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The Evolution of Governance

The Seeds of Self-Destruction

The American Declaration of Independence states that “all men are created equal”. Clearly they are not. All people are not created equal. They never have been, and never will be. On the one hand, our great diversity of talent and endeavour has been responsible for the many advances in knowledge, art and science. Yet at the same time it has also made possible all of the world’s troubles, war, poverty, environmental abuse, oppressive government, even our dysfunctional banking system.

Of course there are differences between people; we all have our own skills, aptitudes and interests. But these differences are not inequalities, merely dissimilarities.

The really significant difference lies in the inequalities of physical force and mental cunning, and individuals’ propensity to use these abilities in order to gain wealth, power and influence, not through their own efforts alone, but by expropriating the work and wealth of others.

The seeds of self-preservation and self-improvement are, of necessity, born into every one of us. They are basic to survival. If we use this impetus to create, to invent, to improve on what has gone before, collaborating with those around us, then civilization will advance to the benefit of all.

But if the desire for self-aggrandizement is exercised at the expense of others, if we seek to gain wealth, not through our own creative labours alone but by exploiting and dispossessing others, by expropriating the work and wealth of others, the more aggressive will become richer while others grow poorer, and conflict, confrontation, violence and war will result.

We as human beings have within us, the potential for unlimited growth. We also have within us the seeds of self-destruction.

The use of God-given talents to initiate real wealth creates prosperity. The use of those talents to exploit others, to enrich oneself by impoverishing others, produces only conflict and dissension. And that is the history of our world.

Slavery, feudalism, and industrial low-wage exploitation were tolerated, indeed sanctified by law. Why? Because law and governance was traditionally in the hands of those enjoying superior power, wealth, background and the political influence that goes with it. And they consistently ordered society in ways which permitted them to live comfortably from the proceeds of other people's toil. Government permitted, indeed institutionalized, the exploitation of man by fellow man.

But with the dawn of the 1900s, the tables were turned. Society had hitherto been ruled by the rich and powerful, who ordered society in ways which would protect

and perpetuate their wealth at the expense of others. Then Karl Marx and friends invited the 'poor masses' to throw off the yoke of oppression, turn the tables and plunder the riches of their old masters. And this, encouraged by the newly invented doctrines of Socialism and Communism, they did. Government plundered the riches of the wealthy and distributed them among the poor, rectifying the perceived injustices of the past.

The history of politics and social relationships is a history of continuous imposition exercised by people over one another with government 'turning a blind eye', or with government's active participation.

We have polarized ourselves into two distinct camps: the managers and the managed, the organizers and the organized, the exploiters and the exploited, rulers and subjects, haves and have-nots.

Karl Marx may have created the concept of Class War and the vocabulary to go with it, but he didn't invent the classes. And the two are in continuous conflict, reflected in wars, revolutions, industrial action, and the battles of numbers we call democracy.

Whether autocratic monarchy or dictatorship, constitutional or democratic, government was never instituted by idealists to protect the general liberty, but rather to protect and enhance its own interests, and those of its class supporters.

The historical evolution of governance, as it took place in Britain spreading then to the USA and Commonwealth countries, can be seen in two stages: first between Power and People, then between Left and Right, Poor and Rich.

Power versus People

In medieval times there was little or no awareness of social class among the general populace. The rich were up, the poor were down. Thus it was ordained.

There was however, a continuing movement among the more powerful elements of society, the barons and clergy, to limit and to share the powers of the monarchy. The monarchy was tolerated, indeed actively supported and openly respected, for its continuance ensured stability as opposed to civil war. But the monarch must be disciplined in his or her conduct, respectful of tradition, upholder of the common laws and customs, modest in conduct and expenditure, and must share power with the powerful men of the land.

England's Great Charter of 1215, generally recognized as the world's first groundbreaking constitution, set major limits on the monarchy and strengthened the concept of power-sharing in decision making. Further reforms were added during the years and centuries which followed, culminating in the 1689 Bill of Rights which transferred all effective political power to Parliament. Power had moved to the People.

But Parliament at that time represented only a small proportion of the population. These were the big landowning families, and later the new industrial barons, all

of whom were, of course, quite happy to retain power in their own hands. The reformers however, both in and out of government, would now press for continuing expansion of the voting franchise and consequently wider power-sharing.

Following the tradition that the King's advisers sat on his right, the Conservatives supporting the status quo now sat on the Speaker's right, while the Radicals and Reformists sat on the left. So Britain's Parliament assumed what would become the traditional confrontational shape, of Right and Left, Conservatism and Reform, Rich and Poor facing one another across an aisle, and the terms *Right* and *Left* assumed the significance which would become familiar throughout the world.

By the end of the 1800s following numerous gradual reforms, the right to vote had spread across class interests. However, while the working classes were now enfranchised, they needed a 'real' Left-Wing Party in Parliament which would represent their own interests and views, a Party which would fight against the intolerably long working hours, poor pay, overcrowded housing conditions, and all the other perceived manifestations of injustice and exploitation.

Socialism had its origins in the writings of Karl Marx and Engels, and the last few years of the 1800s saw the gradual formalization of the Socialist programme featuring a shorter working day, improved housing, higher wages, social security, and a minimum standard of education for all. Socialism became established as the 'alternative' political doctrine.

Absolute Power had been shared, first by the powerful, then by the populace. But the people themselves were sharply divided along class lines (= wealth).

Left versus Right

For the greater part of our political history laws were based on one political dogma, variously known as Capitalism, Laisser-faire, Free Enterprise. Whatever it may be called, it is based on the principle of minimal Government intervention. And that made sense, at least to the ruling classes. They were doing very nicely in industry, commerce and social organization, and they had naturally instituted a form of government which would leave them quite free to get on with it – which is literally what *laisser-faire* means.

Traditionally Governments had always served the interests of the powerful people who controlled them simply by doing as little as possible, thus allowing those with power to exploit those without it. Taking the side of the previously impoverished majority, Socialism would adopt the opposite approach. Instead of doing nothing, or the very minimum, a Socialist Government would throw itself wholeheartedly into the fray on the side of the working people.

With the benefit of hindsight we can see the idealism which motivated the principles of Socialism in its formative years. But we can also see that the Socialist Reformers in their attempts to eliminate enslavement overshot the mark.

In the Communist countries for fifty years following the Second World War, governments became heavy-handed and oppressive. Central control of economic activity eliminated enterprise and with it meaningful economic growth, resulting in the relative economic decline which would be their downfall.

In the milder approach of Socialism, governments in the ‘capitalist’ West came to be seen as providers of welfare, healthcare and education, promising ever more goodies to win elections and taking their countries ever deeper into debt in the process. Governance was no longer about law-making. Rather it became a process of taking taxes, multiplying them up with added debt, then handing out favours to their campaign supporters, and as crowd-pleasers to the loudest shouters at election times.

And the ‘handling charge’ for the government administration demanded of this financial transfer process would increase steadily, since government can tax as of right and is neither subject to, nor even aware of productive efficiency.

Government in Decline

Democracy gives *power to the people*, the word being derived from the Greek words ‘power’ (*kratos*), and *demos* meaning ‘people’. It is a process whereby ‘The People’ can review the options on offer, then select the policy of their choice. But this remains an ideal. We cannot have *power to the people* unless all of the people are of one mind. And in practice, they never are.

We still perceive ourselves as ‘Right’ or ‘Left’, Rich or Poor, though in the West class differences have in practice been considerably eroded, leaving a large “floating vote” to be won over by political personalities and increasingly by campaign budgets and the financial support needed to provide them.

With class issues no longer in the forefront, and any vestiges of idealism gone, Western governments have become increasingly opportunist and self-serving, vainly promising miraculous solutions for the problems and issues of the moment while attempting to secure their own comforts and their own future.

The early years of the second millennium have witnessed popular confidence in government as an institution, and lawmakers as individuals, reach rock bottom. Indeed, when one considers the modern Western Government, with its unlimited rights of taxation, its total lack of financial discipline, and the tenuous relationship between elected Members and their voters, one may reasonably wonder how far real and effective constitutional discipline over those wielding political power has progressed since the Great Charter of 1215.

In 1215 Britain had an autocratic, costly and largely ineffectual Monarchy. Today throughout the developed world we have autocratic, costly and largely ineffectual Government. The need for constitutional discipline over Government today is every bit as great as was the need for constitutional discipline over the Monarchy in 1215.

We need Laws. But we need laws based on an innate sense of right and wrong, of natural justice, rather than subjective class interests.

We need laws which fairly and justly apportion demands upon, and uses of natural resources while respecting the requirements of good husbandry. We need laws to ensure honesty and fair dealings in commerce and industry. We need laws to protect individuals from murder, theft, exploitation and oppression.

And we need a guiding all-encompassing framework to ensure that lawmakers do not misuse their powers, that their laws do not become oppressive, nor their administration bloated, self-serving and unproductive. This, in theory, should give us peace and prosperity, as human talents are put to the collaborative advancement of civilization.

But desirable though it may be, political and social reform of this magnitude will not come about easily.

Once a class difference takes root, it tends to increase exponentially, the greater the difference, the greater the potential for it to widen yet farther. Increasing wealth permits an increasing standard of living, better housing with light, heat and fresh air, better healthcare, better education... these beneficial factors provide ever greater advantage for the rich over the poor, living in dark, dank unsanitary slums with insufficient food, no healthcare, no education. Wealthy families develop mini-empires of their own, often collaborating with others for mutual benefit, seeking to order the world, their immediate society or nation, to suit and enhance their own welfare and power.

Thus over the centuries, wealthy banking and industrial families grow up, exerting power and influence to their own benefit. Some power-brokers manage to climb to the top in one lifetime; others come from several generations of power, while yet other ancient and noble families' names go back several centuries.

As a culmination of this longterm development, the money-manipulators, together with executives of major corporations in leading industries like armaments and pharmaceuticals, are not only able with relatively little effort to earn as much in a day as the 'working man' earns in a year or perhaps even a lifetime, they also wield a tremendous influence over the course of law, both through their powerful friends, and by financing election campaigns.

They exert their power in their own domains, in banking, in their industries... and in government, for these power-brokers have become the puppet-masters, the 'power behind the throne'.

In those countries considered as politically developed, popular assemblies of one sort or another make the rules, the laws which govern the nation and shape its life and its destiny. Yet real power does not lie with 'the people'. Neither 'the people', nor even their elected representatives are the wielders of real power. Power belongs in the hands of the few, who steer government so as to make the wealthy and influential more so, even if it ruins a nation in the process.

Ensuring a strategic insufficiency of law in specific areas allows an insufficiently regulated financial environment in which bankers freely and irresponsibly gamble savers' and investors' assets, resulting in the 2009 financial disaster, and not so incidentally, in large financial windfalls for banks and bankers who manipulated the system to their own advantage.

The Power Brokers also exercise control from within the political system itself. Big Industry, and this holds true particularly in the United States, provides the enormous campaign contributions which the system requires, thus of course, placing a successfully elected representative in the debt of his or her donors. Add to that the huge budgets, the complexity of which defies any meaningful accounting, and the secrecy surrounding much government operation, and government has all the power it needs.

The importance of controlling government has become more significant over the last fifty years, as the function of government has gradually changed. Through progressive increases in total taxation the focus of governance moved away from simple law-making, overtaken and overshadowed by the process of taking taxes, multiplying them with added debt, then handing out favours to their campaign supporters and as crowd-pleasers to the loudest shouters at election times.

Debating and formulating laws is boring; it can safely be left in the hands of the administratively and academically minded. No. The real excitement, the real potential for power-wielding lies with money. These days legislating takes a back seat. Money has become the major preoccupation of politics. The business of government involves taking as much money from the citizens as it can get away with, using all its arts of concealment and deception in so doing, then handing it back to the benefit of the power-brokers who finance electoral campaigns.

Western governments have become increasingly opportunist and self-serving, vainly promising miraculous solutions for the problems and issues of the moment while attempting to secure their own comforts and their own future, together with that of their brothers-in-law, the power-brokers.

Over-taxation and low productivity in government, abuses of banking and industrial power, and an attitude to business and commerce based on opportunism and devoid of ethics, maintains the populace in relative poverty as compared to their collective potential.

If we are to move forward in politics and in the type of society which politics can create, we need a new idealism as a guide and a basis for law, reinforced by strong constitutional disciplines on the conduct of government and lawmakers.

Governments consist of people, and one needs to ask how they got there, and why they seek access to the power of government.

The answer, not surprisingly, is that those who seek and obtain access to the power of government, ostensibly to ensure justice and protection from injury and exploitation, are precisely those same people who are intent on harnessing the power of government to deprive the people of justice and protection in order to further their own power and material gain.

The Ideal of Right Law

Law and the Divine Mind

Throughout the history of politics force has always taken precedence over reason in the settlement of human affairs. Autocracy and anarchy both rely on physical force to impose decisions: autocracy being rule by dictatorship, anarchy being mass mob rule. In a democracy, force remains as the decisive factor, only now physical force is replaced by force of numbers, or increasingly, force of money. A law is right because it has the support of the majority; it needs no other justification.

But democracy has produced, and continues to produce bad laws, laws which are oppressive, prejudicial or financially irresponsible. If we choose to apply reason to our political and social differences rather than force of arms or of numbers, we are led to the question as to what is 'right' and 'wrong' in law. The exploration of this issue is certainly nothing new.

Despite the preponderance of self-interest throughout our history, the pursuit of 'Right Law' and the ideal of some ultimate universality has claimed the attention of political thinkers and writers since early Greek and Roman times.

"I find that it has been the opinion of the wisest men that Law is not a product of Human thought, nor is it any enactment of peoples, but something eternal which rules the whole Universe by its wisdom. Reason has always existed, derived from the Nature of the Universe, urging men to right conduct and diverting them from wrong-doing; and this Reason did not first become Law when it was written down, but when it first came into existence; and it came into existence simultaneously with the Divine Mind."

These principles were expressed by the Roman philosopher Cicero in *The Republic*. While such ideals can be traced yet further back to the early Greek political philosophers, it was the Romans and Cicero in particular who gave to the Greek doctrine of *Natural Law* a statement in which it was to become universally known throughout Western Europe down to the Nineteenth Century.

