

HENRY GEORGE SCHOOL MAGAZINE

AUG 1957



HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

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(Edited by a panel of Tutors)

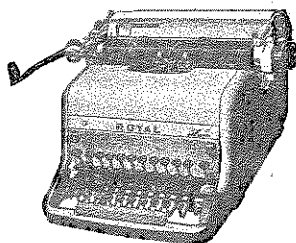
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Volume 5, Number 8

August, 1957.

Editorial



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The purpose of the School Magazine is to provide articles, news and comments dealing with political, social and economic matters as an extension of the study classes of the School; to expound the first principles of economic science and social justice and show their validity, relevance and significance when related to current economic problems; to sustain interest among ex-students and to inspire participation in the School's work.

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It was with deep regret that we learned of the sudden death on 3rd August of R.R. Stokes, M.C., M.P. He was thought to be making a good recovery from the effects of a recent car accident when he suffered an unexpected relapse.

The son of a barrister, he was educated at Downside, and Trinity College, Cambridge. Although a well-known figure in the industrial field he was probably better known as Labour M.P. for Ipswich, and as the Minister of Works and Lord Privy Seal in the last Labour Government.

The Richard Stokes perhaps best known to us was the man who was a fervent advocate of land value taxation, and who grasped every opportunity in the House for propounding its many benefits. Despite the fact that his ideas did not always receive the support of his Party they nevertheless published in 1955 his booklet entitled "The Rating of Site Values". This booklet provides a well reasoned reply to those who would doubt the soundness of the principle and the efficacy of the policy. He never tired of emphasising that everything done to improve social conditions, every increase in production, put up the value of land, and that unless the land question was tackled first it would create a growing obstruction to the efforts of the people. In Parliament, the cause for land value taxation has lost in Richard Stokes a powerful and knowledgeable advocate.

The Siren Music of Inflation

Are we now treading a path to bankruptcy, that same path along which so many nations have been lured throughout history - lured by the fatal fascination of easy money? Our economy, with its recurring crises, so called, conjures up in the mind the picture of a group of men surveying a delicate and exquisitely made machine, and discussing among themselves the reasons why it will not go, each in turn offering a different explanation for its breakdown and a correspondingly different cure.

The machine, efficient in itself, is clogged with sand and set upon a sloping floor. Any attempt to persuade the 'mechanics' that the fault lies in themselves - in their treatment of the machine, rather than in the machine itself - is frustrated by claims of superior "know-how." Perhaps this picture may appear exaggerated, yet how many of today's problems would have arisen if there had been no interference with the delicate machinery of the distribution of wealth by those who profess to know best how wealth should be distributed.

Poverty, slums, unemployment and starvation have been age-old problems and, to a greater or less degree, still exist in all parts of the world. If the approach to these problems were made with a view to securing equal rights to all citizens - equal rights, that is, in their relationship to the gifts of nature as well as equal political rights - the finding of a solution would not be difficult. But special interests have always played their part, so that real issues become automatically avoided. It is as though a group of doctors trying to find a cure for malaria would not entertain the idea of destroying mosquitoes. The apathy, prejudice and ignorance which abound among people today arise because the fundamentals of the problems with which they are faced are deliberately obscured. They are not even allowed to know that mosquitoes exist; that is the trouble.

Inflation, the modern bogey, is now regarded as some blind economic force with which man has to grapple and to which he has no real answer, save that of obeying the platitudes that we should work harder, save harder, etc.

We make no apology for dealing thoroughly with this question in this issue, even at the risk of appearing to labour the point. Until this matter is dealt with, we cannot come to grips with the underlying problem of the maldistribution of wealth.

Sound Money or...

Here is a clear and concise statement on the money question by Dr. J.E. Holloway, presenting the argument for sound money based on free convertibility. It illustrates how sound money, like free trade, is part of the pattern of freedom, though not in itself a remedy for unjust distribution of wealth.

Dr. Holloway is a former South African Secretary of Finance. He was Economic Adviser to the South African Treasury and has been a co-delegate to the International Monetary and Financial Conference at Bretton Woods. The text has been condensed from an article originally published in the South African journal "OPTIMA".

The theory of real or honest money is exceedingly simple. It postulates simply that the value of the material of which a given unit of money (say, £1 or \$1) is made must be exactly equal to the nominal value of that unit. Therefore £1 must contain exactly £1 worth of monetary material.

At the time when the bulk of the financing of world trade depended on the reliability of London, and for a long time before that, the British Treasury was so puristic in its regard for the maintenance of the honesty of British money that it paid the minting charges itself. The minting was, in fact, a process of stamping on a disc of gold a Government certificate that that disc was made of gold, eleven-twelfths fine, and weighed 123.27447 grams, subject to the allowable "currency remedies." The cost of the minting was borne by the Treasury, so that the value of the money material coincided exactly with the face value.

