposed, to enable people to adjust more easily to the changing conditions.

29. PROTECTION OR FREE TRADE

In time of war blockading navies endeavour to prevent goods from entering the country.

In time of peace tariffs do the same thing.

It is just as easy for a nation to tax itself into prosperity as it is for a man to lift himself up by his bootlaces. The argument goes that our living standards must be "protected" from cheap foreign labour and that free trade will cause unemployment.

A little reflection will show just how foolish such arguments are. If a motor car can be imported for \$1,000 cheaper than a locally made car, the money saved will be spent on other goods providing employment and raising living standards.

Free trade built the British Empire, which has since declined under protection.

Under free trade British goods carried in British ships were once in every major port in the world. These are now replaced by the Japanese who realised the foolishness of taxing trade. Tariffs which prohibit the entry of goods from under developed countries cause misery, poverty, disease and death from starvation in those countries.

Whilst free trade will increase the production of wealth, the consequent prosperity will not be shared by the common people; only just conditions of land tenure can do that. Tariffs foster "hot house" industries which exploit working people and small competitive industries.

It is essential that any general lowering of tariffs should be proceeded by the land reform proposals of Henry George; the collection of the "people created" value of land for revenue on a scale necessary to force unused land into use, and so provide alternative avenues of employment for those released from "hot house" uneconomic industries.

To the extent that tariffs subsidise inefficient industry and weaken the nation's productive capacity, those responsible are guilty of treason. The same is true of the institution of land monopoly. The only possible argument that could be advanced in support of "protection" is that it would encourage the production of military supplies within the country which could not be imported in time of war.

A much better method is to attract population to a point at which Australia could defend itself against the exploding hordes of the underdeveloped countries. This, of course, is manifestly impossible under present land prices and taxation conditions. Three times the present population would be a minimum requirement. With population, would naturally come a greater division of labour and sophisticated industry.

30. DEFENCE

Without the support of its friendly neighbour nations, in an atomic age, Australia is virtually indefensible. The establishment of firm and enduring friendships with all nations is the best method of protecting this country.

Tariffs, trade barriers, currency manipulation, immigration and financial restrictions etc. not only hurt Australians but are regarded as unfriendly acts by the governments and people of other nations which retaliate by imposing similar restrictions against us.

People left to themselves do not want to fight and kill each other. Without government interference they will freely exchange their goods and skills for the mutual benefit of all.

Because of the enormous cost of supporting a land speculation system together with the inflation, unemployment, and poverty which results, governments attempt to divert attention from their own mismanagement by blaming the foreigner who, it is alleged, is always trying to dump cheap goods in our country. Even if this were true, under a free and healthy economy it would confer great benefits on the people of this country.

Henry George predicted in 1889 that unless the nations of the world recognised the equal rights for all people of access to the land and the right to freely exchange the products of their labour, the world would "pass back to bloodshed and anarchy".

Fifty million people have died in two world holocausts, not to mention the starving millions of the poorer countries, because politicians would not listen.

The American Statesman, Cordell Hull, said "if goods do not pass frontiers, armies will".

31. EDUCATION

In a recent television interview it was stated that there are many people who have passed through the state educational system without learning either to read or write. There are undoubtedly thousands more who, from choice, not inability, neither read or write. The view is generally held that the quality of education is proportional to the amount of taxpayers' money expended. Nothing could be further from the truth. In parliamentary circles to vote against an education money appropriation bill, no matter how badly presented or how much waste of public money is involved, would be political suicide.

There is little doubt that the nation is not getting value for its enormous expenditure on state education.

It can be stated without fear of contradiction that people today are influenced to a greater extent by propaganda via the "media" than by reason or logical assessment. Dishonesty, vandalism and crime are increasing. Dependence on drugs and narcotics even in schools is a growing problem. There is an increase in pornography and a lowering of cultural standards in literature, art, music and religion. Economists seem to have no general agreement on important matters of political policy.

