



Government Power— Use and Abuse

by Glenn E. Hoover

GOVERNMENTS were first established to preserve domestic order and provide protection from alien enemies. These have continued to be the primary goal, but, unfortunately, little progress has been made in achieving them. When our tax payments are due and when we are compelled to serve in wars which we disapprove, we may wish that governments had never been invented. But in our calmer moments we will agree with Aristotle that man is a political animal, and that governments are unavoidable and grow out of the fundamental needs of mankind.

One popular misconception is that the scope of central control increases with advances in technology. Neither the collectivist nor the welfare state should be listed among the modern inventions, however. At the dawn of recorded history they were already very old. Nor is there any truth in the notion that "big government" is a new monster. The existence of state enterprises, wage and price controls, etc., are recorded on the clay tablets that preceded the age of paper.

The truth is that individual freedom has increased with every extension of the free-enterprise, free-market system, but the economies of the Western World are still hampered by many restrictions that are either futile or positively evil. The oldest and perhaps the most pernicious of these are

the trade barriers. All trade, both domestic and foreign, is essentially barter, and man is by nature a trading, bartering, buying and selling creature. Whence then, came the notion that a trade or sale, freely agreed to by individuals, one in country A and the other in country B, could be harmful to one or both of the countries?

But governmental powers are sometimes used to benefit misguided or selfish private interests. Such follies are never easily abandoned. The greatest of our national scandals, the farm program, illustrates this point. Before the government began to extend massive subsidies to farmers, both for growing crops and for not growing them, our farmers were the world's low-cost producers of many major crops, and consumers both here and abroad could buy them at reasonable prices.

When governmental power was used to restrict planting, and public funds were used to maintain prices at artificially high levels, we could no longer sell in world markets, and farm production abroad has been growing by leaps and bounds.

If the farmers were freed from restrictions on plantings our friends abroad would buy our products with dollars earned by selling us products of which they are the low-cost producers. We could then dismantle the

huge, bureaucratic apparatus made necessary by our government's experiment in the control of agricultural production. But we must expect that many of these bureaucrats will fight to retain their jobs, and some farmers would rather sell their products to the Treasury than find buyers in competitive markets. If this experiment had not cost us so many billions of dollars, it might have been continued indefinitely. But with the taxpayers' wrath at fever pitch, surely its days are numbered.

There is one power every state must use and that is the taxing power. While tax-paying can never be made as pleasurable as tax-spending, it would be less objectionable if law makers would observe a few simple rules. First, no tax should be levied which necessitates asking the individual taxpayer any questions whatever—not even his name.

For example, the gasoline tax is easily collected from the motorist who pays it, I will not say gladly, but certainly with fewer homicidal tendencies than if he believed the one who followed him would pay a smaller tax per gallon because he could show that his net income was lower, or that he had more dependents.

In making this point, however, I am not approving sales taxes, for no taxes should be levied on sales, income, or the products of labor, until governments first take for their support, the site value of land. The case for site-value taxation rests on two premises, the first of which is that the

site-value of land is a socially created value. This is an economic premise, so simple that its truth should be evident to any man of common sense if he will but ponder it briefly. The second premise is that socially created values should be taken by society and used for public purposes. The justice of this should be evident to all—schooled or un-schooled, who, in the simplest of cases, can distinguish between right and wrong. And yet, neither the truth of the first premise nor the justice of the second has been generally accepted.

Proposals for the extension of state powers reveal the temperamental differences that divide us, although there is, verily, no new thing under the sun. Some of us will confess that whenever confronted with a proposed extension of governmental power our judgment will be influenced by a biased devotion to individual freedom. We may accept restrictions on that freedom, but the burden of proof must be borne by those who would restrict it. Perhaps our bias is shared by all who dread the concentration of economic power, and who, with prophetic vision, see all mankind enjoying free-market economies and living peacefully together in a free-trading world.

For those who share that bias, I would hope that they retain it, and strive to develop it among their fellows. That is the task, as I understand it, to which the Henry George School, now operating in various cities in the USA and Canada, is dedicated.

COMMON SENSE AND THE ATOMIC AGE

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