

FIRST EDITION

LAND RENT REVENUE

IN LIEU OF TAXES

AN EXPOSURE OF THE EVER-INCREASING BURDEN OF TAXATION - THE POWER TO DESTROY

A PRACTICAL ALTERNATIVE WHICH WOULD REDUCE
GOVERNMENT SPENDING BY HALF. RESTORE
INCENTIVE, DESTROY MONOPOLY AND BENEFIT ALL
WHO PERFORM USEFUL WORK

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AUTHOR'S NOTE

This work is presented as a series of essays.

The reader is advised to consult the index and examine the section which appeals most to him, then pass to other subjects in the order of his choice.

With a little perseverance, the pattern of the new world as it could be, will gradually unfold and a new hope revive.

Our proposals are simple and easy to understand. Complex government is bad government. Politics cannot safely be left to pre-selected politicians who must obey the party machine and will never institute genuine reforms unless the people understand the basic principles of good government—stated as follows:

- 1. Where people congregate in cities and communities the need of government service arises.*
- 2. Public Works create land value at least equal to the cost of the works—often much greater. A classic example is the building of the Narrows Bridge over the Swan River to South Perth which cost £1,500,000. Land value rose by £14,000,000.*
- 3. Collection of this value annually as land rent will provide the people with their natural revenue sufficient for all the necessary functions of Government.*
- 4. Ever increasing taxation—"the power to destroy," must be abolished if civilisation is to survive.*

Taxes kill incentive, cause corruption, dishonesty, vandalism, monopolies, crime, poverty, mental and physical disorders, inflation, injustice and frustrations of every kind—finally communism and anarchy.

Acknowledgements are made to the inspiration of Henry George and the small but dedicated band of followers who have since kept the torch of justice and sanity alight. It is more than 90 years since George wrote his classic "PROGRESS & POVERTY" which has become the world's best seller, easily outstripping all other works on political science.

Special thanks are due to Mr. W. H. Pitt of Victoria for permission to include Section 33; this the reader will realise is suited to the ultimate adoption of our proposals. Progressive reform is the best for which we can hope and legislation would need to be drafted accordingly.

The hope is expressed that some day this book will be rewritten in more readable journalistic style, perhaps also in other countries with local variations as may be appropriate.

GRAHAM HART

INTRODUCTION

At the risk of adding to the unread works of social reformers for which the busy world has little use, the writer is hopeful that by a new approach, combining practical considerations with moral principles, to win support from people in different vocations and stations of life.

The crippling effect of taxation is being recognised, but few people believe that anything can be done about it. Justice and peace in our time; Christianity and moral principles guiding the Legislature; a steadily improving standard of living; a drastic reduction in the tax burden; restoration of freedom and democratic institutions—if the reader will have the patience to examine our proposals, it will be seen that these are not mere shibboleths and hollow promises such as we are accustomed to hear at election time.

A way of life is offered that is not only practicable but is essential if "Western culture" as we are pleased to call it, is to survive and the march of communism to be halted.

Taxation of people who render useful service and perform honest work has degenerated to legalised piracy and destroyed respect for governments.

People who have lost respect for law and order cannot be expected to be other than dishonest in their private lives. To rail against vandalism, increasing crime rate and declining standards in all the higher qualities of life, is but to register idle and insincere complaint, unless the responsibility for reform is accepted.

The growth of monopoly and mushroom millionaires mostly among people who render little or no worthwhile service or display any outstanding ability save to cash in on the labour of others, will certainly lead to disaster.

The farmer is told he is inefficient and must get big or get out. The small business and those who have only their labour to sell, are finding it harder to make a living; even the young couples trying to start a home are asked to pay a ten-fold increase in land prices plus legal transfer costs and stamp taxes that would have caused a riot in their parents' day.

The whole economy is likened to a huge real estate confidence trick.

Australia is unfolding, despite its arid interior, as one of the richest countries in the world. It is not beset by many of the mistakes of older civilisations and should be setting a political pattern upon which our impoverished neighbour nations might well resolve their problems, the solution of which could open avenues of trade beyond belief, and so enable the starving nations to feed themselves and dispel forever the spectre of misery which should make every decent man and woman blush with shame.

Faced with great crisis, Australians have earned the reputation for physical courage and heroism of which the war graves bear grim testimony, but those who survived have shown little interest in the mundane problem of politics—"So he died for his faith, that is fine." Can you add to that line—"that he lived for it too?"

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A STATEMENT OF PRINCIPLES

The collection of the rent of land (site rent) for the community by the Taxation of Land Values is not the only reform necessary, but it is the first reform and it would make all other reforms easier. The social and economic effects of raising public revenues by land-value taxation would be threefold.

IN THE FIRST PLACE, taxes that now fall upon wages and production could be abolished. No one need be taxed for building a house or improving a farm, for bringing things in from other countries or for adding in any way to the general stock of wealth. Everyone would be free to make and save wealth; to buy, sell, give or exchange, without hinderance, any article of human production the use of which did not involve any public injury, infringe in any way the freedom of others or result in their exploitation. All those taxes which increase prices as things pass from hand to hand, falling finally upon the consumer, could be dispensed with.

IN THE SECOND PLACE, a large and constantly increasing fund would be provided for the community's use as the labour, enterprise and industry of the people increased the value of land.

IN THE THIRD PLACE, the most important of all, the monopoly of land would be abolished. The economic effect of taxing land values, whether land be used or not, would be to make certain that all land was put to its best use. The effect of thus freeing the land would be to make it available for the many needs of labour and capital. The temptation and power to speculate in natural opportunities would be gone. The speculative value of land would be destroyed as soon as it was known that the land-value "tax" would be increased as fast as land value increased. The benefits would go, not to individuals, but to the community generally—individuals, however, retaining the full results of their labour and enterprise.

Thus, the fundamental cause of the present unequal distribution of wealth would no longer exist. When men have equal rights to the value of land and are able to produce freely and on equal terms with their neighbours, when they are freed from monopoly and privilege in all its forms, then employment will cease to have the underlying implication of economic servitude and take on its natural form—that of free and open co-operation. Wages will then be carried up to what is truly their natural rate—the full value of the produce of labour—and will be kept there.

THE CANONS OF TAXATION

The canons of sound taxation are stated as follows:

1. The tax should, as nearly as possible, measure the particular benefit which Government service renders to the individual. This is the method of private business and the Government is only a large business doing those things for individuals which they cannot effectively do for themselves. (e.g. it would not be practicable for each person to build the strip of road passing his door.).
2. It must be cheap and easy to collect and impossible to evade.
3. It should not be regarded as an unjust imposition and destroy respect for Government, otherwise public reaction will follow suit and an increase in the crime rate result.
4. It should not cause inflation, i.e. robbery of old people and those on fixed incomes.
5. It should not act as an imposition to restrict the production and exchange of wealth, individual initiative and thrift.
6. Secret processes should not be a necessary consequence. Government is everybody's business; conversely the Government should hold inviolate the right of men and women to live their private lives free from inquisitorial procedures.
7. It should not lead people into temptation.
8. It should be simple and not involve costly legal and accounting procedures.
9. It should accrue at an appropriate time to permit preplanning and development of services and so avoid recourse to public borrowing.
10. It should not implicate the State by creating a vested interest in the perpetuation of public folly or vice.
11. It should recognise the right of private property, i.e. if a man produces something by his labour, the product should be recognised as his property.
12. It should not confer monopoly privilege on some at the expense of others.

In British Law, there is no absolute title to land. Land is held in "fee simple" subject to the prior right of the Crown.

How the British People Become Landless

Originating from the feudal system, land was held in tenancy in return for defence services, maintenance of the Royal household and the costs of civil administration. Extensive areas of common land were also available to the people free of charge. Gradually, the land holders by one means or another repudiated their obligations but continued to hold "their" land.

In addition, by Acts of Enclosure, the small tenancies and the common lands were stolen from the people—the Established Church of the day being one of the principal offenders.

The Growth of Taxation

Alternative revenue had to be found—the famous speech of William Pitt provided the answer, to quote: "My Lords and Gentlemen, there is a method

THE CANONS OF TAXATION

whereby you can tax the last rag from the back and the last bite from the mouth without causing a murmur against high taxes and that is, to tax a great number of articles of daily use and necessity so indirectly, that the people will pay without knowing it; their grumblings will then be of hard times, but they will not know that the hard times have been caused by taxation." So was born indirect taxation. The country had not yet degenerated to the point of levying income tax. This device of the devil is less than 100 years old.

The recognition that taxation is punishment, is more than 1,000 years old and was reserved for people conquered in battle and by acts of piracy on the high seas.

A former Lord Chief Justice of England said: "Taxation is the power to destroy."

A complete examination of the ill effects of taxation would be a mammoth exercise. Suffice it is to say, that most taxes restrict production and exchange, and increase the costs of government, thereby initiating a chain reaction which results in the continual increase of taxation.

The following is a summary of modern forms of taxation, all of which offend against most of the canons as stated:

Probate Tax, Income Tax, Sales Tax, Customs Duty, Excise Duty, Pay Roll Tax, Stamp Tax, Rates levied on the owning of buildings, Capital Increment Tax, Amusement Tax, Gambling Taxes, Vehicle Licenses, Road Taxes and Fines.

New forms of taxation are continually being investigated. The vexatious receipts tax has been declared invalid. A tax on tourists has been mooted. Consideration is being given to an increase in Pay Roll Tax.

One could write a book, if time would permit, of the injustice, punitive effects and incongruities of taxation. For example, a young couple purchasing a home are fined per medium of the vicious stamp tax legislation about \$125.00 (since abolished in W.A.) In what way have they offended against society? A drunk and disorderly offence can often be indulged for less and therefore, must be regarded as a more tolerable offence. All the listed forms of taxation have certain effects in common:

1. The costs of goods and services are increased.
2. The supply of goods and services are decreased.

It will be found upon examination, that the Land Tax, if levied according to value, has exactly the opposite effect.

LAND TAX CONTRASTED

1. (a) Land has no cost production, therefore costs are not increased.
(b) The tax cannot be passed on to the consumer as increased rent since the monopoly value is already being collected and pocketed by someone and is included in the cost of goods and services; also, because of competition from other land of different value. The tax therefore is at the expense of monopoly. (Those who render no service in exchange).
2. Land is fixed in extent but availability is increased by collecting site rent for revenue because it would no longer be profitable to hold valuable land out of use. As supply increases, so price decreases. Land value arises because of the presence and industry of the people collectively and the services of Government, and therefore is a proper source of public revenue.
All other products and services are the result of individual effort, and to tax these, is a violation of freedom.

The land tax relates to the value of the privilege of exclusive occupation conferred by society. The value of land varies enormously. Those who enjoy the greatest advantage should pay accordingly. Other taxes have no relationship whatever to the value of government service and since there is no principle of value in exchange, these must be regarded as legalised theft.

To shift the burden of taxation from industry back to the land, would reduce the cost of government to about one-third. Exact computation is impossible but it has been estimated for example, that only 25 per cent of the value of customs duty is available as government revenue; the remainder is absorbed as profit at each point of exchange and with modern production methods, there may be many stages prior to consumption, also by the high cost of collection.

Land rent revenue is sufficient for all the necessary requirements of government. All other forms of taxation violate the Christian code of behaviour, particularly the command—"Thou Shalt Not Steal"—and are Communist inspired in as much as the confiscation of private property is involved.

Any private business, attempting to levy its charges by present methods, would assuredly go bankrupt.

Imagine a barber for example, having an exorbitant charge for the wealthy and a token charge for the poor. He would very soon be inundated with unprofitable customers and assuredly lose all his wealthy patrons. Every man or woman, irrespective of their income, knows instinctively that they are entitled to pay for the time occupied in rendering a service and not a cent more.

People and nations will always react against injustice and the Government which comes first to this realisation will have begun the long hard road back to sanity and may even hope to forestall the collapse of civilisation which, at present, seems inevitable.

SOCIALISM — ANCIENT AND MODERN

The pure theory of socialism is that the State should own and control all the means of production, distribution and exchange. The profits to be used for the benefit of the "workers."

Socialism in practice has been found to be grossly inefficient. Disappearance of the "profit motive" has destroyed the incentive both of management and operatives alike, and resulted in losses, an added tax burden on the people.

Modern socialism endorsed by all political parties is to permit private employers to accept the risks of productive enterprise, absorb whatever losses may result, and then to skim the profits by numerous tax devices all too familiar.

The weakness of this form of socialism is that the processes of taxation cause a corresponding rise in costs. The Government must, therefore, continually increase taxes, which impose a crushing burden on the people. A regimented society is necessary to enforce taxation. Numerous methods of avoidance and evasion are a natural reaction. Taxation is recognised as morally dishonest, and it is idle to expect the people to be more honest than their Government. As taxation increases, witness the corresponding growth of crime, disorder and excess—"Taxation is the Power to destroy."