The only real advances appear to be in the field of technology and the physical sciences but these are marked by the prime objective in which the urge to make money appears to transcend the desire to serve.

Since students attending state schools come from families with different views on politics and religion, the teaching of controversial subjects is prohibited. Students usually finish up without fixed principles or a belief in anything and are therefore an easy mark for socialist indoctrination. It is realised by party politicians that control of the education system will in a short time lead to control of the nation. For this reason preferred treatment is extended to school teachers where ever socialist governments are in power.

By one means or another the universities and schools have become avenues for the dissemination of socialist propaganda. Universities moreover are endowed by land owning interests who mistakenly believe they have more to fear from the land reform proposals of Henry George than the high taxation policies of the socialists. George's philosophy is ignored and the science of political economy is not taught in the institutions of learning. Our task of presenting the truth is therefore tremendously difficult. Very little can be done to reform the education system until Georgist principles are established in government. People would then be able to afford, through the private schools, the kind of education preferred for their children. Competition would be introduced, without which nothing seems to work properly. In tertiary education there is a tendency to overspecialise often in subjects of minor importance at the expense of a sound general education and development of the creative and imaginative faculties. To learn to think is the real purpose of education; to acquire knowledge, not to win quiz contests, but in order to become wise.

Scholastic education should equip a person to fulfil his or her destiny, to achieve some dedicated purpose in the service of mankind, in the promotion of justice, in restoring order, in fostering and creating beauty and harmony etc.

The acquiring of degrees and academic qualifications, the passing of examinations surely should be of secondary importance. What passes for education today is little better than the scrambling for advantage and preferment. It is both a cause and a result of a sick society.

A major breakthrough could result from the establishment of a chair of Georgist Political Economy in the universities of the respective States of Australia. Without the basic premise of justice education can have little meaning.

32. HEALTH

In a recent survey it was stated that only 40% of Australians are reasonably fit, and that the standard of fitness is lower than in Europe despite the many advantages of this country.

The Federal Parliament seems obsessed with the idea that socialisation of doctors, hospitals and insurance schemes together with the spending of vast sums of taxpayers' money, is all that is necessary to provide for the health of the nation.

With this objective conditions are being made tough for private health services. A suggestion was even made by the Prime Minister that the reserve funds of friendly societies should be seized by the socialist Government. The costs of medical and hospital services have risen proportionately as private

enterprise has been pushed out and without taxpayers' support would be beyond the means of a growing proportion of the people.

The tensions created under socialist regimented living are a major cause of ill health.

Land tenure policies, herding people into overcrowded cities and denuding country areas are having the same effect. The demand for health services is enormously increased to a much greater extent than would seem possible, because of the foregoing.

The costs of medical services are increased, not only because of tensions, regimented living, bad economic conditions and bureaucratic inefficiency, but also because people who do not have to pay demand all kinds of attention they do not really need. This has been the experience of England.

A major problem is that the word "health" like "education" has tremendous superficial emotional appeal which is exploited to the full by politicians particularly at elections, and political parties vie with each other to promise the spending of millions (of taxpayers' money) if elected. In a healthy society in which involuntary unemployment was unknown, in which industrious people would receive the full reward of their labour, in which land monopolists and taxing authorities did not have first call on the pay packet, in which people could live in the kind of environment nature intended, it would be unnecessary for the Governments to be concerned with health services. These could be provided at a fraction of the cost with much greater efficiency by private enterprise. Such a society only is possible under the proposals of Henry George; it cannot, however, be ushered in overnight. In the meantime, voluntary health insurance schemes should be encouraged, government interference reduced to a minimum and eventually phased out.

There is reason to believe that some of the more responsible members of the Federal Government are becoming increasingly alarmed by the colossal estimated costs of the grandiose socialist "health" scheme (growing by hundreds of million dollars almost monthly because of inflation and the wage demands of unions) and are secretly hoping that the "liberals" will succeed in having the measure rejected. Such a development would provide both a facesaver and some one to blame for rejection. \$200 per head or \$1000 for a man, wife and three children per annum could well be the cost by the time the scheme is under way.