Cicero continues: "There is in fact a true Law – namely, right reason – which is in accordance with nature, applies to all men, and is unchangeable and eternal. By its commands it summons men to the performance of their duties; by its prohibitions it restrains them from doing wrong. To invalidate this Law by Human legislation is never morally right, nor is it permissible ever to restrict its operation; and to annul it wholly is impossible."

Particularly important here is the assumed distinction between the fundamental laws of nature which are a product of the Divine Mind, and man-made laws. Man-made laws should ideally reflect Natural Law; if they do not, they are in Cicero's view, worthless.

George H. Sabine (*A History Of Political Theory*) comments:

“None of the great Roman jurists doubted that there is a higher law than the enactments of any particular State. Like Cicero they conceived of the law as ultimately rational, universal, unchangeable, and divine, at least in respect to the main principles of right and justice. The Roman Law, like the English Common Law, was only in small part a product of legislation. Hence the presumption was never made that law expresses nothing but the will of a competent legislative body, which is an idea of quite recent origin. It was assumed that “nature” sets certain norms which [government’s] law must live up to as best it can and that, as Cicero had believed, an ‘unlawful’ statute simply is not law.”

The essence of *Natural Law* is that the Ruler, the State or the Legislator is always subject to the Law of God, or the Moral or Natural Law, the Higher Rule of Right which transcends Human interests and Human institutions. Thus the Ruler or Legislator becomes an *interpreter* of a Higher Law, rather than an instigator or originator of law reflecting perhaps the interests and profit of himself or the group he represents.

Acceptance of a higher, Natural Law requires that “... the Legislator who formulates laws is a Priest of Justice, the practitioner of a true philosophy, not a pretender to an imitation. Natural Law meant interpretation in the light of such conceptions as equality before the Law, faithfulness to engagements, fair dealing or equity.”

A modern exponent of ‘Just Law’, Rudolf Stammler [*The Theory of Justice, 1925*], regarded this belief in Natural Law as the crowning glory of Roman jurisprudence:

“This, in my opinion, is the universal significance of the classical Roman jurists; this, their permanent worth. They had the courage to raise their glance from the ordinary questions of the day to the whole. And in reflecting on the narrow status of the particular case, they directed their thoughts to the guiding star of all law, namely the realization of justice in life.”

This general principle of government – that authority is justified only on moral grounds – may appear somewhat alien today. But it achieved almost universal acceptance within a comparatively short time after Cicero and remained a commonplace of political philosophy throughout the Middle Ages, becoming a part of the common heritage of political ideas.

Natural Law in the Middle Ages

The concept of Natural Law was fundamental to the political philosophy of Henry Bracton whose written comments after the Magna Carta laid the foundation of English Common Law. Bracton particularly stressed that the King must “be under God and the Law”, by which may be understood the “Natural Law” or Right Reason.

Bracton was born, lived and worked in Devon during the early 1200s (his birth date unknown, he died in Exeter, in 1268). He was both a Cleric and a Justice – as indeed was common at that time, for few but the Clergy could read. From 1245 he was an Itinerant Justice for King Henry III, and from 1247 to 1257 was a Judge of the *Coram Rege* which later became the King’s or Queen’s Bench.

His (Latin language) document *On the Laws and Customs of England* is one of the oldest systematic treatises on English Common Law. It also deals in depth with the obligations of, and disciplines upon Royal power, concentrating on three major themes: that the King should himself be subject to and act within the Law, that he should rule wisely and justly, and that he should rule in consultation with his peers, the “eminent men” of the land.

The King must first of all be subject to, and act within the Law.

In stressing the King’s relationship with the law, Bracton identifies two aspects of law and the apparent contradiction between them. One aspect of law consists of day-to-day orders and regulations, and in this sense the King is the source of law. The other aspect of law is the body of custom we would now call the Constitutional Framework; here the King must himself be subject to law, for the King and the very institution of Monarchy owe their existence to law in this Constitutional sense.

So Bracton insists that “the King must be under God and under the Law, because the King’s position owes its very existence to the wider framework of law.

“Let him therefore in his Laws, observe the due process of law through which he himself exists. For the King is not fulfilling his legal obligations when he rules by personal will, rather than by due process of law under the ultimate will of God.”

Bracton also expects the King to obey his own laws, for the King, though the source of Law, is not outside the Law:

“What the King is bound by virtue of his office to forbid to others, he ought not to do himself. Let him, therefore, temper his power by the due process of law, which is the discipline upon power, that he may live according to the Laws, for the Law of mankind has decreed that the lawgiver should be bound by his own Laws.

“Nothing is more fitting for a Sovereign than to live by and within the laws, nor is there any greater sovereignty than to govern according to the due process of Law, and the Sovereign ought properly to yield to the tradition and process of Law that makes him King.”

Bracton strengthens his argument with this forceful reference to Christian example:

“That the King must bow to the process and formality of law is paralleled in the example of Jesus Christ. Though many ways were open to Him to fulfill His destiny in the redemption of the Human race, He chose to destroy the devil’s

work, not through the arbitrary use of His great powers, but by subjecting Himself to the existing laws of justice [and ultimately to His Crucifixion]. In this way He willed Himself to be under the law that He might redeem all those who must live under it. He chose to use not force, but judgement.”

Monarchs of England and Europe have often claimed to rule by Divine Right. The Kings themselves interpreted the concept of Divine Right as placing them above and beyond the reach – or reproach – of the law, and of those they ruled.

Bracton however voices an earlier understanding of Rule by Divine Right, namely that the King is God’s Minister, and as such is under obligation to rule wisely and responsibly:

“The King is Vicar and Minister of God on Earth, and from God comes the power of justice. Therefore the King’s power is that of justice, not injustice. The power of injustice is from the Devil, not from God.

“The King will be the Minister of him whose work he performs. Therefore as long as he does justice he is the Vicar of the Eternal King, but he is the Devil’s Minister when he deviates into injustice or injury.

“The King is called King, not from reigning, but from ruling well, since he is a King as long as he rules well, but a tyrant when he oppresses by violent domination the people entrusted to his care.”

Bracton also stresses the requirement of participation in the formulation of laws:

“The King should not propose or enact laws rashly by his own will or whim; the law should be properly decided with the counsel of his peers, the King giving it formal authority only after full joint deliberation and consultation.”

Bracton thus set out the three major ideals of Constitutional Monarchy: that the King should himself be subject to and act within the Law, that he should rule wisely and justly, and that he should rule in consultation with his peers.

For Kings who assumed that they were supreme, and by their very status, could not be dictated to by those under them, Bracton summarized their position very neatly. *Rex non debet esse sub homine, sed sub Deo et Lege*. “The King should not be under Man, but under God and the Law.”

Thus social conduct, political power and governance were closely inter-related with religion, ethics and morality. In this way, governance was a two-level process in which higher, unchanging principles of justice and right social conduct were then interpreted and applied in the light of changing demands and circumstances of day-to-day life.

In his capacity as Director of Music to the City of Leipzig and its Town Council, Johann Sebastian Bach was required to produce cantatas, not only for strictly religious use in church services, but also to celebrate and in a way, sanctify Council Elections. For the Council Election of August 30, 1723 Bach produced a cantata celebrating the good fortunes of the city, while including an aria stressing

the responsibilities of power: “Authority is God’s gift, indeed, it is God’s own image. He who does not accept the measure of its power ignores also the power of God. How then will God’s word be fulfilled?”

This long-accepted ideal of morality in law was not destined to become a permanent feature of English legislative discipline or procedure. Following the Industrial Revolution and the growing complexity of production, employment and trade both national and international, legislators became more concerned with regulatory detail, while higher principles of political morality were abandoned.

But such concepts would later inspire in the new United States of America the idea of codifying the essential procedures, safeguards and liberties gradually assembled over the centuries into one single written Constitution.

Natural Law and Constitutionalism

The first written Constitutions, those intended as an overall framework regulating the procedures, obligations and limitations of government, which developed during the 1700s were motivated by two then-current political theories: Social Contract and Natural Law.

The ‘Social Contract’ element reflected the principle that government is established as a result of a compact in which individuals promise to accept the judgements of a common arbiter. An important implication is that, having put their trust and political destiny in the hands of a Central Government, the People are thereby entitled to expect from that Government justice, honesty and competence.

And since it is all of the people who are subject to law, not only those who have voted for the specific Party for the time being in office, it follows that there is a presumed obligation upon any Party in power to act in the overall national interest, avoiding solutions favouring specific sectional interests including those which put them into power.

Though this ideal may be difficult to define, it has nonetheless been possible to limit Government from practicing the grosser extremes of natural in-justice; this is achieved through the Constitution, the function of which is to set out the specific terms of this "social contract" including the procedures, obligations and limitations to which Government should be subject.

‘Natural Law’ element in Constitutions gave them the sanctity of a Higher Law.

“The modern Constitutional State at the time of its origins was justified and to a large extent legitimized in terms of Natural Law theory. While the ancient idea of a divinely inspired, immutable, eternal Natural Law had been secularized by the Seventeenth Century it still provided a source of permanence in an ever unstable world.

“John Locke used Natural Law to support the natural rights of the individual, thus limiting the powers of Government. The written Constitutions which followed Locke’s philosophy embodied such traditional natural rights in detailed provisions.”

[*Constitutions That Have Made History*: Blaustein and Sigler, Paragon House, New York, 1988].

Despite their growing commitment to ‘rule by the people’ – or more accurately, the majority of the people – the Framers of the United States Constitution were under no delusions that Democracy of itself could be relied upon to guarantee good laws.

In an attempt to preserve discipline and integrity in government the Framers provided a clear and concise Constitution creating a system in which several branches of Government share power, yet limit that power through a series of checks and balances.

But even this was not enough. Many of the Framers felt that Liberty should be more specifically defined and protected. Among them was Richard Henry Lee of Virginia, who argued that the Constitution as it stood directly after its adoption would “*put Civil Liberty and happiness of the people at the mercy of Rulers who may possess the great unguarded powers given.*”

He demanded such amendments “*as will give security to the just rights of Human nature, and better secure from injury the discordant interests of the different parts of this Union.*” The result was the first ten Amendments, collectively known as the Bill of Rights which set specific bounds on the range and extent of Law.

The significance of the Bill of Rights, as with similar Constitutional limitations on Government activity, lies in the recognition of a Higher Law endowing mankind with certain fundamental rights and liberties to which even elected Parliaments must defer.

However, while constitutions can attempt to mitigate the excesses of lawmakers, only when we identify and accept the concept of Right Law as our basis of governance will justice and stability prevail, bringing with it a level of prosperity for all which derives naturally from cooperation rather than confrontation.

The Concept of Right Law

In our everyday lives, in personal relationships, in our use of natural resources, in our business and commercial affairs, it is possible for some to gain benefit at the expense of others. This is the essential feature of political conflict.

Our response to potential conflict is reflected in personal conduct, and in the government policies we choose or accept. Either we choose, and our laws permit us, to continue injuring, exploiting and imposing on one another so that some may gain wealth through the impoverishment of others; or we attempt to avoid,

and our laws identify and prevent, those actions which are harmful or injurious to others so that we can all live in peace, harmony and maximum liberty.

For two thousand years we have explored social relationships through the full range of slavery, feudalism, exploitation, civil wars, and the confrontation of sectional interests.

When we begin to seek fair rules by which we can live together and collaborate productively without exploiting one another, we will find that the true nature of 'Right Law', of universal liberty, is and always has been clear and straightforward, awaiting only human recognition and acceptance.

It exists inside every one of us, for we all know what is right and wrong in social conduct – if we ever bother to ask ourselves. It exists as the fundamental basis of English Common Law; and it has been expressed by political thinkers, writers and philosophers for thousands of years.

This is the Eternal Law of Right Social Conduct: *that each should pursue his or her own advancement, but in ways which respect the right of others to do likewise; that each should seek his or her own growth, but in ways which do not diminish others.*

As long as government permits imposition and exploitation to continue, or as long as government itself creates it, we will not live in peace and justice, nor will our prosperity reach its full potential.

Good Government is governance which prevents us from harming or exploiting or imposing upon one another. The purpose of Government and Law becomes the identification and prevention of exploitation, harm or injury between people.

Good Government requires the acceptance and consistent application of one simple basic rule: Do No Harm.

This is the Principle of Non-Injury, a fundamental law of social conduct with which we are all instinctively familiar.

We should all have the freedom to enjoy life and improve ourselves as we choose and are able. But we should not do so in ways which are harmful or detrimental to others; we should not seek gain at the expense of others' loss.

With the guidance of this Principle we would share resources equitably and use them wisely, we would trade fairly, we would respect the property, privacy and peace of one another. We would learn to live in liberty, respecting and not infringing the liberties of others. And we would prosper: for collaboration is an infinitely more creative, more powerful force than confrontation.

In this way we would move from the left-right confrontation enacted through democracy, to a new politics guided not by the force of arms or of numbers, nor by arbitrary decisions by legislators open to 'influence'... but by a Principle. Moreover a Principle so clearly defined it imposes its own internal constitutional disciplines.

If an action inflicts harm or injury on another or others, lawmakers would be obligated to enact necessary protection and prevention. If there is no injury or harm, any government action would be unjustified and thus intrusive and oppressive. Governance would thus be confined between the twin disciplines of **obligation** and **limitation**.

Our response to potential conflict is reflected in personal conduct, and in the Governments we choose or accept.
Either we choose, and our Laws permit us,
to continue injuring, exploiting and imposing on one another
so that some may gain wealth through the impoverishment of others;
or we attempt to avoid, and our Laws identify and prevent,
those actions which are harmful or injurious to others
so that we can all live in peace, harmony and maximum liberty.
Aggression, or non-aggression. It is a simple choice.

Governance based on the Principle of Non-Injury precludes people from robbing, killing, cheating, exploiting and oppressing one another, opening the way to collaboration, peace and prosperity.

This guiding Principle has already been expressed in many forms through the centuries; it is expressed clearly and concisely in the words of Thomas Jefferson: *the purpose of Government is to prevent men from injuring one another.*

This proposition has implications far beyond its apparent simplicity.