INFLATION — THE CRUELEST TAX

The wickedness of Probate taxes has attracted the indignation and sympathy of half the nation. Tears have been shed for the widow and the orphan, robbed by the State at the time of bereavement when most in need of help.

How many stop to think that of the remaining bequest, 3% to 4% per annum is further eroded by inflation. The same applies to old people on a retiring allowance and all those on fixed incomes.

Inflation has been accepted by modern governments as an instrument to enable present expenses to be passed on to a future generation. Causes generally are:

- A. Printing money and issuing Treasury bills in excess of the value of productivity.
- B. Diverting an increasing section of the labour force to useless and non-productive activity.
- C. The action of pressure groups in forcing demands for increases in money wages without any increase or with a positive decrease in output.
- D. Government policy which confers monopolies on favoured people, enabling such to acquire claims to wealth produced by others without producing value in exchange.
- E. Wasteful Government expenditure.

Land monopoly is by far the greatest cause of inflation at the present time. "Four Corners," in a recent survey of rising land prices, exposed one instance concerning 880 acres of land 35 miles South of Perth which had increased in value during 28 years by 320,000%.

In other words, some people acquired more than \$3,000,000 worth of purchasing power without adding one cent to the value of production.

This is but one example.

It is impossible to stop inflation without collecting land rent for revenue in lieu of taxation, otherwise serious unemployment would result.

According to Maynard Keynes, Lenin is said to have declared that the best way to destroy the Capitalist System was to debauch the currency. By a continuing process of inflation, he said governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method, they not only confiscate but they confiscate arbitrarily; and while the process impoverishes many, it actually enriches some . . . As inflation proceeds and the real value of the currency fluctuates widely from month to month, all permanent relations between debtors and creditors, which form the ultimate foundation of capitalism become so utterly disordered as to be almost meaningless; and the process of wealth-getting degenerates into a gamble and a lottery.

Governments which finance on the basis of planned inflation, and which Government does not, are playing the communist game. It is ironical that Keynes, many years later, unwilling to court unpopularity in high places by exposing the land "racket" was the first economist openly to advocate planned inflation (in the U.S.A. under the Roosevelt administration).

LAND MONOPOLY A WORLD PROBLEM

Communism or Fascism has never gained power in any country that has not first experienced vicious exploitation of the people causing the direst poverty among the landless class (the proletariat) by the instrument of land monopoly. France, China, Russia, Korea, Vietnam, Cuba, Spain, Italy, Germany, Indonesia bear silent witness. The toll of misery and death is almost beyond belief.

In Australia and some of the more recently developed countries of the Western world, the pattern of exploitation is somewhat different; land ownership has been widely extended to include a large proportion of working people. Having purchased a home site at exorbitant cost with payments extended over a long period at a high rate of interest, the working man is easily persuaded that as a petty land owner, he should support the system. The subject of land monopoly is fully covered in a special issue of "House and Home" published by Time Inc. of New York, August 1960, and an abridged version was subsequently reprinted by the M.R.P.A. of Western Australia.

The following Press cuttings from the U.S.A., England and West Germany, indicate that the problem is world wide and accelerating at an alarming rate which must spell economic disaster for the future unless reforms are instituted while there is yet time.

LAND COSTS FACING THE G.L.C. (LONDON) (Land & Liberty May-June 1970)

Mr. Ray Thomas of the "Homes Before Roads" Campaign has quoted some revealing figures on the cost of building land in London. In 1951 the former London County Council paid £8,800 an acre for building land. In 1966 the G.L.C. paid £60,400, and recently a figure of £150,000 an acre has been reached. The present plans for motorways around London could push the cost of housing land to £400,000 an acre in inner London by 1981.

He said that a consequence of high land prices was to push up construction costs and by 1968 the average cost of council building by the G.L.C. was £6,560 a dwelling.

(NEW YORK TIMES) March 1st, 1970

One Fifth Avenue tract for example, sold in 1852 for \$3,000. It was resold for \$4,500 the following year, just before the parksite was authorised, and within another year for \$10,000. The property commanded four times that amount in 1857, as the first trees were being planted in the park. In 1869, the park was considered completed, and William H. Vanderbilt tried, unsuccessfully, to buy the Fifth Avenue property for \$1,250,000, an increase of more than 41,600 per cent in seventeen years.

TOKYO HOUSING (Land & Liberty March-April 1970)

With the increasing affluence of the Japanese, Tokyo land prices have soared to a level comparable with London or Manhattan, says "The Financial Times." A very modest house site, in the outlying suburbs costs a minimum of 10 million yen or around £11,500 and prices are rising at the rate of 15 to 20 per cent a year.

LAND PROFITS IN WEST GERMANY (Hanover Land & Liberty May-June 1970)

In the Deutschen Bundestag (parliament in Bonn) there is in discussion the draft of a Bill for the renewal of towns. During this discussion it was stated that since 1945 in West Germany the owners of land have, due to the increase in the value of land, reaped an unearned profit of about 100 billion German Marks. The owners have reaped this harvest entirely as a result of their position as land-monopolists.

In recent years I have published this figure again and again which is specially relevant because during the same period housing subsidies paid for by the West German taxpayer have also amounted to 100 billion Marks. This adds point to the statement made in Parliament to the effect that substantial parts of the unearned profits that have gone to the land-owners have indirectly been paid for by the taxpayer.

GUSTAV BOHNSACK.

THE PRESS, PROPAGANDA, MASS MEDIA

Possibly the greatest difficulty in securing political reform is the power of the Press and modern methods of influencing public opinion. This problem, which has plagued society for years, is becoming steadily more important and difficult to resolve.

One State of the Commonwealth has devoted a part of the school curriculum to teaching young people how to resist mass media. It is claimed by journalists that in order to sell newspapers, these must feature sensation, crime, sex and whatever may be expected to attract public attention from time to time. It is assumed that the great majority of readers have low moral and cultural standards, and newspapers must be produced accordingly in order to sell in competition.

Whether the assumption is correct or not, it is certainly being achieved by continual confrontation and presentation of the seamy side of life.

Space required for sensation and advertising is at a premium. For this reason and in support of their policies, newspapers seldom accept serious contributions likely to improve political and social standards.

Newspapers claim that the "free" press is the bastion of democracy and the power they yield must therefore remain unchallenged.

The Labour Party claims that it does not receive impartial treatment from the Press, and many supporters would like to institute a measure of Government control.

It is certainly true that monopolies should be subject to Government control and the power to influence propaganda is undoubtedly a form of monopoly.

The problem is that party politics (in the absence of democratic electoral machinery) has become a gigantic game for the control of people, among rival monopolies, and it would be even more dangerous to entrust the power over mass media propaganda to party politics than to tolerate present conditions; witness the effect of Dr. Goebbels and his ministry of propaganda in pre-war Germany. Consider also the recurring election promises with which political parties insult the intelligence of the people at election time. Promises to spend in the order of \$100,000,000 of taxpayers' money to influence electors and gain power are common practice in the federal sphere in this country.

The truth is that the problem is not capable of solution except as a secondary effect arising from our reform proposals. There are too many people in receipt of substantial monopoly incomes, based primarily on land ownership, with surplus funds available. It is normal for those in receipt of unearned wealth to seek power both for the love of power and in order to ensure the continuance of privilege.

The new tax-free society that we seek to build must be pioneered without the support of the Press; indeed the strongest opposition must be expected.

Once established however, on a basis of the sanctity of private property, special privilege for none and the acquisition of wealth from honest effort, made so easy that men would in time cease to struggle for power over their fellow men. During the interim period, perhaps some charter could be established under the control of an independent panel of respected citizens. The establishment of such a panel would, however, be very difficult at present, if not impossible.

The Government of Malaysia, recognising the enormous political power of the Press, has provided that an editor may not hold office for more than three consecutive years; a drastic condition no doubt, but the problem is little short of desperate.

An editor, realising that his term was of limited duration, might be more inclined to realistic and courageous leadership, and less inhibited by his office; also, a greater variety of thought should result.

Daily newspapers could be required to operate under a charter, one of the conditions being that, say, 10 per cent of all news space should be devoted without editorial censorship, to an expression of views by the people.

THE DEMOCRATIC FRANCHISE

(Government by the people, all the people all the time)

Nature endows some people with special ability, others with dedicated purpose.

The people most useful to society are those who will make personal sacrifices in the interests of the common good.

These people are always in a minority and, therefore, cannot be elected to office for the service of society except by a method of election which secures representation of as many groups or schools of thought as possible.

This is called Proportional Representation and most nearly conforms with democratic principles of any electoral system yet devised.

Single member electorates have been in vogue for many years and have produced two powerful parties—the Government and the Opposition. Electors have learned from experience that to vote for a man of independent thought, no matter how good his qualifications, is to waste a vote and disfranchise themselves.

"First Past the Post" counting of votes as in England has destroyed the concept of democracy and been largely responsible for the decline of the British Empire. Free thinkers and the best brains have been excluded from representation in Parliament for several generations. The British Liberal Party has been virtually annihilated.

Preferential voting used in Australia is fair within the electorate, enabling the elector to exercise a second choice should his primary vote be ineffective; however, it does nothing to resolve the evils of Party Government.

Space will not permit of a detailed description of the different methods of conducting elections. Results may be assessed as follows:

SINGLE MEMBER ELECTORATES

(a) "First Past the Post" method

with 2 candidates up to 49 per cent can be disfranchised
with 3 candidates up to 66 per cent can be disfranchised
with 4 candidates up to 74 per cent can be disfranchised

(b) PREFERENTIAL COUNTING

with 2 candidates up to 49 per cent can be disfranchised
with 3 candidates up to 34 per cent can be disfranchised

When the whole Parliament is considered due to the different number of votes in electorates, it often happens that a minority Government is elected as in Queensland at the last State election. This possibility is increased by Gerrymandered electorates — plural voting, inaccurate rolls, mass media propaganda and the power of money.

MULTI-MEMBER ELECTORATES

Proportional Representation

In a 7 member electorate only about 12 per cent can be disfranchised.
In a 9 member electorate only about 10 per cent can be disfranchised.
In a 11 member electorate only about 8 per cent can be disfranchised.

Most important of all is that better candidates are elected under Proportional Representation. Government is by co-operation and conciliation and autocratic domination by a powerful or wealthy organisation is much more difficult. In Switzerland, not only Parliament but also Cabinet is elected by Proportional Rep-

THE DEMOCRATIC FRANCHISE

resentation. There is no "Party" Government to fall and no "Party" opposition to impede progress.

In single member electorates, particularly under the "First Past the Post" system, votes do not have the same value. For example—British House of Commons election 1945, it took:

29,000 votes to elect each Labour candidate.
47,000 votes to elect each Conservative candidate.
190,000 votes to elect each Liberal candidate.
One Labour vote is seen to equal six Liberal votes.

In the 1964 British Election, Labour and Conservative votes were of about equal value but were each worth about nine Liberal votes.

In the 1969 Election, excluding Scotland and Wales, the result was even worse. It took—

923,000 votes to elect each Liberal member.
50,000 votes to elect each Labour member.
38,000 votes to elect each Conservative member.

With such a farcical method of electing its Parliament, it is manifestly absurd to refer to England as a democratic country.

It is alarming to note that the British system is being advocated in Australia by a major political party.

If the British "First past the post system" had been in use in Germany, Hitler would have been elected to power in 1933.

The steel industry in Britain was nationalised by a Party which, with 48 per cent of the votes, secured 62 per cent of the seats.

Under two Party Government, a vote cast for one Party obliges the elector to endorse all its policy, three-quarters of which, he may disapprove. His only alternative is to vote for the Opposition, but nine-tenths of its policy he may disapprove.

The best brains of the party often lose their seats with single member electorates.

Under Proportional Representation, instead of facing the dilemma of being forced to vote for a Party which he thoroughly disapproves, the elector has the free selection of, say, nine candidates at least one of which is likely to represent his views.

The ultimate effect of democratic representation would be to restore interest in politics.

The elector realises that he is made a fool of by the two-party system and endeavours to retain his self-respect by taking little or no interest in politics.

The people should be consulted frequently by referendum. This also would revive interest in politics which today is at an all-time low.

How many years is it since the electors of this country have been consulted, except for the purpose of conferring more power on the Federal Parliament?

Proportional Representation is used in Eire, British Universities, Tasmania, Australian Senate and in Western Europe (partly) except in France, Spain and Portugal.

Due to the wonder of technology which has almost overcome time and space, the world was recently described as one vast electorate. Single member electorates were, perhaps, necessary to the horse and buggy age when trade was nearly free, land was cheap, taxation a scourge of the future, and life was simple.