The disastrous experiences of Canada, New Zealand and England are ignored because the objective is not health but doctrinaire, socialist bureaucratic regimentation.

33. TOWN PLANNING AND THE ENVIRONMENT

The object of town planning is to provide more beautiful and orderly cities, to segregate residential, industrial and commercial areas, to provide for parks and gardens, efficient highway and transport systems, green belt areas for protection against pollution of the air we breathe in short to ensure the best possible living and working conditions.

It is ironical that if town planners are successful (and there is no doubt they are making a worthwhile contribution), the effect will be to increase land prices. Those in possession of the most select areas will be able to cash

in on the work of the planners, making fortunes at the expense of young couples wishing to start a home, enterprising business men and others in need of land. Town planning promotes the more efficient use of land and the possibility of greater density of population. The policies of local authorities especially in central areas are often in conflict with the best concepts of town planning. Building approvals are granted for skyscraper construction, huge multi storey flats, office blocks and car parks attracting traffic which congests the streets and highways and pollutes the atmosphere.

The extension of such policies is choking some of the larger cities of the world to a point where they are becoming almost non functional and unlivable.

The planners do indeed sound a warning but are helpless in face of the enormous power of financial interests. Vancouver, for example, once one of the most beautiful cities in the world, despite the vast land mass of Canada, now has a population density greater than Hong Kong. Children are growing up who will seldom see the earth, highways are a nightmare of noise, nervous tension, frustration and carbon monoxide. It is not an unrelated fact that Vancouver also has the highest unemployment rate in Canada.

Enormous fortunes are made at the stroke of a pen when rural land is zoned for urban use and from urban to high density residential or commercial use.

On the other hand, land zoned for green belts has become valueless and some land is frozen against present development. Instead of promoting justice government has become a lottery enormously enriching some and destroying others.

Without the land reform policies of Henry George, town planners, city fathers, sociologists and do-gooders are helpless. The mad rush to eventual stagnation, it seems, must continue. When the annual value of land which the people create is taken for revenue, the owners of high rise land, frozen green belt land and land used in any location and for any purpose, are all treated alike—none can exploit and none can be exploited.

With land freed to the user new communities will develop naturally without the necessity for Government direction.

34. LOCAL GOVERNMENT

Known as the third level of government, Local Authorities are closest to the people and therefore, subject to a proper electoral system, could be the most democratic form of government.

Ninety percent of local revenue in Australia is raised by the Henry George system. The whole of the needs of New South Wales and Queensland including revenue for water supply and sewerage authorities, are raised from land values. Other states to some extent impose rates as a penalty for erecting and occupying buildings. Superimposed upon the shocking scale of Federal taxation, local rates are often represented as a burden.

Socialists who are continually trying to introduce party politics into government would like to destroy the local rating system and provide finance from Canberra, the object being, through control of the "purse strings", to introduce a socialist, centralist, remote form of government in which party bosses in Canberra will rule and the local residents will have little power.

To the gullible, many of whom are brain washed by "the media" there is a lot of appeal in getting "money for nothing" from Canberra. The ultimate result, however, would certainly be an increase in taxation and inflation.

35. HISTORIC BUILDINGS

Australia is a young country, but old enough to appreciate the work of its early pioneers who in the architectural style of their period created some fine buildings, many of which should be preserved for posterity.

The charm of Paris, London, Bangkok, and many ancient cities of great attraction to tourists and historians, lies to a great extent in the beautiful buildings expressing a culture and a sense of values that are fast disappearing. The price of land is the reason why the architect of today must be a financier first, and produce structures capable of letting for X dollars a square foot rather than gracious buildings and cities expressing the noblest characteristics of the human mind.

The price of land is also the reason that preservation of the art treasures of the past is so expensive. The owner of an ancient building that occupies a site often many times more valuable than the building expressed in terms of financial return, is in an invidious position. He cannot be expected to bankrupt himself in the national interest.