Clearly, Jefferson was not confining *injury* to grievous bodily harm, any more than he was confining the term *men* to the male gender. The purpose of Government in this view is to prevent people from injuring one another in the widest possible sense, and *injury* can take many forms which grow in number and complexity as the world develops.

One can harm one's fellow citizens by making and selling a machine which is unsafe in use; or through incorrect labeling of a food product which results in a user consuming an additive to which he or she is strongly allergic.

There are many ways in which we can injure one another, in our personal activities, in commerce and industry, in our use (or misuse) of natural resources. In Jefferson's view it is Government's job to identify and define those actions leading to the injury of others, then to prevent them through appropriate Laws and Enforcement.

Thomas Jefferson was not inventing a new idea.

He was taking his place in a long line of political theorists and idealists from early Greeks, through Cicero, Bracton and even J.S. Bach; he shared the same principles with his colleagues as Framers of the United States Constitution and

Bill of Rights, and he was handing on a continuing tradition of fundamental rightness with which we are all, in our consciences, familiar.

Most people of the Anglo legal tradition (Britain, the United States and many Commonwealth countries) have always objected in principle to any excess of regulation. We dislike meddling government; we find unnecessary regulation tiresome and annoying; we abhor oppressive government.

Yet few would object to being told they may not do something, if it can be clearly shown that their action is in some way harmful or detrimental to others. And when a person is suffering injury at the hands of another, we would all accept that person's right to remedy and protection in law.

The idea is well summarized by one of the leading figures in British justice, Lord Denning, in his book *The Family Story*: "Each man should be free to develop his own personality to the full; the only restrictions upon this freedom should be those which are necessary to enable everyone else to do the same."

What is Liberty?

Defining and Measuring Liberty

The view of Law as *the prevention of injury between people* reflects the fundamental limitation of social freedom. We cannot all have absolute freedom in our social relationships with one another. If one person is totally free to do whatever he likes, he is by definition free to limit or indeed eliminate the freedom of another, thereby reducing that second freedom possibly to zero.

The best we can do is to maximize freedom, and this we achieve when we all accept certain limitations on our individual freedoms so that we do not infringe the freedom of others.

To describe this concept of shared, limited freedom we use the word of Latin-Roman origin: *Liberty*.

A Land of Liberty is not a land in which we all have absolute freedom to do exactly as we please. That would be a land of anarchy, since everyone would be free to limit, or eliminate the freedom of anyone else.

A Land of Liberty is a land in which we are all subject to some restraint in those actions which are harmful or detrimental to others, so that we can all enjoy not absolute, but a measure of Liberty. In this way, the general Liberty can be maximized.

Without the Rule of Law people would be free to injure one another in the widest possible sense, each attempting to enhance his or her own personal wealth and possessions through the dispossession of others. This is Anarchy.

The remedy is the kind of Government visualized by Jefferson and Lord Denning, Government which exists specifically to prevent people from doing those things which are injurious, harmful or detrimental to one another, yet without exerting any further use of power which would result in oppression.

When Government as referee identifies those actions which are harmful or detrimental to others, then prevents such actions by Law and its enforcement, Government is limiting individual freedom; but in so doing it creates the conditions in which the general overall Liberty is maximized.

The Principle of “*freedom up to, but not beyond the point where freedom infringes another freedom*” is the Eternal Law of social conduct, the fundamental *Principle of Non-Injury* instinctively familiar to us all.

When this Principle is observed by citizens and applied by laws, Liberty is maximized, and laws enjoy the guidance of a Principle which fully reflects the age-old ideals of Natural Law, of non-injury, of respect, justice and fair dealings between people.

The Principle of Non-Injury requires in our personal relationships, in business and commerce, and in our use of natural resources, that we respect others as if they were ourselves, that we respect others as we would have others respect us. It will be recognized at once by anyone familiar with the Sermon on the Mount.

The Principle of Non-Injury may also be seen as an accurate reflection of the age-old ideal of ‘Natural Law’, the ‘Common Right or Reason’. It is universal rather than sectional in its approach and objectives; when accurately, honestly and consistently applied it seeks to maximize the general liberty for all rather than enhancing the wellbeing of some at the expense of others.

The Principle of Non-Injury can be defined with a degree of precision which creates its own disciplines on government by restricting law between the twin confines of **obligation** and **limitation**.

The purpose of law is to prevent injury, and the identification of an injury either actual or potential **obligates** government to initiate the legislative process. The formulation of legislation which will prevent that injury either totally or as nearly as practicably possible will conclude the process. That defines government **obligation**.

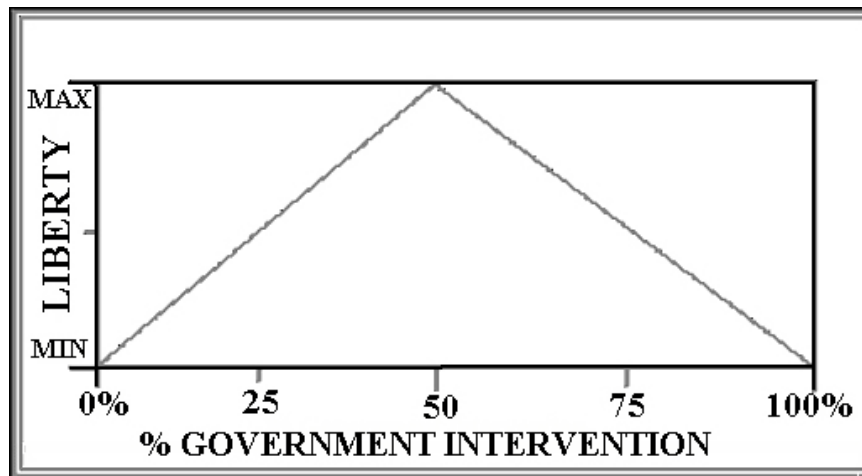
The **limitation** upon law is that without a clearly identifiable injury caused by one person or party against another, there can be no law. Thus government-initiated intrusive or oppressive laws cannot pass. In the words of John Stuart Mill, “*The only purpose for which power can rightfully be exercised over any member of a civilized community against his will is to prevent harm to others. His own good, either physical or moral, is not a sufficient warrant.*”

The adoption of such a clearly defined Principle affects the process of legislation and government, as well as the very status and function of legislators.

Being both obligated, and limited in their actions, Legislators lose any vestige of arbitrary authority and become *Interpreters of the Principle*, the legislative process directed not to satisfying the demands of sectional interests, but to the honest and consistent interpretation of the Principle based on a clear understanding of it. Legislators become not the arbitrary creators of law, but interpreters of a clearly defined Principle; they become the servants of justice, not the manipulators of it.

Right and Left, Protection and Oppression, and Liberty are all directly interrelated, and are in turn a function of what can be termed Government Intervention, or more simply, How Much Government.

The Degree of Government Intervention can be shown as a simple straight-line scale, calibrated from Zero to One Hundred Percent.



Let us first establish the two 'extremes' at each end of the scale.

At one end of the Scale we have Zero Percent Government Intervention, which means that government quite simply does nothing at all. Government is to all intents and purposes non-existent. The result is anarchy in its pure sense of being *without leader*, (*an arkhos* in Greek).

In this condition everyone is free to do whatever they like; but this also includes the freedom to limit or eliminate the freedom of others. Liberty, in the sense of a disciplined freedom resulting in a safe and ordered society, could not be said to exist under this regime.

At the other end of the Scale we have One Hundred Percent Government Intervention. Here we find total government control over every aspect of life. This is the kind of environment visualized by authors such as Huxley and Orwell, who attempted to highlight the dangers of allowing government to become oppressive. Here we find ourselves in the sinister world of Total Control, of

citizens directed in their every move and every thought by an ever-watchful Big Brother. Clearly, liberty does not thrive here either.

Fortunately most of us experience neither anarchy in the sense of zero government, nor the total oppression of one hundred percent government. But these two positions provide clear end-points as reference positions.

While there is little current example of zero government in the more developed world, many of the ex-socialist-bloc countries swung over to the opposite extreme in the confusion following *perestroika*, with a low degree of practical government resulting in black markets, widespread corruption, and the control of production and commerce in the cities moving from the State into the hands of Mafia-style gangs. It might still appear to the citizens of Russia's major cities that Government Intervention is almost at Zero, a condition which to many may seem infinitely worse than the old Communist days, the memory softened now by time.

More familiar to Western countries is the Low Degree of, say, a nominal 25% Government Intervention. This is represented by the term *Laissez-faire*, meaning literally 'let people get on with it'.

Low Intervention, or Laissez-faire

The first exponent of Laissez-faire was Francis Quesnay, physician to Louis XV, who came to the conclusion that government was a necessary evil which should interfere as little as possible with individual freedom.

The pioneering thought of Quesnay was developed into one of the most powerful doctrines in the history of ideas by Adam Smith, Professor of Moral Philosophy at the University of Glasgow, whose work *The Wealth of Nations* (published in 1776) became the gospel of the "system of national liberty" for the next century in western political and economic thought.

Familiar with the works of Quesnay, Smith built a more solid basis for his attack on government, updated now to reflect the shift of emphasis from land to industry which was concurrently unfolding.

Smith held that the source of a nation's wealth is labour. The increase in a nation's wealth therefore depends on making labour more efficient, which in turn is achieved by enhancing the investment of capital, developing specialization and mass production, and promoting the free flow of goods and materials in international trade.

To give full play to this complicated but natural and vital operation, the whole process must remain free from artificial restrictions of government.

This thesis was undoubtedly proposed as a constructive scientific-economic blueprint for the general growth, welfare and benefit of society as a whole, and in theory at least it is difficult to argue against it.

But in production and commerce, as in all aspects of inter-human relationships, there is always opportunity for infringement of liberty, for some to gain through others' loss.

And as the industrial revolution unfolded it would become clear that infringement of liberty in industry could be taken to, and indeed well beyond, levels which were unacceptable to anyone with knowledge and a modicum of social conscience.

Though Adam Smith saw benefit for all, in practice it would be the 19th century owners of capital, production equipment and factory premises who would benefit, to the detriment and impoverishment of those in the weaker position: their employees, the ex-hand-weavers now displaced by machines and clamoring for work at any price to ward off starvation. Women and children were paid a meager wage for long hours of concentrated work tending the machines which were dangerous, unguarded, and caused frequent accidents for which there was neither care nor compensation.

And the law was predictably slow to act in their defense. The bankers, investors and industrialists, being either in power or influential in the formulation of government policy, naturally supported a system which gave them a free rein to take advantage of their superior position. *Laisser-faire* for them was every bit as rewarding as Adam Smith had promised.

But at the same time it was becoming clear to reformers both in and out of government that while accepting the basic doctrine of liberty, an increase in government intervention was necessary to protect workers and improve their lot.

The movement for reform by legislation in England began with the Factory Acts which between 1833 and 1845 succeeded in limiting the work of children under eleven years of age to nine hours a day and of women to twelve hours. These Acts prohibited the employment of children in mines, and for the first time provided general rules for the health and safety of all workers.

So it was that Government Intervention began steadily to increase, with the justifiable aim of eliminating some of the more blatant opportunities for citizen to infringe the liberties of fellow citizen.

But the pace of reform was too slow for the newly awakening, increasingly organized and motivated working classes. And the pendulum of Government Intervention was to swing over to the other extreme: to socialism and communism, which represented a much higher degree of Intervention than most reformers would ever have visualized.

High Intervention, or Socialism/Communism

Under Socialism and Communism we enter the higher realms of Government Intervention, say a nominal 75%, where an increase in the power of government and the State is actively pursued.

‘Place everything in the hands of the State’, the Socialists urged, ‘and the State will take good care of us all’.

Set against the Victorian backdrop of widespread poverty, ignorance, ill-health and malnutrition, coupled with a concurrently growing sense of conscience and the need for reform, socialism appeared to offer the answer. Only a few there were who could foresee the implications of high and ever-increasing State control.

One such visionary was British author Herbert Spencer, who wrote, back in 1884:

"There is an increasing tendency for administrative compulsion and restraints. The increasing power of the State is accompanied by a decreasing power of the rest of society to resist its further growth and control.

"The multiplication of careers opened by a developing bureaucracy tempts members of the classes who regulate it to favor its extension, as adding to the chances of safe and respectable employment for their relatives.

"The people at large, led to look on benefits received through public agencies as gratis benefits, have their hopes continually excited by the prospects of more.

"Thus, influences of various kinds conspire to increase State action, and decrease individual action. The numerous socialistic changes already made by Act of parliament, joined with the numerous others about to be made, will soon be all merged in State-socialism, swallowed in the vast wave which they have little by little raised."

Spencer's words have proved prophetically correct in the light, not only of State oppression in the former Soviet Union and its satellite socialist countries, but also in the light of attitudes, demands for social programs, high taxes and budget deficits in the West.

Nations and their governments have thus far succeeded in creating and experiencing two kinds of political environment: enslavement of man by man, and government oppression. Enslavement of man by man, resulting in slavery, feudalism and industrial poverty, gave way at the turn of the 20th century to socialism and communism, which tended to create government oppression.

The two conditions or policies of laissez-faire and socialism, Right and Left, and their relationship with Government Intervention, may be simply summarized.

Enslavement, exploitation and imposition exercised by citizens over fellow citizens result from a Low Degree of Government Intervention, or Laissez-faire, which *permits* Imposition by citizens upon one another.

Oppression, government intrusion, State takeover of business, or Socialism-Communism, result from a High Degree of Government Intervention, which *creates* Imposition by Government.

Defining Maximum Liberty

Liberty is certainly not maximized at Zero Percent Government Intervention. At Zero Percent Intervention there is no government or legal protection of liberty whatsoever. This is anarchy. Examples of this can be seen at the present time in the countries of central Africa and even, to a lesser extent, in some of the ex-Soviet states.

As we move away from this condition of lawlessness, proceeding up the Intervention Scale, a gradual increase in Government Intervention provides basic law, order and personal safety, followed as we progress yet farther up the scale by more sophisticated forms of protection such as consumer, employee and environmental protection.