It follows from this definition that gold is not the only material of which honest money can be made. For centuries this role was played by silver. As, however, the material of which money is made is itself subject to changes in value, gold is far and away the best material for honest money. Gold - provided it is allowed to influence the prices of commodities, an essential qualification - is more stable in value over both short and long periods than anything else known, and this pre-eminence is due chiefly to the difficulty of winning gold and to the smallness of the annual production in relation to the existing reservoir. It is also due to other qualities which gold possesses above silver and other types of monetary material. Any text-book on money will explain these other qualities clearly and in simple language.

It also follows that paper possesses hardly any of the qualities necessary for honest money. I am not here referring to paper as

"representing money" or "money of account": of that more later. Paper money by itself, possessing value simply by Government 'ukase', gives the public, who have to store their savings in it, no protection whatever. There is hardly a case on record where paper money, other than "representative" paper money, has not depreciated in the course of time. In other words, inconvertible paper money is the worst and most dishonest money.

If paper is used as a representative money - that is as representing real or honest money - it should be interchangeable at the will of its holder into real money. If this condition is present, paper money can serve very well as "money of account." It has certain definite advantages, provided this safeguard is present. Once this safeguard is removed and the money of account usurps the role of real money, it quickly becomes money of less and less account, until it finally becomes money of no account.

This process is taking place before our eyes today. The public call it a "rise in the cost of living." The public can see from week to week the process of money of account becoming money of less account. Yet it does nothing about it. All over the world goods and services are being taken away from their subjects by governments in return for such unhonoured promises to pay - I.O.U.'s - and the public tamely submit.

COLOSSAL FRAUD. It is enlightening to trace the process by which nations came to accept tamely the most colossal fraud of all time.

The generation which commenced to take notice of public affairs when the first World War broke out, had grown up under a regime of honest money. They knew that it simplified all wealth-producing processes, that it made mankind better off because it made man's activities more economical. That generation had known that dishonesty spread out over a wide field is an anti-economic force. They had even been brought up on the amoral maxim: "Honesty is the best policy." They knew that inconvertible paper money was dishonest: that it dulled the edge of husbandry: that it always depreciated: that it had always been the source of social upheaval. They saw in a short period the once-proud German mark disappear into thin air; the franc, the lira and many others depreciated to a shadow of their former selves. And they it was this generation which took refuge in



universal inconvertibility!

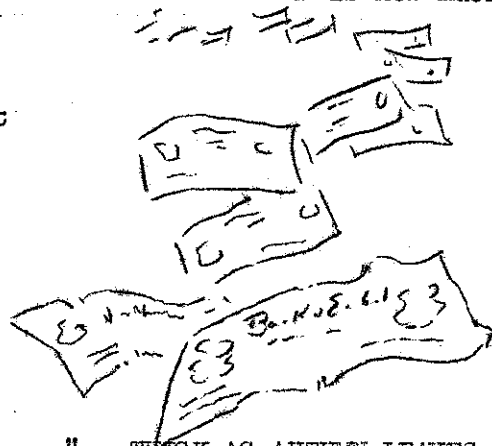
In effect, governments, quietly and without making a fuss about the matter, introduced a method of conscripting wealth. They did not call it that. To have done so would have caused a furore. All they did was to deprive the citizen of the right to receive final payment - payment in honest money - for the goods and services they took from him. They forced the citizen to take "promises to pay", but they absolved themselves from the obligation of paying on demand. They could always take more and more goods for more and more promises, and so on 'ad infinitum.'

The generation that grew up in the era of honest money did not, however, forget all. When the war was over, they set about the task of reconstructing the system that had served them and their ancestors so well.

In reconstructing the system, they made one cardinal mistake. It is easy to be wise after the event. Very few thinkers on the subject, however, were wise enough to see the far-reaching, structural change that had been introduced into economic relationships between different classes of citizens by the actual conscription of wealth, which depreciation of money had brought about.

The cardinal question to be decided after a war is how much the astronomical promises to pay are worth in terms of real or honest money. Now, in considering this cardinal question, attention must be given to the relationship between the volume of the money of account (or promises to pay) and the volume of final payment, i.e., gold.

During a war, the promises to pay fall thick as autumn leaves in Vallombrosa. During a war, the production of gold is generally reduced, because productive resources are, wherever possible, switched over to the production of the requirements of war. It would, therefore, seem clear to the meanest intelligence that the value of gold must rise in terms of paper money.



"...THICK AS AUTUMN LEAVES..."

The community is, therefore, faced by a choice between two alternatives: The first alternative is that of never resorting to final payment. The second alternative is that, before it has recourse to final payment, it goes through the preliminary business precaution of settling the size of the bill. It then wipes out the bankruptcy

caused by war, and starts producing again, without the weight of a millstone round its neck.