The economic proposals of Henry George would completely change the situation. With the collection of rental value of land for revenue the capital value would virtually disappear. The site upon which stood an historic building selected for preservation by the "National Trust" would have a relatively low rental value. The land holder therefore, relieved of taxation which under our proposals is based entirely on the rental value of land, would be in the same position as the holders of adjoining land who would be liable for the full economic rental.

The community, therefore, would be saved enormous sums now required for the purchase of historic building sites and there would be no injustice to anyone.

The preservation of many more buildings of historic value would be possible, sufficient to change the characteristics of an area.

It is not difficult to imagine how the architectural profession would respond if the price of land ceased to be the major cost factor influencing design. The dignity and beauty of an earlier age would return and a new creative "period" would be reborn. One could even forecast the gracious blending and toning of the old with the new.

Many of us are familiar with the Sydney "Rocks" area and the "green ban" imposed by the Builders' Labourers' Union. Such farcical situations could not arise under a Georgist administration. Good intentions can never justify wrong methods.

36. NATURAL RESOURCES — MINERALS, OIL, FORESTRY

The raw materials of the earth rightly belong to the nation. Governments have a duty to ensure that exploitation will be economical and planned to serve not only the present but also future generations. The same principles, however apply to all forms of land use. Reafforestation is necessary in the timber industry, land clearing projects must consider the risk of salination, and treatment of mineral sands must include provision for the rehabilitation of the soil as nearly as possible to its original condition.

The principles involved are well understood and accepted and should not require further elaboration.

It is for the same reason that in British law there are no absolute titles to land. The conditions of use are either leasehold or tenancy in fee simple subject to the prior rights of the crown.

In most forms of land holding the use value can be determined in open competition with reasonable accuracy. In the timber industry the payment of royalties is the most satisfactory method; the rate of cutting is regulated by forestry officials to ensure perpetuation of the forest wealth of the nation.

High risk factors are involved in the mining industry which is controlled by a combination of exploration leases, and royalties at rates fixed in competition according to what the industry will bear.

The highest risk factors are in the field of oil exploration. Capital costs involved are immense, therefore incentives must be in the same order.

Socialist governments may be expected to impose conditions of increasing harshness on the mining and oil producing industries. A foretaste of things to come has already been experienced, as evidenced by the collapse of share prices relieving investors, rich and poor alike, of many millions of dollars.

Socialist policies include vicious, ever increasing taxation and deliberately planned inflation, notwithstanding accusations against almost everyone but themselves which should fool no one.

The latest imposition is the requirement of a capital deposit in respect of funds subscribed from abroad. The period of retaining the interest free deposit is indefinite; it must therefore be assumed that it will never be returned and in fact has been stolen.

The rate originally fixed at 33 1/3% was subsequently reduced to 25%. The result, however, has been so disastrous in preventing overseas investment in this country and in dissipating capital reserves, that the current rate is now 5%*. Socialists do not appear to understand the economic effect of their absurd experiments.

Under present political conditions it is virtually impossible to negotiate export sales for other than the shortest periods. What the Australian dollar will be worth a year hence is anybody's guess.

The obvious intention of the socialists is to allow oil and mining investors to take the risks and expend huge sums of money on exploration and installations—then, in the name of the people confiscate the rewards.

This policy will very speedily dry up the flow of investment funds, for which the greedy capitalists will naturally be blamed, in the pattern of half truths and distortions to which we are becoming accustomed. The next move, in the name of the people, may well be the confiscation of capital assets, or

at least a compulsory partnership with the government. In any case, steadily rising costs inseparable from socialism will increase the difficulties of industries producing for export and dependent on highly competitive world market prices.

The mining, oil and timber industries, as a necessary condition of survival, should give full support to the Georgist movement which offers the only possible alternative to the creeping paralysis of socialism and the destruction of free enterprise.