How far should we continue to increase Government Intervention?

The Right-wing definition of Liberty as "minimum Government Intervention" has always been a powerful argument, enhanced today in the light of both the experience and the demise of Soviet socialism.

Just as innocence until proved guilty, or *Presumption of Innocence*, is a cornerstone of the English judicial tradition, so too does the Anglo-American concept of law recognize what may be called the *Presumption of Liberty*, the concept that we should all be free unless there is a very good reason for the law to limit that freedom.

And what constitutes a "very good reason" for the law to limit freedom? Another very old-established precept of English Common Law provides an answer: it is entirely reasonable for the law to limit or to forbid an action which is harmful to others.

Bearing this principle in mind, we continue to increase Government Intervention gradually until we reach the point at which there is sufficient Government Intervention to ensure full protection of each and every individual's liberty from infringement by others in any way. We reach the point where Government Intervention is sufficient to ensure that there is *no opportunity* for any individual to impose upon, exploit, harm or in any way infringe the liberty of any others.

Here we have in fact reached the halfway mark on the Scale, represented by 50% Government Intervention.

Under a regime of 50% Government Intervention there would be no opportunity whatsoever for one individual or class or group to harm or enslave or to infringe the liberty of any others.

At this point we have achieved one "side" of liberty. As we make the final move from 49% to the 50% mark, we have succeeded in eliminating all infringement of liberty by defending the citizen against any and all forms of injury or imposition by other citizens.

But now we must guard against going any further, which would lead us into *oppression*.

We have already defined the 50% mark as being the precise degree of Government Intervention necessary to prevent any and all infringements of liberty between citizens. So if we increase Intervention any further government can only begin producing laws which are not strictly in the protection of liberty, and are therefore intrusive and ultimately oppressive.

As Government Intervention increases beyond 50% a progressive reduction of Liberty immediately begins. Governments are frequently tempted to make laws regulating personal private conduct "for our own good". There may be evidence to show that vehicle seatbelts save lives; but when government legislates their use for our own personal protection it is taking the first step down the road to oppression.

At 50% Intervention, government must protect employees and consumers from commercial irresponsibility. But when government takes upon itself all commerce and industry it is denying individuals the exercise of their natural enterprise and initiative. Apart from the reduction of commercial liberty, this reduces or eliminates individual enterprise, invention and initiative with the disastrous effects on national productivity and prosperity which became the major cause of the collapse of Soviet socialism in 1990.

The degree of Government Intervention which will produce Maximum Liberty can be clearly and precisely established:

Under a policy of 50% Intervention, government prevents individuals from imposing their will and judgments upon one another, but initiates no further imposition.

50% Government Intervention neither permits nor creates Infringement of Liberty. Government intervenes promptly when, *but only when* the law is required to protect a clearly identifiable infringement of liberty.

If there is any opportunity for any citizen to infringe the liberty of any other citizen, if any citizen suffers infringement of liberty to any degree or in any way at the hands of any other citizen, then Government is exercising not 50%, but 49% or some lower degree of Intervention.

Government is *permitting* a degree of injury and exploitation, of self-enhancement at the expense of others.

On the other hand, if Government issues any law, order or directive which is not clearly and solely in defense of an identifiable liberty from imposition by others, then Government is exercising not 50%, but 51% or some higher degree of Intervention.

Government is *initiating* some degree of State oppression.

The ability to define the seemingly diverse elements and options of Right and Left, Laisser-faire and Socialism-Communism, of Protection and Oppression on the single common scale of Government Intervention allows us also to define the related degrees of Liberty.

Liberty is maximized when the degree of Government Intervention is 50%: no less, and no more.

At 50% Intervention there is no Infringement of Liberty either by citizen, or by the State; there is neither Exploitation nor Oppression; the general Liberty is maximized.

The Degree of Government Intervention necessary to maximize liberty can thus be identified with a precision which any citizen can readily comprehend, and when necessary, defend.

A government basing its day-to-day legislation on such a clearly definable policy would lose the ability, presently enjoyed by governments of any shade of opinion to act arbitrarily. Government would be operating under such a precisely defined policy that it would become an *interpreter* of policy, rather than an originator of arbitrary law.

This radically alters the legislative process and the relationship between government and citizen. Government functionaries and departments become answerable to a Principle, their actions easily verifiable by any alert citizen. Citizens are governed, neither by dictator nor majority, but by a Principle which guarantees maximum protection, minimal or zero oppression, and maximum overall liberty.

If any man, any woman, acquires or is granted power over any other or others, this will – not may, but most surely and certainly will – lead to abuse, misuse and corruption.

The only Power that is competent and can be trusted to regulate the affairs of community and society is the Power of Principle, the Principle that in the pursuit of self-improvement and the exercise of liberty, no-one should injure or exploit others.

This Principle of Non-Injury is neutral and impersonal. It is a shield, protecting from injury, preventing injury. But as a shield, it is passive. It is not a sword, which intrudes. It simply protects, nothing more.

Legislators hold no arbitrary or discretionary power. They are simply Interpreters, applying the Principle in terms of everyday events and actions. The process of Interpretation is clearly delineated and circumscribed. If there is Injury, there must be Protection. If there is no Injury, then there is neither cause nor justification for the interference of law.

Legislators have no monopoly over law. The Principle is simple, and clear. It can be understood by any citizen, who can, and should question any mis-interpretation or mis-representation.

The Principle of Non-Injury can be defined accurately and precisely; but is it capable of useful and practical application?

When the Principle is right, the laws resulting from it must also be right. Or so theory might suggest. But can the Principle of Non-Injury, consistently applied, satisfy the legislative demands of a complex modern society? Again the answer is positive.

Legislative interpretation of the Principle of Non-Injury may provide some unusual solutions to our problems, but they are solutions which are visibly fair, and fundamentally effective.

The formulation of Legislation is the process through which a clear and simple guiding Principle is applied to the complex and ever-changing parade of conditions and activities.

It can clearly be shown that Legislation based accurately and consistently on the Principle of Non-Injury will be fair and just, promoting the Universal Interest and maximizing both the general liberty and overall prosperity.

The Principle of Non-Injury in Government

The *Principle of Non-Injury* defines the duty of government in terms of obligation and limitation. Its *obligation* is: the formulation and enforcement of legislation which will ensure that in the exercise of their liberties citizens do not harm, exploit or infringe the liberties of one another. Its *limitation* is that the law is restricted to the protection of the individual from identifiable aggression, and must avoid oppressive or intrusive law which itself constitutes government aggression.

Economics and Commerce

Applied in the area of economics and commerce, the *Principle of Non-Injury* gives a policy approach, not of unregulated free enterprise on the one hand, nor of socialist takeover by the State on the other, but a policy falling between the two, a policy of *socially responsible free enterprise*.

The basis of economic policy is to allow enterprise, initiative, business and industry to get on with the job of creating prosperity, of identifying and supplying the many and varied products and services the economy needs. The specific role of government is to observe economic activity in all its aspects, and to intervene when necessary – and *only* when necessary – to establish a regime of fair rules and justice as between all participants: investors, managements, workforces, consumers, and the environment.

Fair rules should ensure fair rewards for all parties involved in production and distribution, with fair prices and maximum quality in products and services for the consumer. Overall supervision of infrastructural facilities would ensure that investment priorities create employment opportunities in communities, regions and the nation as a whole. When enterprise is balanced by appropriate laws, the nation's economic potential can be fully realized, providing a rewarding, productive job for everyone who wants one.

The fundamental importance of a secure, reliable, honest and pro-active monetary and financial system cannot be over-stressed. History has already shown what can happen when a nation's financial system is both dishonest and incompetent. A nation's financial system is one of the most important infrastructural services of any civilized society, yet even in developed nations, the credit facility is not used to its full potential, and worse still, it is abused by the private banking system which has charge of it.

One of government's most important duties must be to *regulate the flow of the nation's credit* so that full employment can be achieved and maintained, whilst at the same time eliminating any and all financial abuses.

The Principle of Non-Injury requires a fair and just relationship between work and reward. This in turn demands fair rules for establishing *Pay, Prices and Profits*, replacing our present 'system' of arguing and doing battle, combined with a regime of permanent unemployment and under-utilization of productive capacity.

Also important is to ensure *Quality Maximization* as applied to working conditions, quality of goods and services, description of goods, and especially in the supervision of those 'commanding heights' of the economy which by their nature are monopolies or near-monopolies.

Natural Resources and Environment

In respect of our *natural resources*, environment, and urban planning, an established national strategy of rural preservation, urban enhancement and controlled development combined with principles of good environmental stewardship can provide a clear sense of direction: the creative preservation and enhancement of what should be our 'Green and Pleasant Land'. A renewed focus on public transport services can enhance both countryside and urban centres while reducing environmental pollution. Forward planning is essential in this process. The interests of the environment as an identifiable entity must also be taken into account.

The Process of Governance

The importance of a clearly defined guiding principle lies in the discipline it exerts over government. People know what they're voting for, they know what to expect, and government is obliged to deliver. *The Principle of Non-Injury* is

defined in terms of absolute precision, thus obliging government to do its utmost to protect liberty without creating the intrusion of excessive regulation or the trappings of a police state.

Government also becomes subject to strict disciplines in its own operations. Government loses its dictatorial right to tax at will; taxes become charges which need to be justified in terms of services rendered, not an arbitrary levy exercised as of right. Government is a service to its customers like any other, and the laws applicable to industry and commerce, especially those pertaining to productivity and strict accounting practices, must also apply equally to government, which cannot place itself outside the law. The aim of government should be the same as that of any well-run private sector industry or service: to provide *Good Government at Less Cost*.

Yes, it is all possible. There is no mystery to it. If government is honestly and productively conducted, providing a framework of fair and just laws ensuring that people work together rather than against one another, a just, peaceful and prosperous society will come about naturally, as a product of human ingenuity disciplined by laws reflecting natural justice.

Peace and Non-Aggression as a Way of Life

The Principle of Non-Injury is a Principle of Peace. Peace is the absence of aggression. And it is we who create aggression. When we no longer choose to practice aggression towards one another, the animal kingdom and our environment, that will provide a basis for peace. Governance can play its part in preventing aggression, injury and exploitation, but the motivation of self-enhancement which exists in every one of us can easily turn to the exploitation of others if it is allowed to do so.

It begins in small ways, putting others down in words or attitude to make oneself appear larger in stature. These are seeds which must not be allowed to grow. If we want to live in a peaceful society in our personal lives as well as in our politically regulated society, we and our children need to start early.

Children must be taught at the earliest possible age a zero tolerance for any kind of aggression towards others. In a home which claims to want peace there can be no place for aggression. Nor can schools let it pass in any form. When bullying takes place in schools and nothing is done, how then can we ever hope for peace in our lives, and ultimately in the world? Peace starts with the systematic determination not to generate or permit aggression. Students need to learn, and teachers need to teach life's Number One most important lesson: be nice to one another.

Peace is the absence of aggression. And it is we who create aggression. When we no longer choose to practice aggression towards one another, the animal kingdom and our environment, that will provide a basis for peace, reinforced and institutionalized in a political system based on peace and non-aggression between people, their environment, groups and nations.

Banking and Finance

Gold is Gone, but the Memory Lingers on

The most important element in any economy is finance, money or credit. Without what may broadly be called a monetary system, an economy is reduced to barter. We need a monetary system simply to trade goods for goods.

And we need a monetary system to provide loans for business investment. All over the world there are millions of unemployed people. A few, a tiny minority, are unemployable, due to mental or physical disabilities. For the rest, they want and need to consume, and they are both willing and able to produce. Money, or credit, is the vital link that can set the two, producing and consuming, into motion.

Which raises the question: why are we so reluctant to loosen the flow of investment in order to create new business and reduce unemployment? The answer lies deep in the distant recesses of history. As so often happens in human affairs, we base today's decisions on yesterday's conditions, even though they no longer exist.

The roots of the modern banking system lie deep in the vaults of the world's first bankers, who simply stored gold and issued tradable paper receipts to the owners. Soon however, these gold-storers came to the realization that not all their depositor-customers would be likely to claim all their gold deposits at the same time. So the gold-storers became bankers as they began to issue the same tradable paper receipts, not to actual depositors of gold, but to traders and businessmen needing temporary loans. Since these tradable "receipts" were not actually backed by gold, it was vitally important to make these loans only to borrowers who could be relied upon absolutely to repay them – or who could provide security in the form of assets which could be claimed by the banker in case the borrower might default.

Gold, solid metal sitting in vaults, demanded discipline. Sure you could lend fake "receipts" over and above the total value of the gold you held, but only up to a limit, and with absolutely rock-firm guarantees that the loans would be repaid.

The revolving credit system we have now bears only a very tenuous relationship to any form of reserves. It is virtually free of physical limitation or discipline, and as such brings with it enormous potential for good or for harm, for use or mis-use on a massive scale. On the one hand it has the potential to create growth and prosperity in rich and poor countries alike. On the other hand, it carries an equal potential for economic ruin. In the worst cases money is printed until it resembles worthless confetti; even in the best-run economies, banks play casino games with their allotted funds, dabbling in high-risk derivatives markets and speculative ventures, often involving complicity in accounting malpractice. The scandals are never-ending; as one dies in the public view, another comes up. The mix of financial gambling and irresponsibility in mortgage loans reached a historic peak in 2008-2009, with an equally historic crash which resulted.

We need to re-visit the whole concept of money, of revolving credit, how it all works, how we can prevent mis-use, and how we can release its enormous growth potential, unleashing talents and creativity, and revealing unemployment and our current inability to release the full capabilities of human talent for the unnecessary waste and stupidity it most surely is.

Regulating Money or Credit Quantity

Let's start on familiar territory. The Commercial, or local banks themselves create credit by making loans to their customers; the loans are eventually repaid, and more loans are made. It is a continuous-flow process, as credit flows out and back, and is then recycled out again. It is this revolving flow of credit which finances the entire economy, buying and selling, earnings and savings, longterm investments and retirement pensions. The Commercial Banks are private corporations, whose sole objective in present circumstances is to make a profit for their shareholders.