In this age of computers and complexity we can no longer afford the choice of but two parties, each with blanket policies not to our liking, dominated by pressure groups and which make extravagant promises at election time to be honoured, if at all, at our expense, and are silent on matters of important policy.

The pre-selected "faceless men", a product of the two party system who dare not get out of step, we have come to accept as a substitute for statesmen without realising there is an alternative in Proportional Representation.

DEFENCE AND WORLD PROBLEMS

In view of the rapidly-expanding world population, starvation levels of subsistence, and the enormous food production potential of this country, Australia has but a relatively short time to increase its population to a safe level, capable of adequate defence. The greatest difficulties in attracting migrants are:

1. The prohibitive price of land.
2. The level of taxation (about the highest in the world).
3. Tariff policies which prevent the import of goods and materials required for development (protective tariffs in peace-time have the same effect as blockading Navies in time of war).

Our proposals would remove the barrier to adequate defence, enormously expand production, and raise living standards, enable us to assist the impoverished countries to improve their living standards instead of restricting food production to starvation levels of demand, and above all, establish firm friendships with our neighbours in other countries.

Cordell Hull, a former Secretary of State in the United States of America, said: "If goods do not pass frontiers, armies will".

EDUCATION — Emancipated Not Free

Education for the sake of acquiring knowledge is not necessarily good unless such knowledge is used to good purpose.

Education without justice is cruel and worthless, making men and women conscious of the birthright to which they cannot hope to attain and therefore promotes unhappiness.

The basic purpose of much of our "education system" is to memorise in order to graduate in order to make money. This is not education. It is the acquisition of knowledge for commercial purposes.

Real education is to learn to become wise and to act accordingly. To dedicate one's life to some purpose for the common good.

With many people, education commences after leaving school; with others, it hardly begins at all.

One thing is certain, uniformity in all but the basic vehicles of transmission, to spell, to read, to calculate, to use common codes and symbols, is bad. The greatness of England was built on the variety and diversity of her schoolmasters typified by the legend of Mr. Chipps largely uninhibited by the State.

All this has been superseded with consequences that are now quite discernible.

Governments progressively should recede from the field of education other than to ensure that good service is available to all.

This goal is not possible within the social conditions we are seeking to change.

With justice for all, privilege to none and relief from the crushing burden of taxation the monotonous uniformity that passes for education today, would gradually disappear. People would make their own arrangements with private schools competing to offer better service and conditions.

Only the children of social derelicts and the unfortunate need be the concern of the State; even these could be drafted at public expense to private colleges.

Few people value the services they think may be had for nothing and with taxation adjusted as we propose, all would be able to afford the kind of Education desired.

State subsidisation of private schools and colleges is wrong in principle, often involving the State in the support of sectarian institutions in proportion to the political power exercised.

EDUCATION (EMANCIPATED NOT FREE)

The State cannot teach on contentious issues involving moral principles and must necessarily remain silent. As a result, students do not learn to distinguish right from wrong and more tragic still develop no firm belief in anything.

Universities throughout the country in common with the Church, have acquired extensive investments in land and in consequence, the enormous unearned increment arising from land ownership. The University of Western Australia is perhaps the largest land holder in the State.

While it might be desirable for monopoly income to be used to good purpose, it is certainly not desirable that a vested interest should be acquired by an institution of learning that could stand to gain from the perpetuation of great injustice. The Faculty of Economics is particularly embarrassed by this situation and seems unable to give leadership on the great moral issue of land monopoly that the people have a right to expect.

Our proposals would, in time, free the institutions of learning from the inhibiting influences under reference and provide adequate finance from a free and affluent society.

Above all, character and variety would be restored to education without which the greatest heights of endeavour can never be obtained.

The Institutions of Science and Technology do not suffer to the same extent as the field of Art and General Education. The latter, therefore, should receive prior attention.

The foregoing proposals would be quite impracticable without the basic reform of land rent for revenue in lieu of taxation as would indeed, any attempt to regenerate the art of Government and halt the alarming drift from Christian standards of justice and right doing.

Greater opportunities for part-time employment would assist the hard-working student and rewards would be to the industrious rather than to the children of the wealthy. At the same time, the great financial strain on parents would be unnecessary. Students able to finance their own tertiary education would develop the satisfaction of achievement and responsibility so necessary in all professional practice.

THE CHURCH

Perhaps the greatest tragedy arising from modern politics is the effect on Religious Institutions, endeavouring to perform their proper function of spiritual and moral education and leadership in a society in which—

1. Nearly all methods of taxation violate the right of property and, therefore, the Commandment "Thou Shalt Not Steal" since there is no recognised principle of service in return for taxation.
2. The greatest rewards go to speculators and monopolists who render no service in return. The Biblical injunction: "In the sweat of Thy brow shall thou eat bread" infers that it is immoral for some men to live at the expense of their neighbour's effort.
3. There is scant respect for the authority of Government or hope of political justice.
4. It is foolish and unrealistic to expect that the morality of the people should be of a higher standard than the morality of Governments.
5. Powerful pressure groups are able to influence Governments to the disadvantage of rural communities, independent people and those unable to exert coercive influence.
6. Blind reaction against injustice results in extravagant behaviour, the breaking down of moral standards, the decline of culture and the substitution of sensational "kicks" for the genuine satisfactions which ought to come from serving the neighbour, cultivation of beauty, the arts and an orderly prosperous society.
7. Reaction is not only against the Government, but also against the Church because of failure to take its traditional stand against immorality in politics; also against society in general because of its supine acceptance of a decadent Church and State.
8. The Church having alienated itself from the free-will support of the people has turned to the pursuit of income from speculation and monopoly and therefore, developed a vested interest in perpetuation of the unchristian practices under reference.

Some sections of the Church have become wealthy, almost beyond belief and therefore, independent of popular financial support. Speculative investments in land are more attractive to an institution than to an individual who must look for rewards in an active life span.

The rehabilitation of the Church as a virile institution with a special function in moral leadership, is virtually impossible without the basic reforms proposed. In turn, the regeneration of society, the family and indeed, the individual is equally difficult without the spiritual and moral leadership of the Church.

The foregoing does not mean that the Church should become involved in the intricacies and intrigues of party politics as we know them today. It must, however, give clear and definite leadership on issues involving basic christian principles and work for the day when party politics can give place to the true functions of Government in which the Church and the State shall be as one, in which every issue shall be decided on a Christian premise.

In the meantime, the Church should exhort its adherents to action and give definition to Christian principles—"Thou Shalt Not Steal", "Thou Shalt Not Remove Thy Neighbour's Landmark", "Thou Shalt Love Thy Neighbour as Thyself", "Thou Shalt Not Kill", including the slower process of driving people by political injustice to acts of desperation and from the effects of poverty and malnutrition. As an English Bishop once said: "The Church has been too long engaged in picking up the wounded in the battle of life, in applying medicines and staunching wounds when it ought to have been thundering at the gates of tyranny".

The laws governing the distribution of wealth are inseparable from morality because equity and justice are involved. It will be seen under Section 32—The Science of Political Economy, that every increase in population, every advance in

THE CHURCH

Science and Technology, every improvement in manners and morals, raises rent and depresses wages as a proportion of production.

A more orderly society endowed with Christian virtues can decrease its Police Force, its Prisons, its Courts, its Militia, etc.

People so released from duties relating to preservation of order, will join the ranks of those competing to use land and therefore raise its rental value and the rewards of monopoly.

Under present conditions, it must be a disturbing and sobering thought to those of the clergy who are aware that the more successful they are in promoting the Christian virtues (excluding the just relationship of social man to the earth), the greater will be the extremes of involuntary poverty and unearned riches and therefore the need of alms.

The United States has developed a more specialised society than in other parts of the world and resulting problems are often discernible in advance. To look into the future, therefore, we have but to see what is happening now in America. Extracts from an article entitled "Review and Reflection", by Robert Clancy, is printed here for this purpose:

"There is a growing longing on the part of many Americans for getting away from it all, dropping out of the rat-race—"copping out", as the saying goes. Hustling for the buck does not seem as glamorous as it once did.

Large cities which are supposed to be the acme of civilisation are instead becoming the "acne" of civilisation. Rent, taxes, crime and pollution are causing middle-class people to flee in great numbers from the cities, leaving the field to depressed minorities. Unless some reversal takes place, the future of our cities is dismal indeed.

There is increasing talk—and action—not only about getting out of the cities, but getting out of the country altogether and finding some other spot in the world to live.

The youth rebellion seems to be a large-scale rejection of traditional values—a rebellion to which older people do not have an adequate response as they do not really believe the things they preach to youngsters. The relaxation of moral standards has affected all ages and it is said that the patrons of pornographic literature, plays and motion pictures are mostly middle-aged people.

The traditional faiths are in decline, and despite earnest efforts on the part of many clergymen to make their religion "relevant", most people are not buying it. Unfortunately, they are not looking for application of religion to solving today's world problems, but rather for an escape from these oppressive problems. The kinds of cults that are burgeoning are those that offer a haven away from the harsh realities. Old Eastern disciplines that look for private inner release, such as Yoga and Buddhism, are finding Western adepts in increasing numbers. Bizarre new cults are also flourishing. There has even been a revival of witchcraft, magic, fortune-telling, astrology and the like. These anti-rational and "dark age" tendencies bespeak a large-scale escapism.

One of the most devastating of today's "cop-outs" is the growing addiction to drugs. Formerly the drugs and nostrums that were popular were the kind that braced one for facing the world—"pep pills", stimulants etc. Nowadays, drugs are taken for escape, for fantasy experiences and "trips" as a substitute for enjoyments denied by the real world, especially to victims of poverty. Of course, there is a terrible price that must be paid for this illusory and fleeting pleasure—a financial, medical and social price.

An addict has to pay exorbitant prices for his "fix", in addition to suffering mental and physical deterioration. His payments enrich the criminal element and he usually becomes a criminal himself—for it is virtually impossible to earn the funds needed to keep him in drugs.

Crime in New York and other cities has risen steeply within the past decade and the main reason cited is drug addiction. The desperation of addicts has made streets unsafe, not only at night, but even in the day. This only adds to the unattractiveness and further decline of the city.

If it is not too late to prevent this, it is high time for fundamental, social and economic analysis and radical (root) reform".

THE TRADE UNION MOVEMENT

Due to the mining boom, Trade Unionism in Australia, under conditions of full employment, has become almost an anachronism serving neither the worker or the community. This is not to underrate the great work done by the early pioneers of the movement.

The law of supply and demand under free conditions fixes fair wages. Exploitation is impossible unless there is unemployment caused by land monopoly. Wage earners are free to sell their labour in the highest market, therefore, strike action cannot be justified.

In sponsoring the cause of powerful unions at the expense of the public particularly the farming community which suffers most, trade unionism in some instances has become almost social piracy with the strong preying on the weak and defenceless.

Trade Union leaders are strangely silent on the subject of land monopoly, which is the greatest single and basic cause of exploitation.

Trade Union policy today is achieving only an inflationary cycle of wages chasing prices, but never quite catching up, with people on fixed incomes getting hurt and enormous loss of production due to strikes and disruption causing widespread hardship.

There is no basic conflict between capital and labour. When the earnings of capital are high, real wages are also high and vice versa. (See Section 32).

The strike is an outmoded weapon, about as useful today as the hammer and chisel in automated industry. Trade Unionists and Employers should combine to face the institution of land monopoly now robbing both the worker and the capitalist; not to mention the multiplicity of legislative privileges to preferred groups and people, originally enacted to counter the basic evil, but now achieving only a demand for further patchwork legislation and with regimentation and economic waste at every turn.

With taxation and land monopoly abolished; and with land rent substituted for revenue, there would be such demand for labour at steadily rising real wages that industrial agitators will be recognised as social pests and the enemies of honest workers.

The mining boom will pass, unemployment and depressed working conditions will return. Even now in the United States, unemployment has reached proportions comparable with the great depression of the thirties, as high as 11 per cent in some industries and with 9 per cent of the Negro labour force out of work, despite or because of rigid Trade Union conditions.

The labour movement has the voting power, all it needs is the confidence of the working man. This can be achieved so easily by facing squarely the basic evils of taxation and land monopoly. The problems of unemployment and low wages then will be resolved for all time without the senseless conflict between capital and labour.

FEDERAL STATE RELATIONS

Australians have become accustomed to the mendicant condition of State Governments always short of finance for essential development and an affluent Federal Government continually encroaching on the preserves of the States and with the legal power to assert its authority.

The truth is that the Australian Continent is too large for a centralised form of Government and administration too remote from the people.

Most of the taxes we would abolish, are under Federal Government control.

The Land Tax or land lease rental should continue to be administered by the States.

A central valuation department would be necessary to ensure that all valuations are uniform and up-to-date. The collection agency would be the local Shire or City Council which is geared for this purpose.