A return to right wing or liberal socialism without just conditions of land use, trying to compete with similar but timid and uncertain policies in which liberals profess not to believe, against extravagant left wing promises, will not work. If so the electoral swing to the extremists would not have happened *since abolished.

37. AUSTRALIAN INDUSTRIES DEVELOPMENT CORPORATION

A bill to extend the activities of A.I.D.C. as it is called was one of the causes of the recent double dissolution of Parliament.

The stated objective of A.I.D.C. is to use funds provided by the government (money from tax increases) to increase the share of Australian ownership in industry and to promote the growth of industries which cannot obtain adequate finance through the normal channels.

This is the sugar coating; on the surface the proposals appear quite reasonable.

In a sick economy such as we have today, an enormous amount of money that would normally be available for industrial development has to be used just to finance inflation and to pay the enormous tax increases imposed during the past couple of years to finance socialist experiments. In addition, spiralling land prices have imposed a tremendous burden on those trying to start new industries.

A further factor is the steep increase in interest rates brought about by inflation. Investors who normally would provide funds for industrial development can secure a greater return from money lending without taking the risks attendant upon industrial ventures. The spectacular profits of financiers on the one hand and the increasing rate of industrial bankruptcies bear silent testimony.

The real objective of A.I.D.C. is the socialisation of industry. Whenever the government subscribes taxpayers' money it must of course be represented either on the board or by some other means. "Jobs for the boys" is an Australian expression suited to this situation. The vast untapped wealth of Australia which a hungry world needs cannot be kept "on ice." Any action such as the 30% investment tax and the A.I.D.C. proposals to discourage foreign investment, condemns some of the people in the under privileged countries to premature death from hunger and malnutrition.

Politicians do not appear to have considered the possibility of retaliation against Australians wishing to invest abroad. It is quite absurd to suggest that this country can be injured by foreign investors who are prepared to risk their capital to assist in its development and at the same time contribute vast sums in taxation.

As the pattern takes shape we may expect to see preferment being extended for government contracts and even in the matter of taxation concessions to companies involved with Australian Industries Development Corporation. Independent industries will then find it hard to compete and will have the choice of getting on the band waggon or joining the bankruptcy queue.

The Henry George proposals would be like releasing a huge brake from the wheels of industry. To free the land, to solve the problem of inflation, to abolish taxes and Government interference in industry, is all that is necessary to provide the maximum investment of Australian funds in support of its own industries.

It is not the function of government to use taxpayers' money to meddle in activities that politicians do not understand and cannot wisely administer.

38. DECENTRALISATION OR CLOSER SETTLEMENT

The two objectives both relatively desirable would appear to be incompatible.

Decentralisation is necessary to open up the country, provide better environment and more healthy living conditions. Closer settlement to provide cheaper public services. The suburban sprawl, as it is called, causes water mains, roads, electric and transport services to be extended through thinly settled areas, often held idle and underdeveloped for speculative gain, thus increasing the cost of such services to the genuine users.

Science and technology have made it possible for larger areas of land to be farmed by fewer people, engineers have designed multi-storey buildings with free ways and bridges that increase the population density of cities. Factories follow population trends in order to gain the advantage of proximity to markets. Many people prefer to live close to the large cities because of the better schools, hospitals, theatres, and other social amenities provided. More children are now being born and raised in cities who prefer the environment to which they are accustomed. All this is perfectly natural and must be accepted. On the other hand, we see the enormous growth of the great cities, with their traffic and pollution problems. In the older countries city centres are well described as concrete jungles which are choking to the point of becoming unserviceable and unlivable even under minimum standards. Experiments have shown that where animals are herded too closely together they develop vicious tendencies. This is also true of mankind as evidenced by the much greater crime rate in the cities.

Politicians, to preserve their seats, must be vote conscious, and have been quick to realise that money spent in the cities can influence more votes per dollar than in the sparsely settled areas. Moreover the overcrowded cities produce a higher degree of moral degeneracy than the country, therefore city dwellers can be influenced to a greater extent by "the media," and will not examine too closely promises which superficially appear to be to their selfish advantage but in the long term will have an opposite effect.