The Nation's Central Bank attempts to regulate the total quantity of credit in circulation so that it satisfies the needs of the economy in its current or potential level of activity. To expand the economy the Central Bank lowers interest rates, thus encouraging business investment and personal credit-spending. To slow down the level of economic activity the Central Bank raises interest rates, thus discouraging business investment and personal credit-spending.

The Central Bank, in conjunction with government economic policy, regulates the quantity of credit flowing through the economy. But the actual translation of a potential credit facility into real industrial and consumer loans is left wholly to the discretion of the private Commercial Banks, whose motives are solely shareholder-profit oriented. Government regulatory involvement in the Monetary System, the revolving flow of credit which empowers investment and lubricates the entire industrial and commercial machinery of the nation, is concerned solely with the *quantitative* issue of how much credit is available in the system at any given time, and exhibits no interest in, nor exercises any influence over, the *qualitative* issue of how the available credit is used.

Just as governments still carry a residual aura of absolute monarchs ruling by divine right, bankers too like to maintain a residual mystique harking back to the days when their vaults were filled with gold, and major banking groups even printed their own banknotes. The reality today however is quite different.

Today's Commercial Banks are creating credit within the overall framework of, and under the ultimate control of, the national monetary system. They are simply acting as agents handling a national resource, a resource moreover of extensive proportions and of vital import to the economy both nationally and at local community level.

And yet this resource of the nation, this *System-generated Credit* is created and channeled by the commercial banking sector with little reference to the overall

needs of the economy and often with insufficient financial responsibility. Clearly there is insufficient control over commercial banks' investment activities.

Furthermore, there is no current mechanism for directing the flow of credit into economically depressed areas or regional infrastructure requirements. These investment demands are therefore met by government as grants out of current income. This is an improper accounting practice which only serves to distort government accounts. In addition, since companies and projects in economically depressed areas generally receive outright grants rather than repayable loans, this distorts their own costings creating a sense of false profits which cannot be sustained when the grants are spent.

Once it is recognized and accepted that *System-generated Credit* is a national resource, it becomes a matter of importance to consider how this vital – and limited – resource could be used to the greatest benefit of the overall economy.

First, appropriate controls and guidelines must be established to ensure that banking resources are not misused for speculative purposes in property, stock markets, derivatives and foreign currency speculation.

The next step is to ensure that the National Resource of *System-generated Credit* is used for the benefit of the economy as a whole.

Three Faces of Banking

The basic requirement of a nation's financial infrastructure caters for day-to-day banking matters such as current accounts, locally financed mortgages, and loans for big-ticket consumer purchases, all of which are necessary functions. This is *Utility Banking*. Clearly, appropriate controls and guidelines must be established to ensure that the resources of Utility Banking are not misused for speculative purposes in property, stock markets, foreign currency transactions, and the complex web of margin deals and derivatives with which banks' whiz kids currently gamble depositors' and shareholders' hard-won resources.

The needs of investors who want adventure with appropriate risk are already catered for through the many *Investment Funds* which clearly grade the risk of their various investment vehicles. These Funds are subject to strict regulation, but regulation which simply ensures honesty and transparency in their specified dealings. This may, perhaps ungenerously be called Casino Banking. Investors enter with their eyes open, providing that funds are properly described, as indeed regulation should require. Gains and losses are confined to that sector alone, and do not spill over to affect banking and finance outside specific funds.

So we can conduct our day-to-day banking operations, and we can invest our savings in a Fund or mix of Funds which reflects individual appetite for risk.

The third type of banking, the least developed and yet the most important, is *Development Banking*, established regionally to ensure that the National Resource of *System-generated Credit* is used to maximize employment and productivity throughout the economy as a whole.

There is an ongoing need for investment in major infrastructure projects and environmental protection measures, as well as industrial development in backwater areas or areas experiencing major unemployment. However, there is no current mechanism for directing the flow of credit into economically depressed areas or regional infrastructure requirements. These investment demands are presently funded, either not at all, or by government as non-returnable grants out of taxes. This is an improper accounting practice which only serves to distort government accounts and increase government debt. In addition, when companies and projects in economically depressed areas receive outright grants rather than repayable loans, this distorts their own costings and may cause unfair competition. Grants lack the financial discipline which applies to loans which must produce a repayment, and the use of taxpayers' funds for what should properly be investment only succeeds in further enlarging and obscuring government accounts.

Regional Development Banks, centrally coordinated and having access to a proportion of overall credit availability, making open decisions based on nationally and locally debated priorities, would deploy their credit allocation to make repayable loans for infrastructure and local development on a more businesslike footing, with the object of maximizing the overall nation's and each region's productive and employment potential.

The flow of credit created by the banking system is a national resource, not a resource of any specific bank or investment institution or individual saver. It is a resource having a substantial potential for the enhancement of prosperity, and it is moreover a scarce and finite resource. It is therefore entirely appropriate that this resource should be directed purposefully and publicly into projects which will improve employment, productivity and thus prosperity.

Full employment is one of the basic essentials of a civilized society, but it will not come about by chance. There is a tremendous potential for creativity in the world; most people want to do a useful job of work, and to do it well. Unemployment is not for most people a natural or preferred condition. System-generated Credit can be used to expand employment on a powerful scale, but only if it is guided by overall priorities.

Without selective criteria, the nation's System-generated Credit will not be used productively, and may well serve only to inflate property and stock market balloons which will eventually burst with the disastrous effects only too familiar in historical, recent, and indeed current banking experience.

If on the other hand System-generated Credit is recognized and accepted as a national resource, both valuable in its potential and limited in its quantity, Economic Policy can begin to exercise, first protective disciplines, then certain directional criteria so that credit can be channeled into infrastructure projects, areas of high unemployment, and productive investment at regional and local level.

Utility, Investment and Development: the Three Faces of Banking.

Development Banking

If *System-generated Credit* is clearly recognized as a national resource, and subject to proper disciplines, the banking system can deploy this resource so that it fulfils its potential function as a major contributor to growth, productivity and prosperity.

The commercial banks must deal with day-to-day matters such as current accounts, mortgages and loans for big-ticket consumer purchases, all of which are necessary functions. To take care of more specialized needs, Regional Development Banks should be established with the specific purpose of investing in regional business and industry on an ongoing partnership basis, their decisions based on a rigorous assessment of project viability and guided by an overall regional investment strategy.

The cost of finance as charged by the Regional Development Banks would be limited to the Bank's administrative costs and the cost of loan insurance. There is of course an element of risk in any investment. The more useful approach however, is to minimize risk through proper pre-investment research and positive on-going monitoring of physical production, sales, and accounting – precisely the measures which a banking-industry partnership system is able to undertake.

A Standard Audit Format for accounting and quality/productivity performance would facilitate a follow-up monitoring process through which the investing banks are provided continuously with performance data from recipient companies, thus ensuring the safety both of the investment loan, and of the recipient company.

In the case of larger businesses, the investing bank may well appoint a Director to the Board, as already practiced in Germany. Careful monitoring will be to the advantage both of the investing bank and the recipient business, as well as to the regional economy: bankruptcy is not contributive to economic stability and prosperity.

The banking-industry partnership would therefore be in a position to offer investment at a relatively low cost, possibly 2-3%, backed by the on-going monitoring of the recipient business ensuring safeguards for the investing bank, the recipient business and all those involved with and dependent on it.

The highly successful Mondragon cooperative group in Basque Spain illustrates this ongoing relationship between investment banking and recipient business. The *Workers' Bank* serves three mutually inter-dependent functions: it provides investment as a local development bank, offers technical and financial advice for business startup, then monitors production, quality, and financial performance in a process of ongoing cooperation and partnership.

To fulfill these objectives, the Bank's operation is formally divided into two sectors. One deals with finance. The other comprises specialist departments, providing skilled commercial, architectural and technical advice either to assist existing enterprises or to promote new ones. Once launched, the new enterprise manages itself but the Bank guarantees continuing support in return for a flow of

data from which the new enterprise's progress can be monitored – production, sales, profits and so on. If anything begins to go wrong, the Bank can give timely help, with advice or further finance if appropriate. A similar and highly successful banking enterprise, the Grameen Bank, operates on a similar basis, directed more towards the needs of poorer developing countries.

The major distinguishing feature of this system is a relatively new concept of **forward-securitization**, in which *the total project, from design through production and management to sales, becomes the loan collateral*, rather than the assets of the bank, or the personal assets of individuals. This is important. Comedian Bob Hope once remarked that “banks are institutions which lend money to people who can prove they don’t need it.” The availability of investment credit has enormous potential for growth, and the Development Banks should actively be seeking to maximize the productive use of this resource.

The partnership concept also assumes longterm commitment, resulting in the encouragement of secure long-range planning and productivity investment, as well as research and development into new-generation products and services in conjunction, perhaps, with more specialized venture capital funds.

The RDB could also provide investment finance for regional infrastructure, such loans to be repaid in the normal way by the relevant local or regional government departments from their own revenues.

Once proper disciplines and regulatory institutions are in place, creative use of the national credit base through System-generated Credit can act as a major source of economic motive power.

The Regional Development Banks would, like all areas of the banking sector, be strictly regulated to ensure the responsible use of created credit and investment funds, and would in addition be confined in their activities to their own specific region.

Within these qualifications they would be endowed with a substantial degree of autonomy in tailoring to regional needs both the quantity and the recipients of investment. They would also be able to set their own charges based on administrative costs and loan insurance.

Thus the RDB would prove a powerful catalyst at local level, providing finance and subsequent ongoing supervision for business and industrial development, together with investment capital for regional infrastructure.

A report commissioned by Britain’s Core Cities Group demonstrates that investment in local infrastructure repaid through an uplift in business taxes can create increases of between 50% and 80% in housing, jobs and economic output.

When the power of *System-generated Credit* is harnessed in order to bring out its full potential, any economy can be expanded to full employment. There are however problems in another area, namely the way we evaluate wages, prices, and indeed, our very currency unit.

Fair Trade: Value for Value

Full Employment without Inflation

Is it possible to expand an economy right up to full productive capacity and full employment, then hold it there for ever? The answer in terms of current economic thinking is negative. The problem is that when government attempts to expand the economy to anywhere near full employment, the onset of inflation halts the process before it can reach its goal.

Inflation is an increase in price without a corresponding increase in value. If the price goes up for a better product that costs more to make, that is not inflation. But if a producer asks more tomorrow for the same product he sold for less yesterday, that is inflation. Or if a producer can produce the same product today with less input of materials or labour than yesterday, and does not reduce the price accordingly, that also is inflation since he is demanding the same money for less labour or materials.

Similarly with wages. More money for more or harder work is not inflation. Inflation is more money for doing exactly the same work.

The level of economic activity directly affects inflation.

When the economy is sluggish, producers and retailers find difficulty in moving their goods; they respond by introducing price reductions, incentives and special offers. As the economy expands and consumer demand expands, prices can be increased without damaging sales.

Similarly with wages. Employees are naturally reluctant to demand more money, or threaten strike action, in a time of high unemployment and with a lineup of job applicants outside the door. But when the economy approaches near-full employment and staff are hard to find, now's the time to demand that raise you've been wanting!

The price of goods and services on the market increases to match or exceed the value of credit available for their purchase. This is the dominant feature of a free market economy, and balancing the two highly desirable but conflicting goals of full employment and zero inflation or stable money is the key to national economic management today.

So Government and/or the Central Bank expands the economy by lowering interest rates. But when near-capacity is reached in the more prosperous regions, inflation begins to rise, and the Central Bank attempts to control inflation by slowing down the economy with increased interest rates, thereby maintaining a level of permanent unemployment. Full employment and full productive use in a free-market economy is an economic and financial impossibility. Thus getting a job becomes a game of musical chairs. For every hundred job-seekers, there are only at best ninety-five jobs. Similarly producers will be competing to sell their goods to a market which has insufficient credit to purchase them.

Apart from fiscal dishonesty and irresponsibility (printing money to gold-plate the presidential palace), inflation is not a monetary, but a social factor. In hard times people behave themselves. When things get easier producers put prices up, staff want pay increases. That is not an economic factor, just simple human nature.

The underlying economic factor which makes this situation possible is that pay and prices are settled by a form of disputation. The price is as much as the producer can get, or as little as the consumer is willing to pay. Similarly, the wage is as much as the employee can get, or as little as the employer can get away with.

This process is commonly known as *free collective bargaining*. But it is inherently unstable and subject to continuous upward pressure fuelled by the simple human desire for more. While the desire for more wealth and prosperity both personally and nationally is a very reasonable one, an economy and its participants should seek to increase their personal and collective prosperity by becoming more productive, by producing more and better goods tomorrow at less cost than yesterday, not by demanding more money for the same work or the same product.

The process of establishing pay, profits and prices by disputation results in friction, industrial disputes, loss of productivity.... and permanent under-employment. It represents a facet of anarchy, in that it is a process of settling differences by unregulated dispute rather than by a system of debated and agreed guidelines and regulation.

Free Collective Bargaining combined with its corollary of totally unregulated market pricing is the key factor which prevents expansion to full employment. It is not compatible with a society which bases its social relations and its laws on a Principle embodying Peace and Non-Aggression. Furthermore, the continuing battle over Pay, Prices and Profits is a major drag on overall national prosperity, by causing dissension, mistrust, and a sense of exploitation in the workplace, and by ensuring that at any given time, the nation's economy is operating substantially below its potential capacity.

Pay, Profit and Price Stabilization

The ability to channel investment into areas of un- or under-employment offers the potential to expand the productive capacity of the economy to its maximum potential, that is to say, full employment.

Full employment has a number of advantages. A job is fundamental to life itself; without a job little else can be achieved. Without a foot on the ladder, there is no hope of mounting. Unemployment also puts demands on those who do have work, since they must pay taxes to finance welfare benefits. At the national level, unemployment represents a waste of productive potential. It is an immediate waste in that 5% unemployment is a 5% reduction in potential production. And it discourages labour-shedding productivity improvements, since those with jobs

are afraid of losing them. Some economists have suggested that a degree of unemployment is essential, since a tight labour market can hold back economic development; on the contrary, employers and managers at a Japanese labour conference in 1991, at the height of Japan's period of full employment, were unanimous in that the shortage of labour at that time had forced them into increased labour-saving productivity and automation.