The taxpayer would receive one assessment covering all local, State and Federal revenue.

By agreement between the States a proportion of the revenue would be transferred to the Federal Government for its essential requirements; self-supporting services such as the Post Office, would continue to function as at present. Many other Federal activities which often overlap State services would become redundant under our proposals, with enormous savings to the taxpayers.

With financial autonomy returned to the States under closer relationship with the people, another milestone would be passed on the long road back to democratic Government.

Sir Henry Parkes established a Federation of Sovereign States linked by a Constitution protecting their rights. The cost was budgeted not to exceed \$1,000,000 per annum.

The effects of two World Wars, a depression, the growth of socialism and bad Government generally has all but destroyed the original concept of federation. The remnant hangs precariously on Section 92 of the Constitution.

With the taxation problem resolved as we propose, State control of finance would enable the Federal Parliamentary system to be restored to its proper function.

During the transition period the cost of defence would be financed from one of the least obnoxious forms of taxation.

As there would be no involuntary poverty with the elimination of land monopoly, the fairest method would seem to be a uniform percentage tax on personal incomes.

It is consistent with our principles temporarily to make this one exception because military expenditure adds nothing to the value of land as do transport services and all other proper functions of Government.

It is also true that the landholder has most to lose from an invasion since all improvements which are his legitimate property are impressed on the land and the land therefore should be worth the cost of its defence.

The use value of land would expand enormously as our proposals are implemented and eventually defence expenditure should be met from the land rent fund.

In the event of full-scale warfare, however, all consideration of equity disappear. Human life cannot be measured in terms of property. The total resources of the nation should be available to defeat the enemy. (See also Section 33).

THE LAW, THE GOVERNMENT AND THE CIVIL SERVICE

The proper function of Government is:

1. The management of the peoples estate—the land which is the birthright of the living and the heritage of posterity.
The land must be managed and developed to preserve its quality and utility to serve expanding populations of the future.
The preservation of equity in the land as between all people, is the prime responsibility of Government.
Land rent revenue by leasehold or by collection of the site value of freehold land is the only means of securing equal justice for all.
Those people or industries which require valuable land would compensate all others. Each would contribute to revenue in exact proportion to the use value of the land occupied.
The capital value and future speculative value of land progressively would disappear to the extent that land rent were to be collected in lieu of taxation.
2. The preservation of Law and Order.
3. The defence of the country.
4. The regulation of those industries which must of necessity function as monopolies not compatible with freedom of competition—
e.g. Road and Rail communications
Postal Services
Water, Sewerages and Electricity Services, etc.
5. It is not the function of Government to spend the taxpayers' funds in promoting one type of industry or discouraging another.
6. It is not the function of Government to interfere with the trading habits of the people by promoting or preventing free exchange of goods between nations or in pegging the value of currencies at artificial levels.
7. Much modern legislation is outside the proper functions of Government favouring this or that pressure group, creating problems which necessitate further patchwork legislation and so on. Countless centuries of grinding out legislation of this kind in Britain has destroyed the whole balance of the economy. At the present time, the nation cannot even find the legal talent able to interpret much of its legislation. We are speedily approaching the same situation in Australia.

The Civil Service expanding at the rate of some 2000 people a month is reaching mammoth proportions and rapidly tending to the stage at which parliamentary control can no longer be exercised efficiently.

Extracting taxes by costly indirect methods, inflating the currency to counter the ill-effects of taxation, promoting trade with missions and delegations, destroying trade with tariffs and embargos, extending assistance in all directions to those caught in the web of land speculation. These are but some of the activities of modern Government that would become redundant.

There can be no real satisfaction to many Government employees endeavouring to give honest service under such conditions often lacking consistent direction and subject to the whims and caprices of party politics.

Only one thing is certain if present trends continue, the machine will always become larger, more difficult to control and a greater burden on taxpayers.

The enormous opportunities inherited in a free economy would secure to each the full rewards of his or her labour in creative development, self-employed, a valued employee in some worthwhile enterprise, or a respected member of the Civil Service restored to its necessary and proper functions.

THE PROSPECTIVE HOME OWNER AND LAND SPECULATION

Probably the most disgraceful and heart-rending feature of the nation's economy is the plight of young couples seeking to start a home. Land gambling could today be described as Australia's national sport, eclipsing horse racing in respect of which the odds are heavily against the horse punter, whereas, it is almost impossible, except in the most reckless cases for the land punter to lose in a rapidly-expanding country.

The new concept of Town Planning and Zoning has resulted in an enormous increase in the value of land so affected. Rezoning from rural to urban use has given rise to the mushroom growth of land development syndicates which buy huge tracts of land on the fringe of the metropolis at rural prices, apply for urban rezoning, which the Minister must grant in order to satisfy demand, subdivide and sell at enormous profits. The problem which affects the whole economy is so serious that urgent and radical measures are necessary. The following is proposed:

1. At the time of rezoning land for urban development, it should be resumed by the State through the agency of a Land Commission at fair valuation prior to rezoning together with reasonable compensation for improvements, plus a disability allowance as applicable.
2. The land should then be revalued after rezoning at urban prices.
3. The land should be offered to the previous owner, who would have first refusal at the new valuation—
 - (a) As freehold land
 - (b) As leasehold land
4. If the previous owner is not interested, the land should then be offered to the public on the same terms.

The advantage of this proposal is that it would become known in advance that there is no profit to be made from speculating in land likely to be rezoned. With this certain knowledge, together with the effect of an increase in land tax, i.e., the cost of withholding land from use, there could be no further interest in acquiring and holding huge parcels of land in the path of progress.

It would be necessary to provide that resumption and reselling to the previous owner should be a matter of formality for the purpose of establishing the equities involved, and that stamp duty and legal transfer costs should not apply.

It is most likely that the leasehold arrangement would become popular for the following reasons:

1. The owner would receive a substantial lump sum payment which, if a genuine developer was involved, would pay substantially for the cost of housing to be erected.
2. The leasee would be able to finance the erection of a dwelling at about two-thirds of the cost that would apply if freehold land were involved. It is assumed that the developer would subdivide, construct the housing improvements and transfer the due portion of the lease to the individual purchaser who would own the building and lease the land. In some cases, it might well be that the development company would retain the land lease and rent rather than sell the dwelling to a tenant occupier.

The erection of dwellings for rent has been unpopular for many years because investors could not compete with the Housing Commission. The Commission, however, is not meeting requirements and there is some resurgence of dwellings being built for letting by private enterprise. It should be noted in this

THE PROSPECTIVE HOME OWNER AND LAND SPECULATOR

regard, that rentals are higher than those charged by the Commission. We therefore have a dual price structure in the house rental business.

Building investors are mostly concentrating on flats; because the Housing Commission is not so active in this field, profits are higher. It is an anomaly that in a country which has the largest land area and the smallest population per acre, many people cannot be accommodated in cottages and must live tier on tier in tall buildings in cities which, increasingly, are becoming over-crowded and traffic-congested.

Leasehold tenure would be of particular value to young couples.

It must be emphasised that relief from other forms of taxation is an essential part of this proposal.

The merits of leasehold land tenure is steadily gaining recognition and has been recommended by Mr. Justice Else Mitchell, a Judge of the Supreme Court of New South Wales. Professor Dennis Winston, of Sydney and Mr. J. M. Pullen, Department of Adult Education, University of Sydney and, quite recently by Mr. Ronald Gilling, President of the Royal Australian Institute of Architects.

From 35 to 45 per cent of the cost of a modest home is for land value.

Interest rates have increased substantially because of the extra demand for finance required to finance land purchase.

NOTE: The proposal to protect the people from exploitation made possible because of Town Planning zoning regulations, is partly a transition measure. Because of the enormous and sudden increase in value of rezoned land, however, and the slower effect of land value taxation in preventing the rise of speculative value, the Land Commission should become a permanent statutory body.

UNIVERSITIES AND POLITICAL SCIENCE

Our Universities are the seat of the highest standard of Academic education in the land.

If there is anything wrong with the economy of the nation, we should be entitled to seek a solution from the Faculty of Economics, yet it is well known from experience that such an exercise would be fruitless.

In dealing with the physical sciences—Engineering, Agriculture, Chemistry, etc., results have been nothing short of spectacular; the fault, therefore, cannot be with the calibre of students or the ability of Professors—what then?

McCaulay has well said, that if any large pecuniary interest were concerned in denying the attraction of gravitation that most obvious of physical facts would not lack disputers. The man who is, or imagines that he is interested in the maintenance of a protective tariff may accept all your professors choose to tell him about the composition of the sun or the evolution of the species but no matter how clearly you demonstrate the wasteful inutility of hampering commerce, he will not be convinced.

What then must be the opposition which inevitably meets a science which deals with tariffs and subsidies, with bonded debts, with trade unions and combinations of capital, with taxes, licences and land tenure? It is not ignorance alone that offers opposition, but ignorance backed by self-interest and made fierce by passions.

How much more difficult then must be the problem with the central institutions of learning when its finances are endowed by party Government and by bequests from the wealthy, when its Senate includes the appointees of privileges and power.

The only possible solution is the establishment of self-supporting independent Universities freed not only from political control, but also from all other forms of influence. An impossible task in present-day society? Extremely difficult undoubtedly, but by no means impossible within the scope of changes we propose. It will be found upon examination that nearly all the influences inhibiting freedom of thought arise from the corruption bred from the present tax structure. Not only would the independent university become a possibility arising as a pinnacle from the tax-free society we propose, but unfettered institutions of learning would then continue to grow from natural causes.

By one means or another, the Abstract Sciences and the Arts section must be liberated, that is, separated from the Physical Faculties and launched with sufficient funds and an independent constitution. The proposals we advocate need the services of the School of Economics to the same extent that the University needs our policy if it is to serve the Nation with independent research and leadership.

The University of Western Australia is one of the three largest land owners in the State; it therefore has a vested interest in perpetuation of present conditions. This is clearly an untenable situation. Riots and destruction of property by students throughout Australia indicate that there is no basic respect for property and that rightful property is confused with the gains of monopoly. Current economics do not uphold the right of property; no principles are taught or limits set to the confiscation of private property by taxation. It would appear to be unknown that land values are community created and therefore the rightful property and natural revenue of the Nation. Few people appreciate what they get for nothing; therefore students cannot be expected to realise the terrific advantages of a University education. Courses should be altered to provide for

UNIVERSITIES AND POLITICAL SCIENCE

part-time study and part-time work as in the U.S.A. This would enable students to support themselves and pay appropriate fees, with the added advantage of gaining practical experience, learning the value of labour and capital and respect for property.

Top-level staff appointments should be by contract or for life as with the Judiciary to ensure independence.

Candidates for election to the Senate should publicly disclose their private interests and investments, and appointments should not be made to those in respect of income, derived from sources inimical to the interests of the Nation.

Donations should be strictly anonymous during the donors life-time, otherwise not accepted.

Most important of all, chairs of "classical" Economics and Political Science should be established as distinct from the present chairs of "Empirical Economics". The latter more properly should be attached to Commerce and Industry which is served with statistical information and physical scientific research.

THE WORKING MAN

Workers are defined as follows: All who by hand or brain produce goods or render service, including those who have nothing but their labour to sell in exchange for a living.

All taxation ultimately is paid by working men and women. A man whose income is derived from monopoly cannot pay taxes unless these are first extorted, by some form of legal privilege, from those who work.

At least one quarter of the worker's income is confiscated by taxes direct and indirect. The annual average saving by the remission of taxes which violate human rights would be in the order of \$1000 on modest incomes, i.e., \$40,000 in a working life of 40 years.

In addition, a large share of the worker's income is paid as tribute through inflated prices and charges to those who enjoy some form of privilege conferred by bad legislation.

Land rent on a suburban home would vary according to locality. Select inner suburbs could pay as much as \$1000 p.a. and as little as \$10 p.a. in outer marginal areas. This is the only contribution which a working man should make to public revenue. The net reduction in taxes after providing for land rent revenue would average not less than 50 per cent.

The price of mass-produced goods would fall dramatically with removal of the friction, caused by taxation on the industrial machine.

The capital price of home sites ultimately would disappear and with it the burden of interest which, over a period, often exceeds the purchase price. "Pay as you earn" land rent does not involve the payment of interest.

Because of the enormous amount of capital that would be released from monopoly and speculative investment and thus available for commerce, hire purchase interest rates would fall substantially and the need to borrow progressively decline.

Real wages would rise enormously. Mothers of young children would have no need to abandon the home to support the family income.

The senseless conflict between capital and labour engendered by misguided union officials would cease. Employers and workers have a common interest (both are workers). The real enemy of the working class is land monopoly and the power of privilege arising from bad government; the power to live without working at the expense of others.