Quite recently we have seen political action which put the farmers and miners at an enormous disadvantage compared with city dwellers, with prospects of much worse to come. Export markets or meat have been largely destroyed, transport costs enormously increased, and superphosphate costs doubled. Export prices are controlled by world markets. Exporters cannot recover cost increases as can the more politically favoured sections of the community producing for the home market.

Because of the decline in voting power, primary producers and decentralised industries must remain in the political wilderness. On the surface the problems seem so. Application of the Henry George system would provide a proper balance by natural forces, without government intervention. Decentralisation would become profitable as prosperity was restored to export industries and closer settlement within the settled areas would result from the abolition of land speculation. All this would be accomplished simply by abolishing taxes and allowing land values to find their true economic level of use value at which the necessary revenues of the state would be assessed.

Because of the snowballing effect of taxes levied on production, the progressive abolition of such taxes would lift an almost unbelievable burden from rural industries and at cheaper rates of production result in an enormous revival of demand from a near starving world for our food, mineral and textile resources.

Such a revival of demand, if it did arise by some miracle under the present system, would simply add enormously to the price of land and so strangle at its source the revival of incentive to produce.

New country towns and eventually cities would grow spontaneously. These would progressively attract their own supporting industries. The capital cities would still be the great centres of commerce and specialised industry servicing a prosperous hinterland as they were intended. Vast ugly and empty skyscrapers would not be built years in advance of demand simply as a means of avoiding the effects of inflation. There would be a demand for capital as incentive was restored to productive enterprise. Funds previously diverted to speculative investment would return to the sharemarket and investors, large and small alike, would have their saving restored.

The whole effect of socialism, to impoverish the rich down to the level of the poor, without enriching the poor, would be reversed. With incentive restored and monopoly destroyed it would not then be considered a social crime to become prosperous through honest endeavour.

39. DISCRIMINATION

The Federal Government is endeavouring to make political capital with screaming accusations against anyone who disagrees with its policies, of being a "racist" and guilty of discrimination.

This is in line with developments in England where to engage a white man with superior qualifications for a vacant job, if there is also a coloured applicant, is to risk a charge of discrimination. The charges being made are breathtaking for sheer audacity and effrontery. The policies of socialist governments in this country could well be described as discrimination from beginning to end. The following summary is by no means exhaustive:

1. Militant Trade Unions are permitted to commit acts of industrial sabotage without fear of prosecution.
2. Wages awards are often made retrospective with the full knowledge by Arbitration Court Judges that higher costs during the retrospective periods cannot be recovered.

3. Wages awards are made not according to the law of supply and demand or the relative skills required in a particular industry, but according to power of the union involved to inconvenience the public. Take for example the rates paid to airline pilots who drive fully automatic machines, and yet receive salaries approximately 700% higher than a skilled mechanic and according to the Minister concerned are demanding retirement pensions rising to two million dollars.
4. Wages and extras paid to wharf labourers are higher per hour worked than those paid to skilled tradesmen.
5. Wages paid to those with the lowest productivity are often relatively higher than to those who contribute most.
6. Money lending has become more profitable than production.
7. Land speculation is more profitable than production.
8. Producers and consumers are singled out for special taxation. A man with a large family must pay more. A company that is more efficient must pay more taxation.
9. Some people are forced to become honorary tax collectors for sales tax, pay roll tax and income tax.
10. The owner of rural land who can get a rezoning order can receive a profit of hundreds of thousands of dollars in many cases, at the stroke of a pen.
11. Private companies are forced to pay higher taxes than public companies.
12. It is an offence to employ aboriginals at what they can earn. They must be paid a higher rate which industry in general cannot afford. In consequence these unfortunate people must suffer a cruel rate of unemployment.
13. Many able bodied people are forced to retire at 65 years of age and so live in premature retirement at the taxpayers' expense. People "forced out of circulation" often live drab, uninteresting lives and die prematurely.
14. Because of punitive taxation of the most creative and enterprising people, these are forced to leave the country. The experience of Britain which has been supplying the U.S.A. with scientists and skilled technicians for years, means nothing to the discriminating socialists.
15. A young couple planning to build a home must find several hundred dollars for stamp tax and interest to finance the tax for many years. Single people who do not need to build, do not have to pay.
16. Wheat farmers are forced to subsidise consumers by providing wheat for making bread at about half the export price.
17. Some people are forced to join a union which pursues policies opposed to the beliefs of those concerned.
18. Some people have made fortunes out of the tariff, others have been ruined.