Despite the disadvantages of unemployment and the desirability of full productive use of all economic resources, the ability to expand an economy to full capacity cannot presently be realized, for as the economy expands to near-full employment, the danger of inflation causes the Central Bank to put the brakes on.

A potential solution to this contradiction already exists, and needs only to be applied on a national scale in order to bring justice, peace and prosperity to a fully employed economy.

For many years, a number of government agencies and corporations large and small, have been using a system of *job evaluation* to evaluate the work each employee contributes. Each job is analyzed, and its essential characteristics and demands, such as training, responsibility, working conditions and physical and/or mental effort involved, are measured on a series of common scales. The job "value" is then directly related to remuneration. In this way, pay is fair, both in relation to the work done, and in relation to the pay and the work of others.

Currently there are several such systems in use, well tried and working successfully. It would not be difficult to analyze and compare their different features in order to establish a single standard. This would become in effect a national standard of value for measuring the work element contained in a product or service, so that pay becomes a true reflection of the work required of a job. Society already measures apples and petrol; it could hardly get along otherwise. Yet of all the things traded every day, work is the most important, and work is the one commodity we do not measure. A national standard would provide a point of reference, of justice indeed. Everyone would know how much they should get for the work they do, without hassle or argument or strike.

Labour evaluation can ensure remuneration stabilization. This process can be carried through to price stabilization.

A factory's, or a business's total costs consist of three elements. First, the cost of bought-in raw materials and components; second, the direct labour added in the factory; and third, the costs of capital write-off, overheads and finance.

These are the costs of making a product, of supplying a service. From these costs a Unit Production Cost can be calculated for each product or service supplied. If this Unit Production Cost then becomes the Selling Price, there would be a direct and fair relationship between cost and price, and therefore between pay and purchasing power.

But the Unit Production Cost is not normally equated with the Selling Price. The difference between the two is commonly referred to as the net profit. How is the net profit currently disposed of?

The prior destination for profits has traditionally been the investors, or shareholders. But today this is changing, reflecting in turn a new perception of the need to create a greater sense of teamwork.

Investment is vital, as also is the equipment it provides; but the machine is no longer the exclusive source of productivity and indeed its operation can be rendered useless without the intelligent participation of the workforce. The reality today, becoming ever more widely recognized, is that the people who work in an enterprise are equally vital: their inventiveness, their enterprise and initiative, their attention to the job in hand, their commitment to quality, their extra thought and effort... these are the factors which if encouraged and harnessed can turn investment into productivity and prosperity, and which can turn a company's fortunes. Thus an annual workforce bonus reflecting performance of the company may also be included.

Apart from investor dividends and employee bonuses, the other major destination for the disposal of company profit is re-investment, either in research and equipment or increased working capital. The advantage is that in-house or self-generated investment comes without future servicing cost or commitment to repay.

There is one more claimant to a share in the profits, and that is the *customer*. Profits have to come from somewhere – or someone. In fact it is the customer who pays the price and generates the profit; with this view a further claim on profits would come from the consumer, demanding lower prices.

The stabilization of prices would require the establishment of public policy for profit distribution. This could take the practical form, first, of an overall profit ceiling. Of the profit made, broad percentage bands could be established and gradually stabilized, distributing profit according to a pre-set formula as between co-workers at all levels, investors, and the internal needs of capital for reserves and re-investment.

As they do today, government revenue departments would continue to require that companies prepare in timely fashion properly audited annual accounts. Company profits would be examined in order to ensure that they are apportioned according to a consensus formula which respects the claims and contributions of consumers, investors, co-workers, and the future security of the business itself.

It should be noted that price stabilization effected in this way, through annual account regulation, would permit the same degree of latitude in pricing "deals" and special offers. But the profit ceiling would ensure an ultimate price stability.

Pay and price evaluation and stabilization would provide guidelines ensuring fair exchange between employer and employee, as well as between producer and consumer, without the need to argue or strike. More importantly, stable pay and prices would permit economic expansion to full employment without inflation.

Guidelines for remuneration/pay evaluation coupled with profit limitations would replace dispute with rules, and would move to stabilize pay and prices even in times of economic expansion. In such circumstances it would be possible to expand the economy steadily to full employment and hold it there indefinitely without fear of inflation. The results would be seen in full employment, monetary stability, and a high level of productive efficiency and thus prosperity.

Social Security in its widest possible sense is the goal of every well-governed society, and the only true "Social Security" is full employment, that utopian condition in which there is a rewarding job for everyone who wants one.

Everybody Working, Everybody Working Productively

Prosperity is created by production. We become prosperous, individually or collectively, by providing goods and services which people want and need, either for our own personal consumption, or for trade with others.

But production is only half the story. If we want to enhance and increase prosperity, production needs to be productive, it needs to be efficient. You can't increase your prosperity simply by working harder or longer. More hard work may increase your financial wealth, but at the expense of leisure, family time, and possibly also your health. No. To increase prosperity we need to work not harder but smarter, producing more and better goods tomorrow with less work than it took yesterday.

The formula sounds simple enough and indeed it is. Productivity is a frame of mind, an attitude to work wherever it may be undertaken, from home and garden to office and factory. It is an attitude of constantly monitoring your activity, checking whether anything you're doing could be done more easily or more efficiently, or whether certain jobs may in fact not be necessary at all. Productivity is an attitude of mind, and it has high potential rewards in terms of greater prosperity and more leisure time to enjoy it.

We can and should practice productivity in the home and personal life; and certainly in any business run from home. For most of us however, the greater part of the working day is spent working with and for others. Here the same rules apply. If the business we work for is productive and efficient it will offer its customers good products at competitive prices. As a result it will prosper. If it is not productive and efficient then it must eventually fall by the wayside.

It is in the interests of everyone concerned in a business that it should be productive – and stay in business. And "everyone concerned" can mean quite a crowd: owners, investors, and employees of course, but also suppliers and distributors, and the host community which is dependent on the company's wage-earners for Shopping Centre and High Street trade. The problem is that these different interests may often see their own point of view to the exclusion of the whole. If business is to survive and prosper without the waste and distress caused by failures and bankruptcies, then a holistic view of business in its totality must be maintained.

The Reality of Inter-Dependence: A Holistic View

It is a basic fact of life that commercial inter-activity involves others. It involves managements and workforces, accountants, designers, production and sales staff, as well as suppliers and distributors, perhaps also the environment and the social fabric of the host community, and last but certainly not least, in fact probably first - the consumer. There is a term for these wider participants in a business: they are called the *Stakeholders*. This term moves regularly in and out of business fashion. But the reality is that this interdependence is always there, fashionable or not. Where there is inter-activity there is inter-dependence, and this inter-dependence must be respected, for it is very largely on mutual reliability and trust that good business relations and productivity are built.

The term "stakeholders" is generally considered to consist of five groups – management, investors, employees, consumers, trade connections, and community.

The customers come first.

Before you even think of raising finance, leasing premises, buying machinery, hiring staff, or opening your doors for business, you have to know who your customers are, what they want in the way of product or service and quality, and what they expect to pay. If you don't know that, then you have no business. Consumers are the Alpha and Omega, the Beginning and End of any and all business and productive activity. And it is important that all employees should realize this and bear it constantly in mind. This reflects on the importance of sales staff, who are the company's front line, interfacing with consumers, listening to their comments, continuously assessing their satisfaction level.

After Customers: Employees.

The employees are the substance of a company, the people who make it work. If they have what they need in the way of proper equipment and constant flow of materials, if the workplace is clean and pleasant, and if there is a strong bond of mutual trust and loyalty throughout the company based on fair treatment and open information, then productivity will be high, and continuous improvement will be a standard feature.

What about Management?

Nothing special. "Management", including the owners, accountants, planners, administrators and other office-dwellers... they are all employees of the company. Even the owner of the business is an employee in the sense that he/she is equally subject to the disciplines of the market. Indeed, as the man or woman placed where the buck stops, the owner is the "ultimate company employee" in the eyes of the consumer, suppliers, and other employees. All those who work within a company at whatever "level" and in whatever capacity are employees of the company, responsible to it and for it, subject to the anonymous and unyielding rules of the market-place and the bottom lines of accountants' reports. A well-run company is a company in which "managements" and owners instinctively accept their employee status.

Now for the Investors.

What, only now? Why so far down the list? Surely Investors come before Employees if not before Customers too. Without Investors there'd be no company. Investment is what buys the machines, what sets up the company. But thereafter, Investors take third place after Customers and Employees. The investors want it that way! "Do we?" "Sure you do!" Sensible investors want no frills or fancy treatment, just a well-run ship. And a company that puts Customers first and treats its Employees properly by respecting them and seeking their advice - that is a well-run company.

So what about ROI (return on investment) and "Shareholder Value"? These are measures of productivity, among several others, and useful as such. But maximizing the return on investment at the expense of customer satisfaction and employee loyalty is a dangerously short-term strategy. Customers must come first - then Employees - and only then Investors in third place. Investors whose companies put customers first and treat employees properly will enjoy stability and a fair, predictable return. Investors whose companies show little or no respect for customers and staff may well find themselves in bottom place behind the liquidators.

Trade Connections.

Many companies simply fail to recognize the importance of good relationships and loyalty between themselves and those who supply them, as well as their distributors. They buy from the lowest bidder, and sell wherever they can. Certainly such considerations are important. But so are long-term relationships with good suppliers and distributors, who will support you in difficult market conditions and give your products priority treatment.

Finally, comes the Host Community.

In any listing there has to be a last place, but that does not mean that it is unimportant, or that it can be disregarded altogether. Companies having a major presence in any community must recognize the dependence of that community on the company's continuing activity, and they must understand the economic realities that for every paid employee, there are many dependents, not only family members, but the Shopping Centre and High Street traders who supply them. When a town's major employer gets in trouble the economic life of the whole community takes a downward turn. "So am I responsible for the whole town now, just because my business is a major player here?" "Yes you are responsible. It's a fact of economic life. Are you afraid of it?"

Responsibility and loyalty and mutual support can work both ways. The community can serve the business too, by cutting unnecessary red tape, promoting the company in its business directories and literature, and by its educational facilities working with the company to provide the skills and personnel needed currently and in the predictable future.

An employee whose slipshod and careless work-style puts equipment and co-workers at risk while turning out faulty products, will soon be reprimanded by management and dismissed if there is no improvement. Such conduct can put the whole firm in jeopardy. Surely the same applies to poor management, which can

have a far more devastating effect. But when management arrogance or incompetence endangers the company, who dismisses the management?

German industry makes widespread use of the *Aufsichtsrat* or *Supervisory Board* representing the company's major *stakeholders* – employees, investors, significant suppliers / distributors, community and consumers. A case can certainly be made for their representation in the overall company management.

When products are poorly designed and inefficiently or wastefully manufactured, when services are careless and slipshod, when quality is poor, the consumer suffers. But so also do the investors if the firm concerned fails to gain its potential market share. And employees suffer both from inefficient working conditions, and from the insecurity and potential job losses inevitably incurred in a poorly run company. The maintenance of high standards in any business is clearly in the interests of all its co-workers and investors, as well as the host community that depends on it for employment and prosperity. In the wider context, businesses and industries are highly dependent on one another, for the supply of materials and components, for subcontracted work, for marketing and distribution. So the quality and reliability of one business affects, and is affected by that of several others.

This total integration and inter-dependence of co-workers at all levels and in all departments, together with investors, suppliers, distributors, host community and consumers, clearly reflects the reality that avoidable incompetence in any part of the chain affects others adversely if not disastrously.

Suppliers and distributors, as well as co-workers at all levels and in all departments should have the right to expect from one another the highest standards of professional conduct. And consumers should have the right to expect that products and services reflect and embody the highest currently available techniques and capabilities in efficiency, quality and reliability.

Prosperity, for a nation collectively and for its component businesses and people, is generated by production, and by constantly increasing the productive efficiency of production. With teamwork, mutual trust and mutual respect, this will work. With mutual distrust, suspicion and resentment between managements and employees within the workplace, it will not.

Prosperity derives from Productivity, and Productivity in industry is dependent on conditions of fair remuneration, a feeling of mutual trust, and an absence of exploitation – in short, industrial peace.

Natural Resources Management

Natural Resources are *Natural*

While a person may be considered to have an inherent right of ownership over him- or herself and the products of his or her own creation, the Natural Resources pose a different problem.

The Natural Resources are *natural*. By their very definition they are not man-made, and are therefore not automatically associated with or attributable to any individual. But people need to use natural resources for food, shelter, raw materials and recreation and must therefore make claims upon resources which are not inherently theirs. Thus it is clear that rights to the use of Natural Resources must be *created* or *apportioned*.

The existing pressures on land-use can only increase, as the traditional claims we make upon land - for housing, industry and commerce, transport routes and harbours, agriculture and mining - are now being extended by increased demands for greater leisure access to countryside, preservation of areas of outstanding natural beauty, and a greater respect for the environment.

How does the Principle of Non-Injury apply to the apportionment and guidance of resources use?

We begin with the Principle of Non-Injury itself, the essence of which is: liberty, until that liberty infringes the liberty of others. On a basis of presumed liberty, the duty of government is to identify and prevent through legislation those actions which are harmful or injurious to others.

Needs, Availability and Environment

In order to establish a basis for fair, equitable and responsible resources use, the Principle of Non-Injury would require three steps:

First, as a working foundation, the formulation of an overall Landplan based on a full inventory of natural resources; second, estimates of current and future demands; and third the institution of a Resources-use Forum in which availability can to the best extent possible be reconciled with actual and anticipated demands.

Land has its own inherent potentialities. Certain areas may offer excellent agricultural soil while others conceal significant mineral deposits. Some areas are outstanding in natural beauty, while certain forest or river systems make their own demands for special treatment on ecological grounds. Clearly Government cannot fulfil its role as adjudicator unless and until it is fully informed as to the detailed nature of the nation's total natural resources.

The inventory of availability would take the form of a national map on which every kind of resource is clearly indicated.