THE SMALL BUSINESSMAN

There is a hard road ahead for small independent business or industry in the present order.

It is extremely difficult for small scale enterprise to provide the costly taxation collection procedures and other onerous requirements.

It is difficult for small industry to finance modern equipment.

There is a steady process of elimination of small industry in all its forms:

- Some become uneconomic and cease to function
- Some are absorbed by take-over bids
- Some do well due to long hours of work by the principal and the ability to avoid some measure of taxation because of personal control
- Some survive under the patronage of larger concerns
- Some by accepting low standards of remuneration.

The small independent businessman represents the most progressive and responsible section of the community and has been the backbone of social progress in most countries. He is the modern counterpart of the yeoman farmer in Medieval England. One of the first acts of Hitler was to eliminate the small farmer and the small trader. These people never assimilate in authoritarian Government.

In common with all those on middle class incomes, the small trader is within the group hardest hit by taxation which, in Australia, is probably the highest in the world.

There is everything to be gained and nothing to be lost by the proposed progressive elimination of taxation and the regimentation of paternal Governments.

Pay as you earn land rent for revenue in lieu of taxation would greatly benefit the small independent businessman whatever be his form of industry and the preservation of his class from progressive extinction, enormously enrich the nation.

THE INDUSTRIALIST

Those engaged in industry would be better described as "honorary tax collectors" being obliged whether a profit is made or not, to act as agents for the Taxation Department.

One wonders if politicians realise the problems created by the obligation to collect and keep records in respect of Sales Tax, Pay Roll Tax, Employees Group Tax and then hand over nearly half the profits as Company Tax.

The small private companies are plagued with undistributed profits tax levied to ensure that the maximum personal income tax will eventually reach the Treasury.

Public Companies have another set of problems which increase overheads and harass executives.

Production costs also are inflated by Customs Duty, Excise, vehicle licenses, special taxes on transport, local rates, licenses, permits and registrations too complex for detailed examination.

Provision has to be made for expansion.

In order to beat the speculator, land must be acquired years in advance and funds locked up in this way increase the problems of business finance.

Increased recourse to borrowing usually results.

If trading losses are incurred, the industrialist must bear such losses. If profits result, a large proportion is handed over to the Government.

Fabian Socialism is completely outmoded by "Liberal" tax-socialism now imposed on industry.

Demands from innumerable charities and collection agencies must be met or parried.

In order to protect his company from the effect of legislative privileges granted to monopolies and from pressure groups, the cost of organised protection is necessary through employers organisations, etc.

Competition on world markets is quite impossible for most industries under such adverse conditions.

High costs of complicated accounting procedures and legal protection are necessary because of Government interference with industry at almost every level. These must be a charge against production costs.

The foregoing burdens could be eliminated by a change in taxation policy.

All taxes and impositions which bear on industry should progressively be eliminated and replaced by a simple annual rental on the value of land.

Were it not for the enormous advances made in office mechanisation and industrial technology, it would not be possible for the Government to make such repressive demands on industry to comply. It is therefore apparent that almost the whole of such advances are absorbed by the bureaucratic machine.

Because of the inflated demands for finance to support the more lucrative forms of speculative investment, productive industry must pay high interest rates in order to attract the necessary capital.

Under our proposals, the trend of steadily rising costs would be reversed and the enormous markets of the world opened to Australian industry.

Secondary industry, now a burden on the rural community, could become its greatest support and, in turn, also reap great benefit from a thriving and prosperous countryside.

THE FARMER

The farmer must sell his product on world markets for static or falling returns while his costs are continually increased by taxation, steadily rising prices and inflation of not less than 3 per cent per annum.

These disadvantages are recognised by Governments and by way of compensation, the farming industry is "blessed" by a range of tax concessions.

The benefits, however, have misfired and attracted a class of wealthy professional (St. George's Terrace) farmers forcing up land prices, glutting markets and offering unfair competition to the genuine farmer.

Land ownership is recognised as the most effective security against inflation.

As a result, there is an unnatural demand for land and prices are forced up to a point where farming does not pay the producer, but does pay the tax dodger.

Increasing rates and taxes following high land valuations are an added burden to the primary producer.

The working farmer, with no other source of income progressively is being forced off his land and often obliged to sell out to the investment farmer who alone can afford to gamble with rural properties under present conditions.

Many young men, without wealthy parents, the counterparts of the early pioneers who developed this country, are now effectively locked out from the farming industry, except as employees of rural investors.

All this would be changed.

With taxation and handouts to the politically-favoured abolished, the farmer's costs would fall enormously.

With land speculation no longer profitable, land would be available at payable prices, representing mainly improvement value, to bona fide users.

Annual land rental based on real and not speculative value would be far less than the snowballing effect of taxation, plus interest paid on inflated prices.

Capital released as land speculation came to a halt would be available to improve marketing facilities, research and the greater application of mechanical technology.

Dignity and confidence would be restored to rural industry, with farmers no longer a mendicant community relying on subsidies and concessions, young men educated to modern methods could be attracted back to the land.

The spectre of industrial unrest and inflation inseparable from the present tax system would disappear.

The present trend of rising costs and lower incomes would be reversed.

Recent demonstrations by farmers have drawn attention to the deplorable plight of rural industry, but the farmers, in common with economists and politicians, can offer no solution other than subsidies and low interest loans which are likely to have side effects and ultimately leave the farmer worse off than before.

Only a complete change of national policy with progressive implementation of our proposals can be of any avail.

THE FARMER

Farmers do not possess sufficient voting power to form an effective pressure group, even if they were united under a common policy.

In the past, farmers have resisted land value taxation believing, and with good reason, that rapacious governments would superimpose the land tax on top of the existing tax structure.

The real value of farm land is mostly improvement value and despite the vast areas, would attract only a fraction of the revenue applicable to the great centres of population.

The tariff alone has been responsible for adding to the rural blight to a very large extent. A frank exposure recently has been published by Mr. Don Maisey, M.P.

The post-war boom and high prices have made farmers careless of basic economic principles. In supporting the misguided tariff policies of Sir John McEwen, the farmer has contributed to sealing his own doom.

With adequate revenue available from land rent, accruing mainly from the densely populated areas, tariffs and other taxes could be abolished.

Population and secondary industry would be attracted to the low rent countryside and with this change would come many of the social amenities to make life for the rural community more enjoyable.

THE BUILDING INDUSTRY

There are more bankruptcies among builders than in any other industry.

The building industry is the first to react to credit restrictions which the Government applies from time to time in order to contain inflation arising from its own policy.

The building industry is directly based on land; access to cheap land under stable conditions, is its life-blood.

In 1940 home building land represented about one-eighth of the total cost; today it is nearer one-third. The necessity to borrow has increased; so also has the rate of interest. The builders' client often, in tight financial circumstances and in no position to deal generously, must be price-conscious first, with quality a second consideration.

In consequence, houses have become smaller with lower ceilings, verandas abolished and every possible economy introduced. Project home-builders, strong enough to buy land in advance of demand at rural prices, are doing very well; such prosperity, however, arises from land speculation rather than building activity.

The small spec builder who must buy land at subdivided urban prices, often excluded from land sales, is in recurring difficulties and is often forced to enter the general tendering field in which he is not fully experienced, increasing competition and bringing further trouble to the industry generally.

Bankruptcies among even the largest construction companies are not uncommon. Sometimes deficiencies in the order of \$1,000,000 occur, bringing further trouble to sub-contractors and suppliers.

This state of affairs is quite unnecessary and would rapidly disappear with leasehold land tenure or our alternative proposal that all revenue should be raised from the community created value of freehold land.

The additional prosperity created by the abolition of taxes which increase the cost of all forms of production and cause inflation would be such that real and lasting prosperity would result.

The nightmare of booms and depressions plaguing the building industry would be gone. Just as builders are most vulnerable to "stop and go" conditions, so they would benefit most from stability.

THE MINING INDUSTRY

The natural wealth of a country belongs to all people in perpetuity.

The winning of riches from the soil and the costly explorations necessary, however, are best left to private enterprise. The Government's role is to provide incentive and preserve equity in order to secure the maximum return to the people.

The Mining Act of W.A. has stood the test of time and served the gold mining industry well. It has indeed won world renown. Changes undoubtedly are necessary to suit the new conditions being experienced today. Such, however, should be carefully studied in the nation's interest before hasty decisions are made.

It is also important that the law should be enforced. A law which is difficult to enforce needs amendment. A law which cannot be enforced should be repealed.

New-found mineral wealth has resulted in fantastic increases in land values in surrounding areas and, indeed, throughout the State generally, greatly to the embarrassment of established mining and farming industry. The operational costs of services which the Government must provide also have risen steeply in consequence. Violent stock exchange fluctuations are symptoms which should not go unheeded.

Our proposals to substitute land rent for taxes would be of enormous benefit in reducing the cost of mining operations and in securing a just return to the community.

The mining industry newly developed in Western Australia, is "on top of the world". Nickel, aluminium and iron, have made a terrific impact on the economy of this country, coming at a time as if by act of providence when production costs in gold mining, farming and other export industries have been inflated to the point of insolvency in many cases.

Thousands of millions of dollars are being invested in the new ventures and long-term contracts are being written. In time inflation could be as disastrous to these new industries as to the export earners of the past. Only our proposals can cure inflation without causing depression and unemployment. It may seem pessimistic in the extreme to sound a note of warning today just as it would prior to World War I, in respect of wool and gold when these industries were flourishing and the backbone of the economy.

Looking to the future untold millions may be saved by heeding our timely warning.

Mineral exploration, once the preserve of the genuine professional prospector, is degenerating into a huge real estate gamble. Enormous tracts of land are being tied up. Mining rights and provisional reserves are granted often to people and syndicates without any previous interest or experience in mining and not to the original discoverer as provided by the law, but who know how to manipulate the law to their own advantage.

Most of the great discoveries of the past have been made by prospectors, who later negotiated development with the larger mining companies. Genuine prospectors are greatly handicapped under present conditions; the advent of air travel and modern motor transport has played into the hands of land speculators.

Fortunately, such inequities would be corrected by the substitution of land rent revenue for taxes; however, the greater the injustice which the law permits the more difficult will it be to break the power of monopoly.

Remedial action, therefore, is a matter of urgency.

So-called prospecting for iron ore is different to the search for gold. Iron is known to exist in vast quantities in many areas of the State.

THE MINING INDUSTRY

The potential wealth is enormous and should jealously be safeguarded on behalf, not only of the people, but of posterity.

The problem is not so much one of discovering but, of geological survey, technology and finance.

The application of legislation based on goldmining to the exploitation of iron ore is beginning to reveal great injustice and the conferring of enormous wealth on a fortunate few who have done little in exchange.

If all revenue were based on land value, the legalities governing the discovery and exploitation of our mineral wealth would be of lesser importance. Land valuations would automatically correct contract provisions of an over or under-generous nature.

The enormous land value arising from successful mining operations would accrue to the people.

The mining companies would be generously rewarded with no taxes penalising efficient operations or the risk of inflation sapping the profits from long-term contracts.

BANKING

The writer is not competent and space will not permit of a general resume of Banking policy and its effects on the economy. However, a few observations are pertinent:

INTERNAL POLICY

Levels of industrial development and employment are controlled fairly successfully by Central Bank policy.

Private banks are forced to deposit a substantial proportion of their funds with the Central Bank at very low interest rates.

Lending is tightly controlled; when inflation exceeds the prescribed limit, lending is restricted and the bank rate is increased.

By such means, major booms and depressions and serious unemployment are kept within bounds.

In general, this policy is successful, but, in particular, great hardship is inflicted on some people, often those most in need. Housing and industrial finance is restricted, but the land speculator, the cause of the trouble, is but slightly inconvenienced. Many operators have been able to amass such enormous fortunes during boom periods that they are well able to withstand minor recessions. Indeed, such people are even aided by hard times. The right time to buy land is when competition from the small fry is reduced and farmers are being forced off their land.

EXTERNAL POLICY

Prior to the world depression of the thirties, international trade flourished under a freely convertible exchange.

A demand for the £ sterling caused exchange rates to rise in terms of other currencies and gold. A falling demand for francs had the reverse effect, so trade and employment levels were kept in equilibrium throughout the world.

Most countries, however, had unstable internal economies, due in the main, to uncontrolled land monopoly which caused too wide a fluctuation in currency values. This trend international finance operators were able to exploit by bulling and bearing the money market to their own advantage and to the embarrassment of traders.

The problem was to an extent overcome by pegging currencies and the establishment of an international monetary fund.

This method, not nearly so sensitive as the free market, often lagged behind real values. Recurring crises developed in particular countries. Trade upsets induced demand for tariff protection against the low wage competition of impoverished countries which, once imposed, created "hot house" industries requiring further protection, always to the advantage of the few and at the expense of the working man, the farming community and export industry in general.