19. Some people are fined by rates levied because they improve their properties. Others who allow their properties to fall into disrepair pay less.

The whole history of both Liberal right wing socialism and Labour left wing socialism is one of unfair discrimination. The tirade against selected "trumped up" allegations of discrimination can only be described as sheer hypocrisy.

Discrimination in its proper sense is simply the making of decisions; choosing between good or evil, better or worse. The manner in which the word is bandied can only be for the purpose of creating emotional prejudice to suit some people with an axe to grind.

Unfair discrimination can best be avoided by the policies of Henry George which are the essence of justice.

40. RELIGION AND POLITICS

It is generally accepted that the Church should not engage directly in politics. Quite definitely the Church should not take sides in party politics. The intrigues and corruption which seem inseparable from political parties should not, however, be confused with political science and the art of government which should be entirely consistent with Christian principles.

Politics in its essence or purist definition should be Christianity in practice or to put it another way, the mechanics of right doing in human relationships. How therefore can the Church remain silent?

Religion is said to be concerned with the relationship between God and the individual. Such a concept, however, is incomplete. Man is a gregarious animal and cannot live in isolation. Love of God is the cardinal principle of religion yet upon reflection this must surely seem impossible unless such love be expressed towards all other people who comprise the human family. Can there be any basis other than justice in such associations?

With this concept of politics the Church is surely involved.

It is difficult to escape the view that the isolationist stand is no more than an alibi to avoid involvement, on the one hand, and to condone anti-Christian activities on the other.

The Church was silent on the issue of chattel slavery notwithstanding that individual freedom should be one of its central principles. A few prominent Christians such as Wilberforce were notable exceptions.

With the exception of the Quakers the Church did not protest against the iniquitous enclosures of the common lands of England; in fact it actively participated in stealing and enclosing the commons on its own behalf. The mass unemployment, poverty and degradation that inevitably followed must be laid at the door of organised religion. In our time the Church is silent on the great issue of land monopoly, which is the modern concept of slavery. As Shakespeare so aptly puts it "you take my life when you do take the means by which I live." Chattel slavery could not compete with the modern method of enslaving people through ownership of the land upon which and from which they must live, and permitting access to the earth subject only to the payment of tribute to the landholder.

Once again the Church, not only is silent, but has become an active participant in the business of land speculation. This is far more attractive to an institution which does not look for rewards in one generation. Taken over, say three generations, the profit of gambling in the people's land can be of staggering proportions. From \$10 to \$20,000 an acre would not be an exaggeration even for suburban land. Over say five or six generations the price variation would be even greater; land sold originally for a bottle of rum could now be worth \$1,000,000 an acre.

The major religious sects are all involved in this God-denying, soul-destroying practice which forms the basis of the fabulous wealth accumulated. The funds no doubt are put to good use; the Church nevertheless has paid dearly for its speculative ventures, in falling membership and loss of respect from the common people with whom it has lost touch.

And yet the Church despite its disclaimers does participate in party politics.

At the last Federal Election a group of clergymen were openly advocating a vote for a socialist party, notwithstanding that compulsory state socialism is a denial of God given human rights and is therefore atheistic in its concept.

The Church does much commendable work in support of the "Freedom from Hunger" campaign. If the Church would devote the same effort to Biblical injunction in the matter of justice, there should be no need to dole alms to the starving.