The duty of those concerned with the provision of availability data must be to provide a detailed, continuously updated - and publicly accessible - inventory showing the location, extent and nature of all resources.

The Inventory would show, for example: mineral deposits, water supplies, agricultural land graded as to quality and suitability for different crops, areas of outstanding natural beauty, areas suitable for urban settlement, as well as those areas or resources which should be handled with especial sensitivity as being appropriate for wildlife preserves or necessary for environmental wellbeing.

The second stage requires the preparation of an ongoing assessment of demands upon the resources both current and anticipated, based on a thorough and fundamental analysis.

As a basis the analysis begins objectively by looking at populations and their broad, predictable needs for urban living, trade and cultural facilities, agriculture, minerals, recreation and retreat. Individuals and special-interest groups as "consumers" will then fill out the picture with additional needs and ideas such as wilderness homes or specific recreation facilities.

The two banks of resources data: the Availability Inventory, and the assessment of actual and anticipated demands, can then be coordinated by a Natural Resources and Land-use Forum to produce an overall ongoing *National Resources Plan*.

On this basis, clear guidelines can be established for such broad national uses as major agricultural needs, recreation, mining, transport and urban development.

The Land-use Forum has its purpose and procedures clearly set out in its own Articles of Constitution. Its members represent every aspect of land and resources use; its deliberations, as well as the data on which they are based, must be open at all times to public scrutiny and input.

Its object is an ongoing National Landplan, representing the continuing definition of zoning and planning guidelines and restrictions at national level, from which local level plans can then be made.

But it is not only our human requirements that we must consider.

We need to use the Natural Resources, certainly. But we must do so within the limitations of environmental responsibility, and we must give back the equivalent of what we take through our stewardship and enhancement of our environment.

This necessary approach to our relationship with our environment is formalized and brought into the overall resources-use planning process by the simple expedient of according to the Environment the status of a *legal entity* having its own rights, defined in law, to respectful and responsible treatment and to good stewardship, rights which must stand as equals in law to our own competing

human claims. Just as minors are represented by Counsel in courts of law, so our environment is permanently represented by an *Environmental Protection Council* operating under Constitutional authority.

Some environmental objectives might be listed as follows: zero land/water/air pollution; zero garbage, achieved by eliminating garbage at source through recycling and increased use of reusable containers; promotion of organic farming; identification and protection of all significant natural ecosystems and major wildlife habitats.

Under the Principle of Non-Injury broad planning guidelines are based on objective data providing accurate information on availability and informed estimates of present and future needs, formulated with the widest possible input. Once again it must be stressed that Planners are “Interpreters” not Legislators; they have no arbitrary authority, only the obligation to analyze accurate and objective data on resource availability then to match it as efficiently as possible to actual and anticipated demand. All decisions may be challenged by anyone at any time on grounds of accuracy, justice, or environmental considerations.

It is a continuing challenge and responsibility incumbent upon all, planners and users alike, to use our resources wisely and responsibly, minimizing waste, providing for as many needs as possible, and reaching decisions in the common interest with the minimum of misinformation and acrimony.

A similar policy of land-use has historically been applied in the United States to the administration of that country's surprisingly vast area of Public Lands. It is little known outside the United States that some 270 million acres, about one-eighth of the USA, is managed by the Bureau of Land Management (BLM) - in addition to land already set aside for National and State forests, parks, and wildlife refuges.

The BLM has been mandated by Congress to manage Public Lands on a continuing basis for multiple use and sustained yield, taking into consideration the reconciliation of the varied demands made upon the land, as well as concepts of stewardship and husbandry.

A further and important consideration is the need for stability and consistency in the planning process. Users of resources in accordance with overall plans must be able to rely on a continuance of use, providing that conditions of good husbandry and social conduct are not abused. Once again, “Planners” have no arbitrary authority; a use once defined can only be changed or terminated on strictly predefined conditions.

Urban Planning

A significant area of forward planning in resources-use lies in the development of urban areas.

And here there is more at stake than simple land-use issues; for the town or city is a service in itself, a machine which must be properly designed and maintained if it is to function efficiently and fulfil the demands of its residents, its customers.

Homes, jobs, shops, market gardening, leisure facilities, all of these and the many other needs of a civilized society are part of what may be called community.

An efficiently functioning community offers a wide variety of facilities and opportunities in pleasant surroundings, with easy and convenient movement between them. Needless to say, the kind of sprawling city served by traffic-clogged streets so familiar in the past would not be described as functioning efficiently.

The ideal town or city plan requires minimum footprint, offers walking-distance convenience between home, work or shops, and facilitates the provision of fast, clean, frequent and cost-effective shared transportation. Compacting of existing settlements with central services and immediate access to public transportation should be supplemented with new ideas in urban planing.

An artificial hill, with apartments on the sloping sides interspersed with ample greenery, and commercial/industrial services “inside” the hill would satisfy the needs of minimum footprint and maximum accessibility, as well as yielding a considerable saving in the provision of services such as water, power and cable communication.

Landpricing

It was traditionally assumed that land prices should be determined by the free market. But its results have not been beneficial. The free market works at its best when there is multiple competition; when scarcity drives up prices, that is a signal to produce more. But when land is in short supply we simply cannot produce more, so prices are bound to rise.

Rising land prices tend to favour sprawl, as homes, shopping malls and businesses naturally seek to move out to areas of less value.

More seriously, rising land prices are economically regressive. Prosperity is created by productivity, by increasing value without increasing cost. Rising land prices do just the opposite: they increase the cost of land without increasing its inherent value, causing an inflationary effect on the services using land. This is particularly evident in major cities, as “value” in the sense of what buyers get for their money, decreases as land prices increase.

There is little or nothing in the way of goods and services which is not affected by the price of land; rising real estate prices affect everything from offices to retail shops, cafés, and places of entertainment. The escalation of land prices is a major contributor to the high cost of urban living. It can also cause a deterioration in urban quality of life; many of Europe’s old established city cafés which have for centuries been centres for meeting and socializing have been forced to close as a direct result of escalating rents.

If the city or town centre is to retain or regain and develop its function as a gathering place, it will be necessary to ensure that newly developed areas in city centres, particularly areas reclaimed from public or industrial use, should be subject to price stability so that rents are economic for those low-profit uses such as markets and cafés which provide vitality and enjoyment for users.

This could be accomplished, for example, by vesting tenure in the hands of a locally administered Urban Trust, which would then ensure maintenance and management of the facility either itself or by a contracted agency. In many European countries especially France, a public covered market provides trading space for fresh produce at an economical rent, as also does the open market place.

The traditional English pub provides an interesting example. Pubs offer good value food and drink, and an unhurried atmosphere in which people can linger, play darts, hold cricket club meetings or simply socialize. The reason for this easy-going, relaxed approach is the institution known as the “tied house”. The pub is owned by the brewery as it may well have been for centuries. The brewery has a secure outlet for its beer, the landlord, conditional on reasonable management and behaviour, has a secure lease, open enough and secure enough to allow him to make modest improvements. But most significantly, the landlord is not saddled with huge repayments resulting from his having purchased the property in an inflated open market.

Of equal importance is affordable housing. A home is one of the very foundations of life itself. In most developed countries house prices rose beyond the point where young people entering the market could hope to afford a decent home.

The provision of new affordable housing requires a determined effort to study and to implement the latest and most cost-effective building techniques from around the world, especially the USA. Building-land costs must also be minimized; this can be achieved by utilizing redundant industrial land, and by locking-in present agricultural prices when agricultural land is given over to housing development. New homes built in the “affordable” category should be rented or leased rather than sold outright so that resale prices can also be stabilized.

We should be looking not at subsidy, but at the maximization of productivity and the avoidance of inflated land costs. Whatever problems exist must be overcome: increasing cost without increasing inherent value is economically regressive, raises the cost of living, reduces prosperity, ties up increasing amounts of capital, and puts a home, that most basic of human needs, progressively out of reach, particularly for young families seeking starter homes.

Apart from the financial burden of inflated property values, another problem with escalating house prices is the temptation for the homeowner to increase current expenditure based on second mortgages. Inflated house prices give homeowners a false sense of security; it is difficult to remind oneself constantly that the value of any home in the developed world consists of 40% “froth” or “hot air” in an

over-inflated market. When the property balloon bursts, as with a stock market crash, lives can be literally ruined, with disastrous knock-on effects on the economy as a whole.

A sufficient stock of at-cost rental and leasehold accommodation provides a firm basis, helping to stabilize property values and thus avoiding, or at least reducing the risk of the pattern of over-valuation, leading to excessively burdensome mortgage payments with the ever-present risk of widespread default and resultant recession of which 2008 has witnessed a clear example.

It is the responsibility of Government, at national and local level, to ensure through informed, participatory and enlightened planning that the Nation's natural resources are used fairly, productively, and responsibly.

The Legislative Process

Representation

The application of the Principle of Non-Injury to everyday Law is precisely defined in terms of the twin confines of *Obligation* and *Limitation*.

The Principle of Non-Injury *obligates* Government to prevent any and all injury, imposition or exploitation by one citizen over another. Where there is an identifiable Imposition caused to one person by another there is an obligation for action at Law.

The Principle of Non-Injury *limits* Government from initiating any Law or Instruction which is not clearly and demonstrably in defence of an identifiable liberty from imposition by another. Without an identifiable imposition there can be no protective Law.

The adoption of such a clearly defined Principle affects the process of Legislation and Government, as well as the very status and function of Ministers and Legislators.

The Principle itself becomes the ultimate criterion of "Right" and "Wrong" in social conduct. Legislators become Interpreters of the Principle, the Legislative process is directed, not to satisfying the demands of sectional interests, but to the honest and consistent interpretation of the Principle based on a clear understanding of it.

The Principle also imposes a clear discipline on the resultant Legislation itself, for the Principle of Non-Injury can be described with such a high degree of accuracy that anyone having a basic understanding or instinctive sense of liberty can comprehend it, monitor its progress, and defend it whenever necessary.

The Legislative Process is initiated when a professional Legislator, a Parliamentary Representative, a single individual citizen, a group of citizens or a Special Interest Society brings to the attention of the Legislature a suspected Imposition, either caused by citizen and permitted by insufficient Legislation, or caused by the Political Administration through excessive or intrusive Legislation.

The identification of an *injured party* either actual or potential is essential to initiate the process of Legislative Debate. The purpose of Law is to prevent injury; the need for Law is occasioned by an *injury*, either actual or immediately anticipated. The formulation of Legislation which will prevent that injury either totally or as nearly as practicably possible is the object of the Legislative Process, and its fulfillment will conclude the Process.

In order to improve both productivity and opportunity for wider participation, greater use may be made of Specialist Committee Hearings in the early stages of initial filtration and opening debate.

The initial debate in Committee must involve everyone who has an interest in the matter. Imposition can be simple, or a very complex issue involving several conflicting Liberties, and it is vital that every aspect be taken into consideration. Similarly any remedy proposed for the avoidance of a specific Imposition may itself cause new imposition and involve other parties. It is only through the widest possible debate and participation that the minimization of Imposition can be assured.

There are three main groupings of participants who may be involved in the overall Legislative Process.

Full-time professional Legislators are constantly scanning events and activities in order to identify possible instances of Imposition. They continuously review existing laws on a scheduled basis to ensure that past laws remain relevant. It may also be necessary to reconsider or rephrase a particular Law resulting from a request by the Judiciary for Review.

Elected Parliamentary Representatives act as a bridge between citizen and Legislature, listening to people's concerns, explaining the Law, and bringing injustice to the attention of Legislature, Courts, or the Constitutional Executive Council as appropriate. Citizens perceiving themselves injured can bring the matter initially to the attention of their Parliamentary Representative if they so wish.

Citizens can also contribute to the process themselves directly, either as individuals, or perhaps more advantageously as members of Special Interest Groups and Societies. There are many such Societies representing every shade of interest, opinion and expertise from civil liberties to environment, heritage preservation and transport.

These Societies or Groups frequently represent an assemblage of considerable expertise, of informed users or consumers, retired professionals, and people devoted to their respective causes. The Societies are supported by the subscriptions of Members and are thus responsible to Members and responsive to

their needs; if they fail in their purpose they simply die through lack of subscriptions and support. Conversely, as new issues and new concerns develop, new Societies are formed.

Citizens can rely upon their Societies to monitor Legislative Proposals in their specific area of interest, and to draw Members' attention to any need for action.

Recognition of such Societies and Special Interest Groups as participants in the Legislative Debating Process improves participation and contributes constructively by bringing information and expertise which might otherwise be excluded.

Citizens may prefer to bring a Personal Legislative Proposal or complaint to the attention of the relevant Society for consideration and further action if appropriate. Say for example, one finds that some public footpaths are being altered or eliminated in the Resources Planning process, one can contact the local Ramblers' Association, a Society which is sympathetic to and understands the issues involved.

Associations can then use their expertise to present a case to the Legislature and exert the necessary influence to get something done.

A citizen can belong to as few or as many such Societies as he or she may wish, contributing directly to the upkeep of the Society which in turn is responsible solely to its Members. Typically, Societies represent walkers, environmentalists, economists, employees, those interested in civil liberties and in disciplining the expenditure of the Political Administration.

It is particularly important that young people in their teens should have full opportunity to participate in the Legislative Process, through parallel debates in schools, or through their own Societies participating in Legislative Debates.

It has in the past been frequently said of young people by their elders that they are irresponsible; insofar as this may in some instances be true, the simple way to make people responsible is to give them responsibility. Young people now have the right and ample opportunity to participate in the framing of tomorrow's world: it is after all, they who will have to live in it.

Legislators are Interpreters of a Principle, deriving authority ONLY from the accurate interpretation of the Principle. Government must remain completely open in all its proceedings and down to the last detail of its accounts. And the people must have every right to question any interpretation in terms of its accuracy; more than that, they should consider it a civic duty to review any or all interpretative decisions, and if appropriate, raise questions which in turn government must be obligated to address.

All that is necessary for the triumph of evil is that men of goodwill do nothing.

All that is necessary for injury to go un-addressed, or for oppressive laws to pass, is that citizens relax their vigilance. The assurance of liberty is not solely a government responsibility; it is the responsibility of everyone.