There is not much wrong with Banking policy, but like most other facets of the economy, it cannot function effectively on a basis of land speculation and legalised monopoly.

Unless the spectre of land monopoly is resolved, the Government dare not reduce the average rate of Central Bank regulated inflation otherwise the working man could not hope to meet long-term principle and high interest payments on his home purchase commitments. Furthermore, there would be serious unemployment.

Under the free economy, we propose Government control of, and competition with, the private trading bank could substantially be reduced.

BANKING

It is paradoxical to note that Japan is at present facing a crisis caused by a pegged currency under conditions of expanding and successful world trade. Her overseas reserves are building up at an alarming rate.

The Japanese home market at current wages and prices cannot take advantage of this very healthy condition.

Under free exchange conditions, the value of the yen would rise in terms of other currencies stimulating imports and slowing down exports to the point of equilibrium. Australia in this instance would benefit. There would be greater demand for our wool and farm products and less competition for our automobile industry. Germany was in the same position prior to the last World War. Instead of adopting a free currency, she took unconventional financial measures which disrupted the trade of other nations.

A freely convertible currency would stimulate world trade, with particular benefit to Australia and overseas customers who, in turn, would be better placed to buy our goods.

As an immediate emergency measure devaluation of the Australian dollar seems to be indicated. This would correct the problem of lower productivity caused by militant Trade Unions and the growth of non-productive bureaucracy. Although the first effect would be to increase the cost of imports, a secondary corrective would be to make Australian primary products cheaper to overseas manufacturers and so stimulate demand. Enormous benefits would accrue to farmers and exporters generally.

Particular problems could be dealt with by downward tariff revision.

The following extract from "The West Australian" (13/5/71) is evidence that there is a gradual awakening on the subject of pegged currencies.

"FLOATING MARK"

"West Germany's decision to float the mark temporarily and the events that accompanied it do not constitute an international crisis. They are constituents in the never-ending story of world monetary infirmity that has developed from the post-war pegging of exchange rates, which has lacked the flexibility needed to meet changing conditions".

POSTSCRIPT (AUGUST, 1971). The United States and Japan are the latest countries finding it untenable to maintain a fixed rate of exchange at wrong valuations. Two such major countries falling out of line have upset the whole pattern of world trade. Whether we can expect the establishment of a Freely Convertible Currency System arising from the present crisis or further tinkering with pegged rates remains to be seen.

THE STOCK EXCHANGE

Those who would abolish the opportunities for gambling in land are often challenged that this is no worse than gambling on the Stock Exchange.

The crop of mushroom millionaires based on the Stock Exchange, although probably less numerous than land speculators, certainly calls for serious examination; it cannot be claimed that such exorbitant wealth is due to special ability or industry of those concerned.

Firstly, there is an essential difference.

Land values arise because of the presence and industry of the people as a community and constitute the natural source of public revenue.

Land values rise and fall with the movement of population and expenditure on public services.

The first duty of any Government is to safeguard and administer the land (the peoples estate) on behalf of all living people and preserve its value as the source of life for posterity.

To permit malpractice in land dealings is a crime against society and violation of the moral law.

Much of the spectacular wealth passing through the Stock Exchange is based on land value and Government-created monopolies; apart from this problem which would be remedied under our proposals share capital is legitimate private property and honest trading in such is not a matter for Government concern.

Stop and go financial policies of modern Governments create ideal conditions for bulling and bearing the share market and experienced operators are well versed in skimming the cream from the non-professional investing public, which also is prone to mob hysteria from time to time.

Effective control is difficult without preventing some necessary functions. Just as a reputable land agent should not speculate in land on his own behalf, so a reputable broker should not speculate on the share market.

If brokers were required by law publicly to declare the share holding and transactions of themselves and their nominee companies, the situation would then be controlled most effectively by public opinion.

The operations of the Stock Exchange are legitimate and necessary in the main. The abolition of taxation and land monopoly would do much to restore the stock market to the discharge of its proper functions under stable conditions.

Freedom of competition under the law of supply and demand would fix the just remuneration of stock brokers.

No doubt there will always be foolish investors and those who will take advantage, but it is not the function of the Government to protect the fool from his folly. High risks with the possibility of high rewards in exploration projects are not inimical to the public interest.

Present laws are adequate to deal with fraudulent practice.

THE LAND AGENT

Land agents are often conditioned to believe that because they buy and sell land, the speculative value of which would disappear under our proposals, injury to their business would result.

Quite the reverse is the case. Land agents also deal in houses and buildings, the value of which would increase in greater proportion than speculative land value would decline because of the tremendous prosperity arising from the abolition of taxation.

In fact, there is no form of industry or useful service that would not flourish with the removal of taxes and monopolies.

HEALTH INSURANCE

There is no doubt that under all National Health Schemes, the total cost of medical attention is greater and the service inferior than under private practice; witness the experience of England!

When the Government pays, the service always seems to cost more because of the mistaken belief by doctor and patient alike that something for nothing is involved.

National schemes should be on a contributory basis sufficient to ensure service during retirement only, or in the event of misfortune, collected from all on a uniform basis and paid as an entitlement to all without a means test.

During working life, arrangements should be a matter of personal responsibility, with insurance cover arranged through Friendly Societies available to those who desire it.

A greater sense of responsibility would develop between doctor and patient with considerable net saving on present costs, including the high cost of administration of a National scheme based on taxation.

The contributory proposal would be financed from the affluent conditions arising from abolition of taxes and the collection of land rent for revenue.

The retirement feature is for the protection of responsible citizens who would otherwise have to support the improvident.

Private investment in hospitals and clinics would be revived with considerable saving to the taxpayer. Competition would improve services and reduce costs.

The Government, because of political considerations, is always at a disadvantage as compared with private enterprise in dealing with pressure groups.

Our proposals, for this reason, would greatly assist in controlling the alarming problem of inflation and, in particular, the escalation of the cost of health services.

RETIREMENT ALLOWANCE

The vexed question of pensions, means tests, etc., can never be settled satisfactorily under present conditions. At election time the subject is political dynamite and usually overshadows important matters of national policy.

Average people, no matter how prudent and provident they may be, will eventually be reduced to penury, unless saved by an early decease from the effect of inflation, death duties and the present tax structure.

Under our proposals the demand and opportunities for labour would be so great and competent workers in such a favourable position to bargain contracts of service, in exchange for generous retirement benefits, which a prosperous community could well afford to pay, that the subject of State pensions would soon cease to be an important issue.

This system is now partly in operation in Japan.

During the transition period, pensions will no doubt persist, but eventually will be regarded as a social stigma in the manner of thinking common to our pioneer ancestors.

Assistance to aged parents by their families would become an accepted obligation and a joy instead of an economic burden. The segregation of generations is one of the problems of this age and largely responsible for the disorder and anarchy plaguing society.

The mellowing wisdom of age blending with the vigour and enthusiasm of youth is essential to harmonious and progressive living. "The generation gap", to use a modern coined phrase, is but another of penalties society must pay for tolerating an immoral and impracticable tax structure. "The young men shall see visions and the old men shall dream dreams", to quote prophetic wisdom.

One of the saddest customs of our disordered economic system is the compulsory retirement of people in the prime of life. The feeling of not being wanted and the result of enforced idleness after an active and useful life, is an inhuman and cruel reward.

Based on ignorance of political economy, it is believed that the useful work of an old man can deprive a young man of a job. The truth is the more produc-

RETIREMENT ALLOWANCE

tion, the more purchasing power and the more jobs. Land monopoly is the only basic cause of unemployment. Under free conditions there are very few people in good health of any age who could not support themselves by useful work.

For the destitute, the sick and disabled, generous allowances would be available from a society no longer obliged to maintain a privileged class able to cash in on public enterprise. Years of education might be necessary before the pension-minded virus would disappear. In the meantime, the State would have ample land rent revenue to remove the inequalities from the present pension system. Prohibitions and restrictions on the earning of supplementary income could be abolished immediately.

THE WIDOW AND THE BEREAVED

Probate taxation is probably the most iniquitous of all the revenue-raising devices inflicted by modern Governments..

Originally planned to limit the effect of bad legislation to one generation and skim the cream from unearned incomes, death duties have invaded almost every bereaved home in the middle income group at least, to prevent the responsible and provident man providing after-care for his loved ones.

This problem, aggravated by current policies of planned inflation, has caused a storm of protest, but none of the critics have suggested a substitute form of revenue.

The effects of Probate taxation are so complex and far-reaching that it would take more space than is here available for a complete exposure. Suffice it is to say, that a side effect often not realised is the number of tax officials, lawyers, accountants, insurance officers, etc., whose otherwise useful services are involved in administration.

Complete abolition would be possible under our land rent revenue proposals.

MODERN YOUTH

The publicity given to the misguided exuberance of young people without corresponding reference to the heritage of social conditions we, of the elder generation, have bequeathed to them, reflects little credit on those concerned.

The elder generation has locked up the land against their children.

God or nature, if the term is preferred, created the earth as a proving ground, a challenge to the aspirations and energy of youth.

How would the fish survive if not permitted to forage the oceans without the payment of tribute to other specially privileged fish or newcomers to Heaven fare if told there was no place for them without appeasement of the preferred angels who came before and wisely staked their claims as a provision for future security?

Such reasoning is too absurd for serious thought and yet—have not we created such unnatural conditions and also taken the precaution of ensuring that young people cannot learn of their natural rights except by the merest chance. The Press, the Political Institutions, the Church, the Schools, as if by common consent, are silent.

Henry George so truly said that it is cruel to educate people who have no prospect of justice. It is kinder to leave them in ignorance.

The reactions of youth are expressed by some as vandalism, by others in student riots; some spurn the soap and scissors, others again find temporary escape in the use of narcotics or in smashing motor cars etc.

The great majority of our young people have managed to accept and adapt to the unnatural life forced upon them; let no one however, be complacent; the reaction may result in apathy or quiescence, but is this really less dangerous to society?

Once the great burden of land monopoly and taxation is removed, the problem of youth will return to its proper perspective and the more healthy forms of exuberance closely in tune with nature will replace the excesses and the blind reactions of today.

THE ABORIGINAL RACE

Possibly the greatest misfit in this artificial age is the Australian aboriginal. With a heritage for countless generations of living close to nature, the problems of assimilation under present conditions are almost impossible.

The Government is accused of stealing the tribal lands and by modern standards which endorse land monopoly and exploitation by those who claim to own the soil, this charge cannot be refuted.

Land grants amounting to millions of acres given to the favoured few among the pioneer settlers of this country, are recognised in law. The land occupied by the native race already in possession at the time of the conquest or discovery of this continent is not recognised in law.

It may be claimed that the aboriginals were a nomad race exploiting an area of its natural herbage and game and moving on to fresh forage. It is true that the Australian native by our standards is probably the most inefficient "farmer" that could be imagined, and is, therefore, not entitled to occupy vast acres of land that with scientific methods could sustain millions of people.

By his own standards, the native is anything but inefficient. The boomerang for example, is an amazing invention ideally suited to its purpose. The student of native lore cannot help but be impressed by the culture of the tribe. It must be remembered that prior to white settlement, land was limitless and the inhabitants few, there was no need to worry about scientific exploitation and maximum return. The native culture is not acquisitive and the spiritual beliefs and experience of the people are mostly beyond our comprehension.

If efficient exploitation is a condition of ownership, how many titles would be valid today, with half the continent "locked up" for no other purpose than to create scarcity of land and therefore enhance the speculative value.

If useful and efficient exploitation were to be a condition of occupation, there would then be millions of unused acres suitable for the nomadic habits of the aboriginal people.

Our "land rent for revenue" proposal would achieve just this. It would be uneconomic to occupy more land than required for use and foolish to monopolise land with plentiful supply always available to the bona fide user. So much for the tribal culture.

Concurrently great changes would arise from our reforms, artificial customs and restrictions incompatible with the simple wisdom of those who live close to nature would disappear. The economy conforming with instead of against natural law would change the thinking and attitudes of white people. The twin spectre of unearned wealth and undeserved poverty would disappear, human values would change, the black people would become an essential part of the economy under conditions conducive to assimilation, wanted and respected for their own sake and with a place for their special arts and abilities.

Trade Union conditions virtually debar the native from employment unless he can achieve the white man's output or performance. This he often cannot do until fully assimilated. The acceptance of discipline and industrial regimentation is most difficult for people with a heritage of freedom and a history of natural living many centuries old.

There is little hope for native rehabilitation while so-called charities and social services provide sustenance without work and social conditions preclude the opportunity to work.

It is a fatuous pastime today to "point the bone" at the efforts of the South African Government in dealing with its colour problem.

We, in Australia, with our record of failure, are in no position to criticise.