The Commandment "Thou shalt not steal" is meaningless without regard for the right of property and the socialists have no such regard. Taxes are levied without the slightest regard for service in exchange, human rights, or even elementary justice. Almost every Christian principle is violated by governments. The Church, however, remains aloof.

A multiplicity of restrictions to production and trade is imposed by governments without comment by the Church notwithstanding the needs of a near starving world and with the full knowledge that many will die of hunger, and related causes, because through greed and stupidity, Australia has priced its products beyond the capacity of the impoverished nations to pay. There have been recent welcome signs of an awakening of the Christian conscience on this subject.

The net result of socialist materialism, which forms the policy basis of all political parties, is to create an atmosphere unreceptive to Christianity in which the Church, despite its growing wealth, is likely to become an anachronism.

In order to survive the Church must relate its principles to the social relationships of people. It must realise that dispensing charity and patching up a sick society is not enough. It must, nevertheless, have no part in the intrigues and opportunism of party politics, in the election promises and deceptions of politicians.

The singing of hymns, the chanting of prayers, the sacraments and ceremonials may have their place but these are not the essence of Christianity. The Church must consider whether it is right to inhabit the earth or make it the subject of monopoly and speculation, whether it is right or wrong for men freely to exchange the products of their labour, and many other cardinal issues involving freedom, human rights, and Christian principles.

Above all—is there a Christian premise upon which the government may charge for its services? Henry George alone among all the economists demonstrates that there undoubtedly is such a basis. Endorsement by many of the great thinkers of the age should at least command the attention of the Church.

41. PROPHECY AND FULFILMENT

When Henry George realised the power of the land owners to force wage earners to work for little more than bare subsistence, and the owners of capital to accept a return not much above the replacement of their capital, he prophesied in the year 1889:—

"I know that the present social conditions cannot continue. Will the dams hold back till the floods rise to fury and we pass back to bloodshed and anarchy?" The French "physiocrats" were the first economists to discover the cause of poverty and unemployment and proposed to Louis XVI the shifting of the burden of taxation to the landholders. (The "impôt unique" as it was known was a single tax on land values. The name stuck; in after years George and his followers were called "single taxers"). The King agreed but the aristocrats rebelled and so began the terrible retribution of the revolution with the ignorant mob in control dispensing crude "justice" with the guillotine.

In Tzarist Russia the peasants were little better than serfs virtually owned body and soul by the land holders. The revolution of 1916 lead by Kerensky was a land reform movement but Lenin and his Communist followers gained control. Many millions died in the bloodbath and famine that followed.

Fifty million people died needlessly in two world wars. Mass unemployment and poverty on the one hand, contrasting with the enormous wealth of land holders, paved the way for the mad men, Kaiser Wilhelm, Adolf Hitler and others to gain control.

The common people fought and died like heroes in defence of "their" country, not understanding the underlying economic causes. The slogans of the day "to make the world safe for democracy," "the war to end war" have never been fulfilled.

Dr. Sun Yet Sen, a disciple of Henry George, started a land reform movement in China. Unfortunately, he died suddenly before much was accomplished. His son-in-law, Chiang Ki Shek, who followed, did not understand. His country became divided and torn by revolutions in which the Communists finally gained power. Again many millions of innocent people perished in the struggle for power.

The history of most countries is the same; Spain, the Latin Americas, India, Korea, Vietnam, Ireland, the Philippines, to quote but a few examples of countries broken and divided by land monopoly. In most cases the people are so degraded and hopeless they do not even understand the cause of their oppression and misery.

CONCLUSION

How better to conclude this series of essays than with a final message from Henry George who wrote: "For every social wrong there is a remedy, but the remedy is nothing less than the abolition of the wrong" and again "The people must understand for the people alone can act".

Dear reader, can you stand aside and watch others engage in the struggle for justice? A test of manhood or womanhood is the acceptance of responsibility — both individual and social.

To understand then is to become involved