

POLICIES on land, the Basic Income and the creation of money have separate places in the Green Party's "Manifesto for a Sustainable Society". Each has been controversial within the party and condemned as impractical by those outside. But however strange or unsupportable each policy may appear on its own, acceptable policies in each of the three areas are essential ingredients of any fair and sustainable economic system.

First consider the following propositions:

◆ Real wealth is the product of human labour, which necessarily requires access to land: money provides the mechanism whereby the produce of any given enterprise is divided between one or more owners and exchanged with others.

◆ Any process which assigns private ownership to land or permits the creation of money by and for private institutions is a process whereby the real producers of wealth can be denied their fair shares of ownership.

◆ Because the creation and consumption of wealth almost inevitably involves depletion of finite reserves and/or pollution of the environment, policies which require unlimited growth are essentially unsustainable.

◆ Because the private ownership of land and the private creation of money are separate means whereby powerful minorities can extract wealth from the common pool, neither the Land Taxation movement nor Social Credit can provide the complete answer; the attack should be pressed on both fronts.

◆ The community's reassertion of its rights over the issue of credit and the security of land tenure could provide considerable revenue without requiring the taxation of earnings. This would remove the principal difficulty in the funding of Basic Income (BI) and would allow it to appear as the natural method of putting communal resources back into the hands of individual people.

Note that, as the advance of automation enabled industry to become ever more productive with fewer human employees, it would be entirely possible for the level of Basic Income to come to exceed the average level of wages. In that case, unemployment could cease to be a problem and those whose employment was found

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to be unnecessary or undesirable could be discharged on much reduced redundancy pay and the resources saved could be transferred to the BI fund.

◆ The creation of freeholds by the capitalisation of medieval rents, and the practice of embryonic banks of making interest-bearing loans in excess of deposits, are the fruits of ingenious manoeuvres which must have seemed highly questionable at the time. However, the successors to the fruits of these practices have, over the ages, devoted massive amounts of propaganda to the creation of a facade of respectability around their

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deeply anti-social operations. In consequence, steps which could offer escape from present difficulties have been made to seem unthinkable. Policies will have to be formulated which call this bluff.

IMPLEMENTATION

It is one thing to set up an intellectual framework of policy ingredients, as above, and something quite different to set up a defined set of policies in which actual benefits will have to be provided within the costs undertaken. The following "slow-start" process is suggested as a way forward, in which demonstrable benefits will accrue from

each step:

(1) Undertake a preliminary site valuation, perhaps using a "banding" process similar to that used for assessing liability for the Council Tax. Because the site values exclude buildings and occupiers' circumstances, the process should be much simpler than the Council Tax assessment.

(2) Build up the address list for recipients of the BI and match it against the site valuation map. This should determine each person's LVT liability and BI entitlement. Land ownership is so strongly concentrated in the hands of corporations or very rich individuals that most people would find that their BI entitlement was greater than their LVT liability, whatever level of LVT was chosen and was used to fund BI.

(3) Apply the first tranche of LVT at a small fraction of the economic rent. This would enable the principal to be established without having any catastrophic effects on people's incomes, leaving the long-term effects (e.g., major reduction in speculative land prices) to develop gradually, as the success of the policy became established.

(4) Undertake an environmentally-friendly capital-investment programme, funded by a special issue of government-created money. Counter the inevitable accusations of inflationary irresponsibility by pointing out that this created money is no more inflationary than the same amount borrowed from commercial sources, while being free from the burden of interest which commercial sources impose.

These policies have appeared elsewhere. People who find them individually hard to believe should ask themselves whether the group as a whole does not contain solutions to problems of the parts.