

# letter from the editor

It is often overlooked that the proper functioning of government is distorted by the private monopoly of land. As a consequence necessary taxation falls directly on production or wages and is seen as a burden on the citizen. Government itself then seems to be a burden on the citizen and so it becomes divided into two camps. One camp stands for lower taxes and for individuals taking responsibility for themselves. The other camp stands for mitigation of the consequences of economic injustices through redistribution taxation.

It is clear in such a situation where many cannot afford the basic economic requirements that the welfare state *must* arise. The debates can then only be about its size and the cost of providing it. Under this cloud the real functions of government become obscured and so the proper use of government revenue also becomes obscured, including what the appropriate use would be if the land tax was fully implemented.

Because taxation is presently regarded as a 'cost' to society, even by some campaigners for a land tax, so the idea of government as a burden on society also remains. Yet it is obvious that if the land tax arises through what is common to all – land as the free gift of nature – then government likewise arises through what is common to all, the collective benefit of society over and above economic provision.

Government is necessary for the provision of those things which the exchange economy cannot provide. One way of seeing this is that while the economic realm meets the immediate requirements and desires of society, government provides for the future good of society. The most obvious example of this is the defence of the nation. Defence calls for a mode of strategic thinking above the skills and methods of the economic realm, including the special skills of international diplomacy and understanding of other cultures. Another long-term responsibility of government is to ensure the provision of education for all. It is the duty of each generation to educate the next generation, in this way returning what they receive from the generation before.

It is clearly a long-term responsibility of government to provide sanitation and protect citizens from contagious diseases. It is a long-term responsibility of government to ensure that nothing marketed is harmful to citizens. It is the long-term responsibility of government to ensure safe and healthy conditions in public places and in working conditions. It is a long-term responsibility of government to ensure that arable land is kept in good condition, and that the environment is protected for future generations. It is a long-term responsibility of government to provide protection of all citizens under the law, and equal access to law for remedy of injustices. It is a long-term responsibility of government to care for those unable to support themselves or in old age. If there is such a thing as progress in society, it may be defined as that which ensures an improved future.

While these are responsibilities government, there are some requirements government is not responsible to provide. An obvious example is 'social housing' or affordable homes. The present need for these is due to land privatisation which, through depressing wages, makes it impossible for many in an otherwise wealthy society to afford a home.

Affordable housing is part of the programme of mitigation that must be made against the privatisation of land and the misappropriation of the natural government revenue. As George clearly demonstrated, the privatisation of land and every form of rentiering depresses earnings and so makes provision of some economic essentials impossible for many citizens. The general provision of medicines also is not the responsibility of government, yet must be provided presently because earnings cannot meet their cost for a large proportion of citizens.

Since the private appropriation of land, along with all other forms of monopoly and usury, depress the income of citizens, it inevitably falls on government to meet the shortfall. And so the natural functions of government become obscured and it is compelled to make interventions outside its proper function. It should not be the task of government to mitigate the consequences of economic injustices. It should legislate to remove economic injustices. For example, the present scheme of income support to top up wages to a minimum standard is not a proper responsibility of government. It may be necessary now, yet it has the long-term consequence of maintaining low wages. Where government makes provision for what the economy ought to provide, it maintains the conditions that make such provision necessary. It is not the responsibility of government to provide income for citizens, or any of the basic necessities which the economy exists to provide.

The present divide between left and right in government, where one side seeks mitigation of economic injustices while the other seeks minimum government, is an inevitable consequence of the private appropriation of land and its subsequent distortions in the economy. In a sense, both sides are right. There *should* be smaller government, and there *should* be equity in economic provision. But there cannot be either while both sides fail to acknowledge that the private appropriation of the land and the consequent shifting of government revenue onto production and wages is the cause of their division into two camps. Failure to see the real causes of economic injustice divides society itself into two factions. This in turn leads some to believe that society is by nature divided into a struggle between rich and poor, and the further belief that government by nature tends to corruption. Both these false beliefs sustain the present situation and distract attention from the root causes of economic injustices.

The distinction between government and the economy is simple. The economy supplies the immediate physical necessities of citizens. Government provides for the long-term good of society and for future generations. Economics looks to the immediate market tendencies, government applies foresight towards the future good. The first creates and distributes wealth, the second navigates through good legislation. These functions should not be confused. One is governed by desire, the other by duty. In a democracy every citizen is responsible for economic justice and for good government.



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