

independently of the Church. On the other hand the Church accuses the Land Renters of preaching a Gospel for this world only, and will have little or nothing to do with them. In each case the conclusion is wrong. Some day, please God, they will understand each other and work together. The world needs both. It is then that we may expect to receive an answer to the oft-repeated prayer, 'Thy Kingdom come, Thy will be done on earth as it is in heaven'.

Do not be 'too busy' or 'too proud' to study this subject. In it you will find the pure gold of Christianity.

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money

One of the essentials in the study of economics is a clear understanding of the nature and function of money, particularly the distinction between money and wealth.

Economics is the science or study of how men economise, by association, in the production of goods and services. Money is one of the economic devices universally adopted in this process. Everybody who earns his living does so economically, i.e. by exchanging his products or services for the products or services of others. By using some articles (coins or notes) which will be accepted by everybody in exchange for his goods or services, and as the measure of value adopted by everybody for exchange purposes, an enormous amount of effort in exchange is eliminated and far more exchanges (and consequently far more production) are made possible.

DEFINITION

Money may thus be defined as anything which at any time and place is accepted by all as the medium of exchange and the measure of value. It plays a most important part in modern life, and it presents no special difficulties as long as its part in the economic order of social life is understood. The trouble begins in the political sphere, when political forces are used to introduce privilege into the economic scene, so that legal rights which are not goods or services but legal privileges—not the products of economic labour—are by political power made to come on the market where they are bought and sold along with goods and services.

MONEY IS ECONOMIC

Money is merely an economic device used to facilitate the exchange of those things which people desire to buy and sell and which are available on the market. It is neither moral nor immoral. Neither money nor the market is responsible for what the market offers for sale and purchase. The economic products of labour (which are beneficial to all) and the anti-economic privileges created by politics (which benefit a few at the expense of the many) are alike advantageous to their owners, and the

public do not discriminate between them. Money always operates as an economic device, facilitating the exchange of whatever is available on the market. It is in no way a political device. How mis-government deals with money itself we shall see later.

In the meantime the following points are important:

a. People do not work for money but for the products (goods and services) and legal rights offering on the market in exchange for their own products or legal rights. They use money only as a medium of exchange and a measure of value in the exchange of whatever labour products (goods and services) and politically-created privileges (legal rights) are offering. People work economically, i.e. by exchange, for the things which they desire and which are available on the market.

b. Money does not purchase anything. In the last analysis the products of labour (goods and services) exchange for everything, labour being the purchasing force and money an economic device used in the exchange transactions.

c. Money is not a factor in economic distribution. By natural law in the economic order, the total social product is distributed into individual wages (termed wages) and social wages (termed rent). Money operates solely in the production, including the exchange, of labour products. The reader must master the distribution of wealth before understanding this essential point. Read 'Progress and Poverty' Book III.

FREE MONEY

Money has no function apart from trade, and free trade (trade by free people) includes money not under governmental control, i.e. issued and used by free men. It is people, of course, not money or trade, who are free or not free. Everybody who wishes to trade, with or without the use of money, should be free to do so. This freedom is secured by good government, to which everybody has a right. Good government is positive in establishing and maintaining equal rights and also positive in prohibiting infringements of those rights. At present it is a widespread and fatal phenomenon that government is perverted by governments, i.e. that governments who are elected or appointed to the high office of preserving human rights make themselves the instruments by which people are deprived of those rights. Bad government is the perversion of government. One serious example of this is the subject of Dr H G Pearce's article on Coinage in Issue, i.e. the almost universal tendency of government to assume control of the currency and coinage and to debase and inflate it for the governments' advantage against the interests of the people.

The only complete remedy for mis-government is complete freedom, i.e. the legal right, recognised and enforced by government, to do

MONEY

anything one pleases which does not infringe the equal right of others. Freedom includes the right to issue one's own money if others will accept it. Competition is the life of trade, and free competition in money and banking is essential to free trade and the elimination of the monopolistic evils which are at present notorious in the world of currency and banking.

Although the banks are the natural business organisation for the issue of currency, there would be no objection to the sovereign issuing notes or coins for the use and convenience of the community if free competition prevailed, i.e. if everybody who wished to issue (and accept) them were permitted to do so. With governmental monopoly the public is constantly subjected to a gigantic dose of fraud and totalitarianism which amounts to savage taxation of both rich and poor, chiefly the poor. Under competition, any debased coinage or inflated currency will be driven out by the better article. Free trade is the only fair trade.

The shambles created by governmental rampages in the field of money, banking and finance, and the radical but only remedy therefor, will (we hope) be the subject of further articles in subsequent issues of 'Good Government'.

W A DOWE

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LETTER TO THE EDITOR

Sir - There have been recent complaints about State land tax. It is at present largely a manipulated grab for money, and its rules, rates, exemptions, etc, are adjusted in accordance with what the government hopes to get away with.

Instead however, there should be the collection of a genuine land tax as the basis of Government Revenue, but in place of income tax, sales tax, payroll tax, stamp duties and taxes penalising production.

A genuine land value tax is based on the rental of land, and it collects for government revenue the value increases which go under the present system into the pockets of lucky individuals and companies.

It is repeatedly asserted and complained that increased land tax will be 'passed over' to the consumer and that it will increase the cost of building blocks by something like \$1,000. This is simply not possible.

The bulk of the land tax is collected from three groups: (1) the central city business district; (2) property companies; (3) land developers and speculators. All these groups are in direct competition on the open market with other suppliers in cheaper locations. Although their cost will increase, they cannot increase their prices beyond what the market can bear.

City stores will not be able to charge more for the same goods than what suburban stores (with lower land tax costs) charge. No property company will be able to raise its rents higher

than what the market can bear. And land developers and speculators cannot raise their prices as long as there is plenty of land on the market.

Instead of passing it over to the consumer, land tax will in fact effectively reduce the price of land! This is why some landowners are worried!

Present administrative weaknesses should not obscure the essential virtues and advantages of a properly applied land value tax.

M PINCOMBE

Melbourne

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LAND RIGHTS TO "SPACE-SHIP EARTH"

What is the similarity between Mr Galarrwuy Yunipingu, the Aboriginal leader of the Northern Territory Lands Council, Kuwait's oil Sheiks, and a land-speculator?

The similarity is, that they make a fortune out of vast price increases in some kinds of natural resources.

They have the privilege to collect a fee from all other travellers in Space-Ship Earth, before those are allowed to share in the benefits of natural resources.

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Our task is to restore government to normal, i.e. freedom, rather than to reshape society.

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MONTHLY MEETINGS HELD AT 143 LAWSON STREET, REDFERN.

1st Monday, 6 p.m.

Australian School of Social Science. (No January meeting)

2nd Tuesday, 6 p.m.

Henry George Foundation and Association for Good Government.

3rd Wednesday, 7.45 p.m.

Social Science Club. (No January or February meeting) October meeting is held as The Henry George Commemoration. December meeting is held on 2nd Wednesday.

LAST Thursday, 6.15 p.m.

Proportional Representation Society. (No December meeting)