The American nation also has failed to find a solution; its economy is torn asunder with racial hatreds.

The simple truth is that no country, the economy of which is based on land monopoly and confiscation of the wealth produced by private citizens, can ever hope to deal effectively with the colour problem.

DECENTRALISATION

Australians in the main, live in over-crowded cities on a narrow fringe of coastline.

Much talk and spasmodic unsuccessful attempts during the past half century, have made no impact on this problem, which has steadily deteriorated. The high cost of land and the spectre of the ever present land speculator waiting to cash in on the slightest sign of development together with an expensive and inadequate transport system lie at the root of the problem. The tax structure heavily loaded against the rural community has been dealt with elsewhere.

Subject to the full implementation of our proposals, land would readily be available to the user and since transport facilities enormously increase the use value of land, and therefore, the revenue potential, public passenger transport could be a proper charge against land rent revenue and be almost, if not entirely, free.

It needs but little imagination to realise the effect in boosting country areas now carrying a smaller population per capita of production than for many years. All taxes and imposts would be withdrawn including those now strangling the transport system.

Efficient road and rail transport could be provided with adequate revenue available diverted from the land speculator to the Treasury.

Industries would have an economic incentive to move into low rental outer areas once these were relieved of all the present burdens.

The over-crowded cities rapidly choking to a point of stagnation would be restored by the growth of rural and outer urban industry to perform their proper functions.

POLLUTION

Social customs and habits change slowly in the main but quite suddenly a new dimension has been projected. Man, we are told, is poisoning his environment and that if present trends continue, large portions of the earth will soon be uninhabitable. Pollution has become a household word accompanied on occasions by a good deal of scaremongering which has not assisted a rational approach to the basic problems.

If we accept that land can become private property in the sense that chattels may, then the land owner should have the right to poison or pollute his property and even destroy its utility for generations, at will.

This view is entirely rejected. The earth, with its life sustaining qualities must be preserved for posterity and the conditions of its use must always be the prime responsibility of Government.

Pollution in general, may be classified under three headings:

1. Industry which discharges the products of combustion to the atmosphere, and waste products to the soil and water channels.
2. People who—
 - a. use septic tanks and sewage plants, many of which discharge improperly treated effluent to lagoons underground, water courses and rivers.
 - b. use motor vehicles which discharge poisonous gases to the atmosphere. In over-crowded cities, a dangerous concentration can result.
3. Agriculture, which with the indiscriminate use of poisons for controlling weeds, crop diseases and pests, has caused the widespread extermination of insects, birds, animals and fish, upset the balance of nature and introduced dangerous chemicals to food produced for human consumption.

The subject is too vast to be dealt with here except to focus attention upon the enormous and costly difficulties of finding adequate solutions under present conditions of land tenure and taxation.

Much has been written on the subject particularly of developments in the United States where pollution has extended to the major water courses and millions of acres of land have been rendered unfit for the production of food.

Town Planning authorities have devoted much research to improving the environment, particularly to the disposal of industrial effluents. It has been established that the best method is the provision of circumferential green belts separating industrial from residential zones. The foliage of forests and parklands render harmless the products of combustion and liquid effluents, after treatment can be absorbed by root systems. This method however, at present impractical in developed cities because the cost of acquiring land for green belt areas would be prohibitive.

As a second choice, the provision of radial green belts is proposed. This is still possible to a limited extent in Perth and smaller cities. The cost although heavy, is within the scope of feasibility, or would be subject to the political reforms we advocate.

The difficulty will be to maintain some semblance of justice between land holders. Land between the radial green belts will increase enormously in value and so enrich the fortunate titleholders. Land to be acquired for greenlands will be acquired at minimum values and the owners so affected, unlike their more fortunate neighbours, will have no further prospect of future unearned increment.

POLLUTION

Under our proposals, the owners of valuable land would compensate the rest of the community by the payment of rent in lieu of taxes. Land, substantially, would lose its capital value and the acquisition of areas required for circumferential or radial green belts would impose no burden on taxpayers or injustice on landholders.

As public transport improved under the effect of our proposals, so private vehicles could be diverted from congested cities to the protection of afforested areas which would render exhaust fumes relatively harmless.

In addition, economic pressures would encourage decentralisation and the diversion of many industries to rural areas and greater safety.

The wonderful balance of nature is preserved by micro organisms, insects, birds, fish and animals which prey on each other and so prevent epidemic problems.

The small mixed farms, because of bad economic conditions, are being supplanted by larger properties which can specialise in particular rural products. The diseases and pests which attack these crops would otherwise be controlled by the predators of a more diversified agriculture.

The politician's advice to the small struggling farmer—"get big or get out" has a deeper significance than is generally realised.

The control of diseases and insects by spraying with D.D.T. and other poisons has produced disastrous results in the United States and the problem is developing in this country. Restraints may be imposed at the taxpayers' expense by legislations; however, under the changes we propose, greater harmony with nature would reduce the incidence of such problems.

The small self employed mixed farmer is a greater asset to the nation than is the city based investment farmer whose main interest in the rural economy is tax avoidance.

THE SCIENCE OF POLITICAL ECONOMY

The Empirical School of Economics denies that Political Economy is, or can be a science since it is based on human relationships and behaviour which are unpredictable.

For this reason, it is claimed, there can be no principles or criteria guiding or limiting the powers of legislators. The Government may do what it pleases or what electors may be influenced by any means to accept. Legislation in the absence of such principles must therefore be based on trial and error. From this, the Empirical school derives its title. Empiricism, according to Websters Dictionary, means "experimentation without reason."

The Classical School affirms that Political Economy is a science and that the result of legislation is predictable and that experimentation is unnecessary. It affirms that there are basic human rights which the Government should not violate notwithstanding electoral procedures and parliamentary practice; that human rights are sanctioned by Christian teaching and moral principles.

That each individual is born with rights to life liberty and the pursuit of happiness. These rights are anterior to Government and are not bestowed by Governments, it follows therefore, that what the Government cannot give, it has no warrant to take away.

Basic to all rights, is the right of access to the earth and to share equally with all other men of its life sustaining bounty.

In the exercise of his rights, a man may not interfere with the equal rights of all other men. Since all men are not equal, human rights relate only to opportunity whereas rewards relate also to the energy, both physical and mental, put forth.

Since it is impossible in a modern complex society for all men to till the soil or otherwise apply their labour directly to the earth, equality of opportunity must be persevered by a system of exchanges. Each man will compensate all other men (the Government) according to the value of land required for his particular industry or personal use. This is achieved by the collection of land rent for public revenue and the abolition of taxes which violate individual freedom and discourage production.

It is impossible to conceive of a world of nature so wonderfully ordered according to scientific law for the sustenance and welfare of mankind in which the great Architect of the Universe fell short of providing equally through natural scientific law for the political relationship of men. This is a form of blasphemy which no enlightened Christian could accept.

The classical economists, in full realisation of the inconsistencies and wonderful variations of human nature, affirm that there is never-the-less, an invariable characteristic in human nature, forming the foundation of a science to guide the destinies of societies, peoples and nations so that by conforming therewith, all people may live together in Justice, Peace and Happiness.

The Science of Political Economy, as to its basic elements, is simple and if properly taught to any person with an open mind, could be acquired in a matter of hours.

ALL MEN SEEK TO SATISFY THEIR DESIRES WITH THE LEAST EXERTION—this is the fundamental law. Two definitions are necessary to avoid misinterpretation:

1. **MEN**—means rational human beings of both sexes
2. **EXERTION**—includes both physical and mental effort.

All people without exception have desires which they attempt to gratify without more than necessary effort.

The mentally lazy sometimes do unnecessary work.

The physically lazy often avoid bodily exertion with greater mental effort, but by and large the law holds good. It may be observed in all walks of life. If the Government legislates to injure some people, an opposite reaction takes

THE SCIENCE OF POLITICAL ECONOMY

place; for example—the cost of unsealed mail delivery was increased to the same rate as sealed; people stopped sending receipts. The tariff is increased on say, cotton goods—wool and synthetic fabrics gain a greater share of the market.

The law has operated in all ages and cultures; windows were taxed in England—people blocked out the light from heaven. Street frontages were taxed in Philadelphia—Architects designed buildings one storey high in front and multi-storey in the rear. Horse Power according to piston displacement of motor vehicles was taxed in England—smaller motors with high revving engines became the vogue, etc., etc. The equivalent law in physics affirms that wherever there is action, there is also an equal and opposite reaction; for example, price control legislation sets in motion a chain reaction involving many specialists who do no productive work, employed to subvert the legal enactment.

The second law is perhaps the greatest discovery in the field of social relationships, which could have saved the world from wholesale carnage and destruction of property during this Century if only men had listened to the voice of reason. David Ricardo a London Stock Broker, more than a century ago, discovered the *LAW OF RENT* which is stated as follows: "*RENT (return for the use of land) DEPENDS ON THE MARGIN OF CULTIVATION (or production) RISING AS THE MARGIN FALLS AND FALLING AS IT RISES.*"

The margin is defined as the least productive land that men will consent to use. Marginal land bears no rent. The rent of any other land is the added value which the same application of labour and capital can procure as compared with marginal land. For example, if marginal land will produce 5 bushels of wheat per acre in return for X units of labour and capital and the return on a similar basis, in a better area, is 10 bushels, then the annual rental value is equal to $10 - 5$ or the value of 5 bushels of wheat.

The farmer is in the same position whether he pays no rent and produces 5 bushels or pays the value of 5 bushels as rent from his 10 bushel crop.

The significance of this law of rent is that, if land monopoly and speculation is permitted as a matter of Government policy, much land is held out of use in anticipation of rising prices. This forces the margin down to inferior land that will yield say, only 4 bushels.

In the first case, wages = 5 and rent 5.

In the second case, assuming the same productivity, wages = 4 and rent = 6 the value of real wages falls because workers and the owners of capital are locked out from employment on the land withheld from use and are forced to compete for employment at the lower scale of wages and interest.

For the sake of clarity, a very simple case has been given but the law operates similarly in the most sophisticated and complex forms of industry and exchange.

The margin is lowered not only because of land kept idle by speculators, but also in expanding economy by—

- a. increase of population
- b. advance in technology
- c. improvement in manners and morals

Each of these three conditions increases the demand for land, raises rent and decreases wages as a proportion of production.

As a corollary of the law of rent, Henry George deduced the *LAW OF WAGES* and *INTEREST*. Interest is the return for the use of capital (not to be confused with monetary transactions which under modern conditions of financial manipulation, do not always equate with the earnings of capital). *WAGES AND INTEREST DEPEND ON THE MARGIN OF PRODUCTION (OR CULTIVATION) RISING AS THE MARGIN RISES AND FALLING AS IT FALLS.*

Space is not here available for presentation of exhaustive proof which, however, is readily available to the student.

The significance of this law is that real wages and real interest depend on land policy. Admittedly it is possible to raise wages by combination of workers

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in some industries but such methods are not equitable and often inflict great hardship. Rewards are to the powerful groups often at the expense of the weak. It is most important to note that wages and interest rise and fall together and not as Union Leaders appear to believe, in an opposite ratio.

Employers and workers are not natural enemies and have common cause against those who profit without labour from the ever rising value of land.

If a given period is examined, it will be found that land value has risen ten fold while wages have increased about three fold.

Communists and industrial agitators ignore the land question because justice in this regard would cause real wages and purchasing power to increase and bring peace to industry. The services of the professional agitator would not then be in great demand. The converse rise and fall of wages and interest is only a matter of commonsense and observation. When wages are high, it pays to use labour saving equipment and therefore, as the demand for capital increases, so also does the rewards of its employment.

The LAW OF SUPPLY AND DEMAND is probably too well known to require re-statement. It operates in all transactions to determine value; what shall be produced and where production is most profitable. Governments continually try to subvert the law but never with complete success. The failure of attempts to control wages and prices without any attention being given to the artificially created scarcity of land are ever present examples.

In the early days of the Russian Revolution, the Government confiscated most of the season's wheat crop. Next year it was found that the peasants had produced only enough for their own use. It is estimated that four million people died that year of starvation and malnutrition. See also in this incident the basic law of human behaviour. That "all men seek to satisfy their desires with the least exertion." There is no satisfaction in working without hope of reward.

The basic laws of Political Economy here stated are simple and require only to be observed in law and practice.

It is not necessary, or indeed possible, that we should fully understand the intricacies of operation.

The farmer can till the soil, plant the seed, apply the fertiliser and harvest the crop but the germination of the seed and the growth of the plant will forever be a mystery to him.

This is the reason for the failure of socialism and the planned economy, which attempt to regulate by the conscious effort of imperfect people what nature can do unregulated by human hand with infinite perfection. The only condition is that we tune in and observe her laws.