A wider degree of participation in the Legislative-Interpretive Process, however, does not mean promoting self-interest at the expense of others. A multiplicity of referendum initiatives in the State of California resulted in 2009 in a near-breakdown of government, as citizens basically demanded more and more services without providing any means of paying for them.

Participation must be motivated by an honest desire to make all pertinent facts and points of view known, so that in the end a fair and just solution will be reached, a solution which will reflect the **Principle** as accurately as circumstances permit.

Constitution and Executive

The procedures of government, rules regulating openness and detailed accounting, together with the obligations and limitations of government must be clearly set out in a written Constitution, upheld by a Constitutional Executive comprising justices and persons of reliability and substance, together with activists who have proved their dedication to open government and the protection of liberty.

Since it sets the rules for government, the Constitution must by its nature and definition stand above the total governmental process as the supreme authority in the land. However this ideal is rarely reflected in practice.

Britain's assemblage of historical documents and unwritten custom loosely known as its "constitution" exercises little practical control over the process and content of law and is quoted more often in academic debate than in the practical operation of government.

Similarly in the United States, Congress makes the laws which the President as executive signs into formal legislation. The President may send them back on the grounds of personal disagreement based on party policy differences, but there is no requirement for the President to check laws in order to ensure that they comply with the Constitution before they are formally promulgated. Nor does the US Supreme Court verify laws prior to execution. As its name implies, the Supreme Court is a Court of appeal at the head of the judicial system, and will only review the constitutionality of a particular law as a last resort after it has been challenged by enterprising and persistent citizens through the lower courts.

If the Constitution is to take its place as the Supreme Law of the Land, then it must stand, not at the apex of the *judicial* system, but at the apex of the *legislative* process, given voice and substance as Constitutional Executive charged with the verification of proposed legislation *prior* to its formal enactment. This position of supremacy can be assured in a constitutional system by placing the Constitution at a critical point in the governmental process.

There are two basic elements inherent in the process of governing. The first is *decision*, the second is *force*. Government decides what laws are necessary for the proper conduct of society, then sees that they are enforced. Decision, and Force. The process of governing depends on fulfilling these two functions individually, then uniting them so that they are mutually supportive. This process of union is vital. There is no point in government's making laws if it cannot enforce them. Likewise there is no point in having police, judiciary, and correctional institutions if they are given no orders, no laws to enforce.

Thus the process of government involves two elements: making laws, and enforcing them. And since neither of these two elements works without the other, they must have continuing contact.

Constitution can exert its supreme power in a constitutional system by placing itself *above and between* the two processes of law-making and law-enforcement and thus controlling that vital link without which each process in itself is ineffective. A truly *Constitutional* system of government can be achieved through the separation of *decision* and *enforcement*, the two being connected so that each can empower the other *only* through the Constitution, and only on condition that both comply with constitutional requirements.

A further issue of constitution relates to the process of constitutional amendment. The United States Supreme Court rules on points of constitutional interpretation. But America's Founding Fathers left no suitable provision for amendment of the Constitution. Since the purpose of constitution is to discipline the legislature, it is clearly not appropriate to ask the legislature, albeit the Upper House, to amend it.

The Constitutional Executive should rightly be entrusted to fulfil this function. With the passage of time new perceptions or conditions will make it necessary for existing constitutional articles to be reconsidered, or new ones to be added. Without adequate provision for amendment, inconsistencies are bound to develop as the customs and expectations of civilization change.

The importance of Constitution, both in its content and its status, is little appreciated by the general public. "We the people" must never forget the basic fact that we have, as a price of social development and stability, handed over a substantial area of control over our lives to our governments. And we should bear constantly in mind that there is no form of government yet devised, or yet devisable, which can be trusted to function successfully and honestly without the discipline of clear constitutional rules laying down the essential principles to which government can be held accountable.

Legislative Review

The Legislative Process must also allow for "Review" of any Law at any time, either by the Legislature or by the Constitutional Executive Council. This may be occasioned when the practical application of a Law is found to be difficult or ambiguous or impractical during the Judicial process.

Under the Principle of Non-Injury the Procedure for Judicial Review would provide for three distinct types of case.

Should a Court find that in practice a particular Law is not well drafted, or is difficult to interpret, or should the Court suspect that the Imposition which the Law attempts to prevent has not been properly identified or addressed, then the Court proceedings would be suspended and a prompt re-consideration requested from the Legislature or if necessary the Constitutional Executive Council.

A Law may also be "returned" to the Legislature where insufficient detail leaves it unclear in relation to the case in hand.

In a case where the Law remains a valid reflection of the Principle of Non-Injury for all general purposes, but in the extra-ordinary, specific circumstances under the Court's consideration there is no actual Imposition, then the Court would note the exception and dismiss the case, there being no Imposition to answer.

The ultimate test of the fitness of any Law under the Principle of Non-Injury is plain and simple: if I were to disregard this Law, would I cause injury to another individual?

If there is injury, the immediate and effective protection of Law is an obligation; but if there is no injured party, there can be no Law.

When the sole object of the Legislative Process is the accurate reflection of the Principle of Non-Injury, its laws must always be open to Review, by the Judiciary or by any aware and observant citizen with an instinct for the preservation of Liberty.

Under the Principle of Non-Injury, it is the Principle itself which gives authority, obligation, and limitation, to Law and to the Process of Government; the Principle becomes the source and focal point of Law, taking precedence over Government in all its aspects.

The ideal of Democracy is *power to the people*. The Principle of Non-Injury gives power to the people – *the power of the Principle* by which all Government action or inaction can be called to account. It is clear and simple, a fundamental law of social conduct with which we are all instinctively familiar.

We should all have the freedom to enjoy life and improve ourselves as we choose and are able. But we should not do so in ways which are harmful or detrimental to others; we should not seek gain at the expense of another's loss.

With the guidance of this Principle we can share resources equitably and use them wisely, we can trade fairly, we respect the property, privacy and peace of one another. We live in liberty, respecting and not infringing the liberties of others. And we prosper: for collaboration is an infinitely more creative, more powerful force than confrontation.

Quality, Productivity, Service

“The purpose of Government is to prevent men from injuring one another”... When Thomas Jefferson spoke those words he could hardly have been aware that 150 years later the main preoccupation of government had become what can only be called “money-handling” – taking money with one hand then doling out with the other, minus a generous handling fee, not to mention the plain envelopes and under-the-table “commissions”.

The provision of Law is the essential "core function" of Government. Under the Principle of Non-Injury, Government would confine itself to the formulation of Law and its Enforcement, or more specifically, those Legislative, Protective and Constitutional Services essential to and directly related to the protection of Liberty.

If Government is to exercise its regulatory function without bias it cannot own or operate any non-political services or industries, including infrastructure and Essential Services. Infrastructure and Essential Services must be operated outside Government, but with Government's strict legal supervision.

In order to make government more efficient and accountable, and to satisfy the requirements of the Principle, an important first step would be the separation of all non-political Services from government. Non-political Services include provision and maintenance of roads, schools, health, pension and welfare services, administration of railways and any other productive or commercial services.

The non-political Services, when separated from Government, should be autonomous managerially and financially. These Services would then become responsible for their own management and finances, raising capital as required through the Investment Banking System. They would no longer be subject to the uncertainties of Government finance or to the managerial whims of politicians; but they would become subject to strict disciplines, reporting regularly and publicly through the medium of Total Performance Audits specifying details of quality and productivity.

Government, now independent from these non-political Services, would be better placed to do its proper job: that of making sure that the Private Sector including all previously Government-run business conducts itself responsibly, efficiently, and productively.

And with the purpose and function of Government clearly defined, it becomes much easier to apply strict financial and administrative disciplines to ensure that Government fulfils its own core functions as efficiently and as cost-effectively as possible with continuously rising productivity.

Once Government has been brought down to its core services, these too should be re-structured so that they are separately identifiable, and publicly accountable for their productivity and service.

Many existing government departments and programs would inevitably be abandoned as being non-essential, while each of those remaining would be required to state clearly what it is doing, what it is costing, and the extent to which it is fulfilling its stated objectives productively.

The Principle of Non-Injury, applied in Economics and Commerce as a policy of Socially Responsible Free Enterprise sets high standards of management and customer satisfaction, quality and productivity, performance and accounting for the Private Sector.

And Government is not exempt from Commercial Law.

Government is a service to its consumers and as such is itself subject to the strictest possible commercial disciplines; its performance must be at least as good as and preferably better than the Private Sector. Any Commercial Legislation relating to accounting, standards, productivity or quality of Private Sector business and commerce is immediately and automatically applicable to any and all functions of Government.

Government is not outside the Law; Government Legislation, conduct and operations are at all times subject to the Principle of Non-Injury and to all its resultant Legislation.

The process of auditing and applying the necessary disciplines to Government is the responsibility of a specially constituted Committee under the Constitutional Executive Council; no institution, least of all Government, can be trusted to discipline itself.

The aim of Government should be the same as that of any well-run Private Sector industry or service: to provide the best possible service at the lowest possible price.

The Principle of Non-Injury: *that we should confine ourselves to those actions and activities which are not detrimental or disadvantageous to others, which do not harm or injure others*, is as old as human conscience.

The parallel concept of Government, that it exists primarily to prevent such actions, has likewise existed in political philosophy as expounded by reformers throughout recorded history.

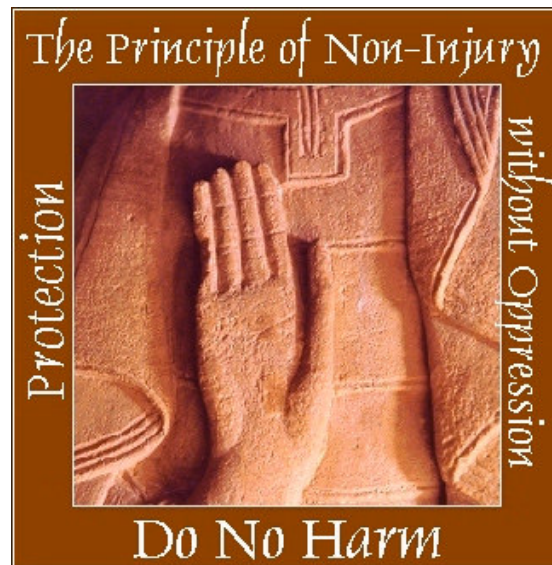
And the ideal that Government, its function clearly defined and limited, should exercise its duties efficiently and at minimum cost to its customers, is a dream long cherished by reformers and tax-payers alike. Quality, Productivity and Service, concepts which have so long eluded the process of government, should now become its watchwords.

Accurate and consistent application of the Principle of Non-Injury would maximize Liberty; and with its function clearly definable and subject to its own inherent discipline it would do so productively and without incurring an over-burdensome tax on our earnings.

This ideal was summarized by Thomas Jefferson in his first Inaugural Address given on March 4th, 1801:

"A wise and frugal Government, which shall restrain men from injuring one another yet leave them otherwise free to regulate their own pursuits of industry and improvement, and which shall not take from the mouth of labor the bread it has earned: this is the sum of good Government necessary to complete the circle of our felicities".

If government is honestly and productively conducted, providing a framework of fair and just laws ensuring that people work together rather than against one another, a just, peaceful and prosperous society will come about naturally, as a product of human ingenuity disciplined by laws reflecting natural justice.



POWER

Our Magnificent Obsession

We love it, we hate it.
We respect it, we reject it.

Power serves, then abuses.
It promises the impossible,
so we nurture and applaud it.
But it has little need of our support,
for it is self propagating,
bearing within itself the seeds of its own growth.

With wisdom we would concern ourselves, not with power,
but with the means of controlling it.
For unbridled power knows no bounds,
spreading and expanding secretly,
creating, then slaying imaginary dragons,
favouring us with gifts, the products of our own labours,
smiling benevolently upon its unsuspecting victims.

The growth of power is slow, stealthy, near-indiscernible.
Only when it is too late do we begin to comprehend
the extent of its influence,
the stranglehold in which it binds us.

We stand by and observe, dumb and impotent
while it oppresses within its borders
and creates wars with its neighbours,
seeking more and ever more growth and influence.

Centuries of history have proved repeatedly:
Power corrupts, absolute power corrupts absolutely.
Power destroys, and absolute power destroys absolutely.

Power.
We need to set controls, disciplines and limitations upon it.
We need to observe it, study it, understand it,
watch, monitor, analyze and make public its every move.

For power can, and has destroyed nations and continents.
And unless it is strictly controlled,
it will do so again.

Whereas

The People may from time to time fall prey to the Sins of Greed, Envy and Aggression thus with the employment of Force and Nefarious Devices causing Injury, Distress and Want among their Fellow-men,

Therefore

The People, being prompted by Conscience, a Modicum of Wisdom and the Voice of the Good Lord agree to accept and submit to such Laws as shall curb their Manifold Transgressions one against another, thus promoting Justice, Peace and Prosperity throughout the Land,

Establishing

to this End a Government charged with the Duty and Responsibility of Formulating, Promulgating and Enforcing such Laws as shall ensure, inter alia:

- That persons do no physical, mental or psychological harm or injury one to another;
- That use of Natural Resources should respect the Earth's potentialities, should balance the needs and legitimate expectations of Individuals with those of the Collectivity, and should observe the laws of Good Husbandry and Planetary Stewardship;
- That trade between worker and master, buyer and seller should be based on Equality of Value, labour for labour, skill for skill, that goods and services offered in trade should reflect the highest standards of materials and labour, being accurately and honestly represented.

And lest

Government Neglect, or Abuse the Powers thus granted to it, Government shall at all times be subject to a Code of Conduct:

- *Obligating* Government to provide such Laws as shall be necessary to protect the People from Injury, Theft, Injustice, Diverse Deceits and Skulduggery;
- *Prohibiting* Government from enacting any Law save that which explicitly prevents injury of one person or party by another, lest Government may of itself cause Oppression among the People;
- *Regulating* the Process of Governance so as to ensure Openness, Participation, Honesty, Competence, and the General Satisfaction, conducted within a strict Economy of Means.