There are other laws and definitions within the science of political economy; these however, are of secondary importance and will not be dealt with in this treatise.

We have not examined the subject of currency which is best left to experts in this field.

GRAHAM'S LAW postulates BAD CURRENCY. DRIVES OUT GOOD. For example, an inflated paper currency has driven gold coins of intrinsic value off the market. Gold however, is of use as legal tender between Governments which are unable to trust each other.

Silvio Gessell once advocated a demurrage charge on currency in order to prevent hoarding which he claimed was responsible for booms and depressions. This was before the days of planned inflation.

Maynard Keynes later achieved the same result by a policy of deliberate inflation which has in fact, ironed out the cycles of booms and depressions to a large extent. This however, has inflicted great hardship and injustice on people with fixed incomes and therefore, is not an acceptable scientific solution since human rights are violated.

There are TWO CURRENT fallacies taught by Empirical Economists which have a disturbing political effect.

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1. That wages are paid from invested capital: If this were true, the labourer would in fact, be dependent for employment on the capitalist. The latter could then dominate the worker. This is also Marxist doctrine and lends support to the erroneous theory of the conflicting interests between capital and labour which is responsible for industrial unrest. The truth is that **WAGES ARE DRAWN FROM PRODUCTION**. The worker advances a week, a fortnight or a month's labour before receiving his share of production back as wages. If wages were drawn from capital, the destruction of capital caused by war should then cause unemployment. This can be no more than a temporary effect; more labour is required to rebuild the devastated areas. The effective use of capital (deferred wages) will of course, increase efficiency. The theory that wages are drawn from capital also is the basis of enforced retirement which operates in the Civil Service. It being wrongly assumed that the employment of one man deprives another man of a job. The truth is that no man can injure another by working. The larger the work force, the greater the product value per head—so living standards should improve. Only the land owner can deprive, not only the worker but also, capital of employment by withholding land from use.
2. A nation which exports more than it imports, is said to have a favourable trade balance. This is not so. Satisfaction of desire is at the point of consumption. Trade must balance. A nation can never benefit from a policy of discouraging imports and encouraging exports. Herein lies the fallacy that protective tariffs are beneficial. We have ruined our rural economy to prove otherwise at an incredible cost to the Nation.

Value

This word in particular requires definition. There are two kinds—value in use and value in exchange. Water, for example, has great use value; life would be impossible without it, but value in exchange is low since water is freely provided by nature.

The economist deals mainly with value in exchange. It is possible by bad legislation to create an artificial exchange value. For example, an increase in Custom's Duty will cause the price of all similar goods within the country to rise because these can no longer be replaced at the lower price.

Division of Labour

This is one of the laws of production. The larger the population, the greater the opportunity for specialisation improvement of quality and reduction of price. Under the free economy we advocate wages should rise as population increases but when the use of land is the subject of monopoly and speculation, real wages invariably fall as population increases. Society tends to choke itself with crowded cities, the cost of over regimented government and the numerous problems with which we are all too familiar.

Empirical economists endeavour to explain these conditions as being due to the *law of diminishing returns*. This law is true enough but in a well ordered society such problems do not arise since all men seek to satisfy their desires with the least exertion, they do not apply their labour beyond the point at which a greater return can be expected.

In the kind of society we propose, in which the Government is confined to its proper function and limited to its natural revenue—the rent of land; in which there is no interference with private enterprise in the production and distribution of wealth and in which taxes are abolished, the division or specialisation of labour can only be beneficial to mankind.

POLITICAL ECONOMY, if men would only learn and obey her laws, is radiant with hope for the building of a better world—Henry George.

LAND VALUE TAX LAW (AUSTRALIA) — DRAFT LEGISLATION

1. *Valuations. When to be made.*

A valuation of every piece of land within the municipality shall be made once each year by the municipal valuer and shall be returned by him to the Council during the last month of the municipal year.

2. *Of What.*

The valuation shall be of the annual rental value of every landholding and shall in addition give the following particulars:

1. Country, Parish, Portion, Section and Allotment number.
2. Plan of subdivision number and lot number thereon.
3. Dimensions and area.
4. Street name and number, where applicable.
5. Name of owner, with his address and occupation.
6. Name of occupier, with his address and occupation.

3. *Definition of value.*

(a) The annual rental value shall be the rental at which in the opinion of the valuer the site could, reasonably be expected to let in the year of valuation, free from all tenants' rates and taxes and assuming all visible improvements upon the land not to exist and with the lease renewable annually at the option of the lessee.

(b) Where it is claimed that improvements of a non-visible nature have been effected by the occupier upon the site at any time within twenty years prior to the taking of the valuation, the valuer shall, from the rental calculated as in (a) hereof, deduct an amount equal to five per centum of so much of the capital value of such non-visible improvements as in his opinion remains at the time of the valuation.

4. *Maps of valuation.*

Forthwith upon the return of the valuation, the annual rental value of every piece of land within a municipality shall be entered by the valuer upon maps of the municipal area and copies of such maps having the annual rental values so entered shall thereupon be placed and kept on public display in the municipal office at all times during which the office is open for business and shall be removed from display only when replaced with the map prepared for the next ensuing year.

5. *Copies of maps.*

Copies of such maps shall be kept available by the municipality for purchase by ratepayers and the price fixed for such purchase shall be the cost of the municipality of having made, at the time of the initial production of the map, additional copies thereof.

6. *Land Register.*

A copy of the valuation shall be delivered to the Registrar of Titles who shall cause the particulars thereof to be entered upon a Central Land Registry which shall during office hours, be kept open for inspection.

7. *Assessments.*

On the first day in the second month of each municipal year the Council of the municipality shall cause an assessment to be issued against each owner in an amount equal to the annual rental value of each and every piece of land in respect of which his name is recorded as the owner and

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the amount of such assessment shall thereupon be and become a debt due by him to the Municipal Treasurer payable upon the first day of the third month of the municipal year.

8. *Total of the Valuation.*

The total of the annual rental value for the whole of the municipality shall be conveyed by the Council of the municipality to State Parliament during the first month of the municipal year.

9. *State Revenues.*

The Treasurer of State Parliament shall at the commencement of the second month of the municipal year cause a total to be made of the annual rental value of all the municipalities of the State, and State Parliament shall in the fourth month, after determining the amount of revenue required by it for that year having due regard for local government requirements, levy by precept addressed to each municipality for an amount proportioned to the amount of revenue required by the State by the ratio borne by the total of the valuation for each such municipality to the total of such valuations for the State. The amount of such precept shall be remitted by the municipality to the State Treasurer by equal quarterly remittances.

10. *Federal Revenues.*

The Treasurer of each State shall at the commencement of the third month of the municipal year inform the Federal Parliament of the total of the annual rental values of all the municipalities of the State, and Federal Parliament in that month after determining the amount of revenue required by it having due regard for State and local Government revenue requirements shall levy by precept addressed to each State Parliament for an amount proportioned to the amount of such revenue by the ratio borne by the total of the annual rental values of the State to the total of such values for all States and for the lands of any Federal Territory. The amount of such precept shall be remitted by the State Treasurer to the Federal Treasurer by equal quarterly remittances.

11. *Federal Expenditure.*

The amounts remitted to the Federal Treasurer by the State Treasurers in accordance with precepts issued as in (10) hereof shall be the fund from which all Federal expenditures, except as in hereinafter provided, shall be met.

12. *State Expenditures*

The Parliament of each State shall after providing for the amount of the precept payable to the Federal Treasurer retain the remainder of the amounts remitted by municipalities as in (9) hereof as the fund from which, except as hereinafter provided, all State expenditure shall be met.

13. *Municipal Expenditures*

The Council of each municipality after providing for the amount of the precept payable to the State Parliament as in (9) hereof shall retain the remainder of the total assessments levied as in (7) hereof as the fund from which, except as hereinafter provided, all municipal expenditures shall be met.

14. *Payment by instalments.*

The Council of any municipality may by resolution determine that the amount of the assessment may at the written option of the owner be paid

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to the Council by equal weekly, monthly or quarterly instalments over a period from the commencement of the third month of the municipal year to the ending of the second month in the next succeeding year.

15. *Taxes and the like.*

Subject to the preceding sections and the next following section, no tax, duty, custom, excise, charge or assessment shall be imposed by State or Federal Parliament or by any municipal council.

16. *Defence Expenditures*

Subject to the section immediately preceding, Federal Parliament may make and levy in such manner as to it shall seem expedient any such tax, duty custom, excise, charge or assessment as it shall determine in the event of Parliament finding that the defence of the nation makes such imposition necessary, *Provided however* that the proceeds of every such imposition shall be deposited to a special account and expended only upon items of defence, *and Provided* further that no such imposition shall be imposed in any succeeding year unless a state of war has been declared and Parliament has in that year determined such further imposition to be necessary for the proper defence of the nation.

17. *Public Utilities.*

Notwithstanding anything hereinbefore laid down any municipality or Parliament may make charges for the use of any of the services of any public enterprise or facility so as to recover the costs associated with the day to day running thereof but not so as to recover costs associated with construction and maintenance thereof all which latter costs shall be met from revenues arising out of the annual rental values of the municipality or Parliament which provides, constructs or maintains the said enterprise or facility.

CONCLUSION

The proposals here presented are not new and have been advocated in principle and in form suitable for the economy of the day from the dawn of recorded history.

In general, they have been endorsed by many of the great leaders of art and science. In 1879, Henry George published "PROGRESS & POVERTY" marshalling the ideas of those who preceded him, welding political economy into a science radiant with hope for mankind.

The following are but a few of the great law givers and economists, who have protested against the folly of permitting private property in the community created value of land—Moses, John Lock, Thomas Jefferson, John Stuart Mill, Herbert Spencer, Leo Tolstoi, Dr. Sun Yan-Sen, Abraham Lincoln and Winston Churchill.

In order to widen appeal to all people who live by honest work in different stations of life, the writer has dealt at some length with side effects and related issues which arise and are bound closely with the politics of the day.

It is not claimed that our proposals are a panacea for all social ills and injustices plaguing society but rather that these cannot be solved without basic reform of the conditions of land tenure and taxation.

In conclusion, it is fitting that the case be restated in order to assist the reader whom we hope has been impressed by the arguments presented.

We would progressively reduce and ultimately abolish all taxes which fall as a penalty on wage earners and on all the processes of agriculture industry and commerce.

We would restore to Governments, the natural revenue which attaches to land according to its value and which arises not because of any activity of the land holder but because of the presence and industry of the people collectively, as a community.

Attention would be directed first to the abolition of taxes which are vexatious and costly to collect; for instance, the sales tax and customs duties; taxes which impoverish some and enrich others and probate taxes which are harsh and cruel to the bereaved.

Ultimately, all taxes, direct and indirect, would be abolished. The rental value of land would provide sufficient revenue for all the necessary functions of Government, the cost of which would eventually be reduced to about one-third of the present per capita budget figure. It would then be possible to:

- Curtail inflation.

- Restore respect for government and the preservation of law and order.

- Reverse the overlordship of the Federal Government and establish the Sovereign rights of the States.

- Restore profitability to rural industry.

- Introduce Christian principles in legislation.

- Restore the concept of human values and the dignity of honest labour and service to mankind.

- Encourage individual expression and initiative, reversing the present trend of regimentation and conformity.

- Assist the impoverished countries of the world by opening avenues to trade now denied to them.

- Create a condition of society in which the production of wealth would become so easy for all, that men would cease to scramble for advantage over their fellow men, temptation would disappear with the abolition of monopoly and privilege.

No one has ever answered or seriously attempted to refute the economics of Henry George. A conspiracy of silence in high places has been more effective in preserving established institutions of privilege and power.

CONCLUSION

Most people regard current politics as hopeless and those who advocate reform as impracticable visionaries; from such despair arises the terrible apathy which is our greatest problem.

Not least of the advantages of our system is that it can be introduced gradually without any economic upheaval and within the framework of present Legislative powers. Results would be in proportion to the degree of implementation. The country would quickly and almost imperceptibly grow in prosperity, industrial peace and culture.

Unless something is done, taxes will steadily increase. Governments can never consistently balance their budgets because present methods increase production costs, reduce incentive to produce, create monopolies, increase the cost of Government services and the need for regimentation and the subsidising of depressed industries and agriculture.

Australians of the past have earned the reputation of being a strong self-reliant virile race of individualists.

Over government and bad government is changing all this; depopulating the country-side and turning cities into concrete jungles of the future that will pollute the air and destroy the soul.

Let us call a halt while there is yet time.

An appeal is here made to all people of goodwill who are prepared to accept a measure of dedicated responsibility for good government; Christianity in practice, to join the Henry George movement, become an active worker and distribute this booklet as widely as possible.

Copies may be obtained from: 243 NEWCASTLE STREET, PERTH, W.A., 6000.