DEBAUCH THE CURRENCY. If the former is chosen, the inevitable continuing depreciation of money must be accepted. The pound, the dollar, the franc, the lira, the peso, the gulden and what you will, will depreciate "till none is left." Now and again a savage depression will halt the process. Now and again a government will be both wise enough and strong enough to put on the brakes; but not for long. The cost of living will go on increasing; labour disturbances will be the order of the day; these will be more frequent, more prolonged, more savage and more destructive of the productive resources of the community than ever before. The process of wiping out the provident classes of the community will grow apace. There will be no room for private saving. Communism is the inevitable end of this march.

Lenin is reported to have said: "If you want to wipe out capitalism, debauch the currency." He was right. But his dictum goes much further. "If you want to wipe out individual liberty debauch the currency." That is the inevitable end of the first alternative.

(to be continued in the September issue)

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THE DEPRECIATION OF MONEY

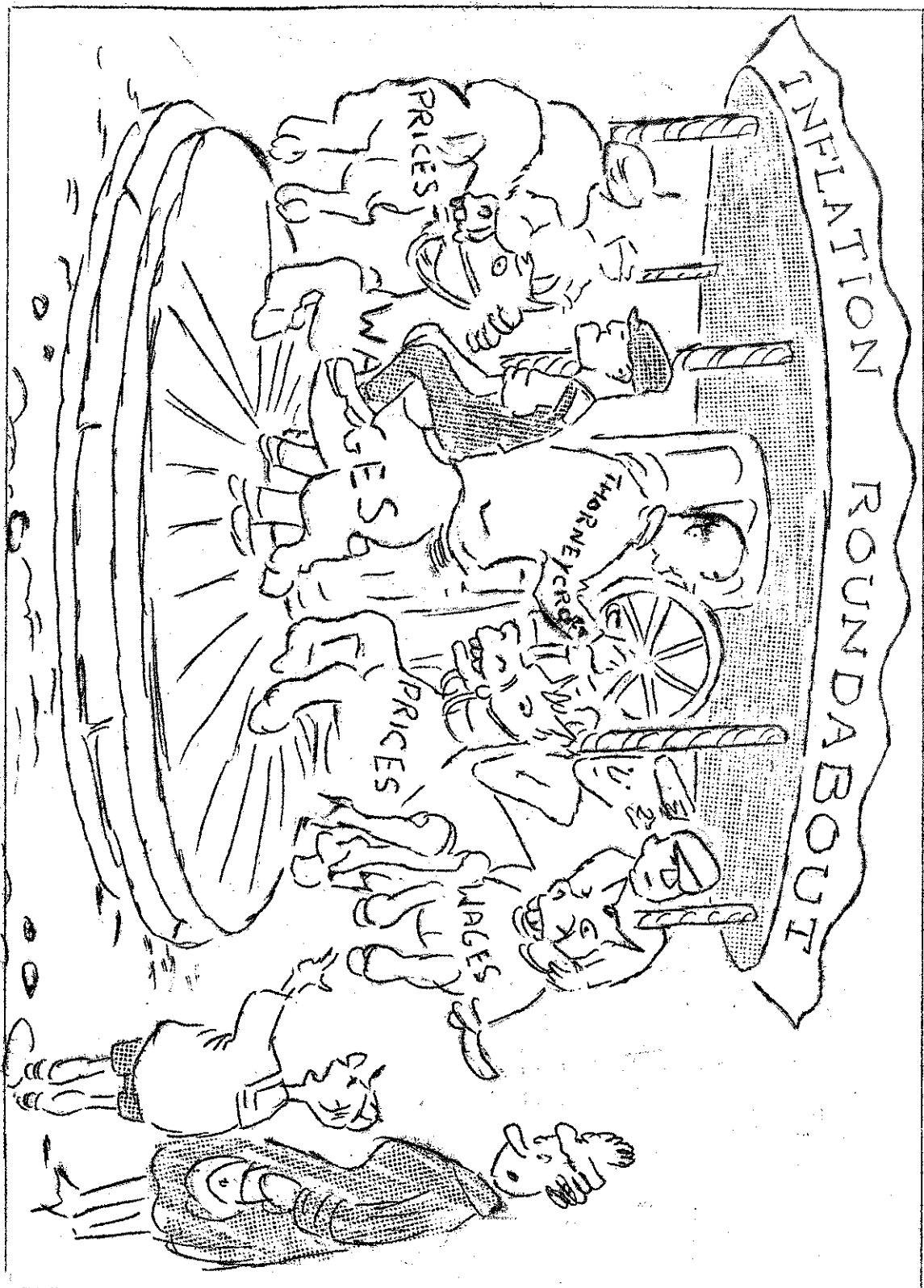
	<u>Indices of Value of Money</u>		<u>Annual Rate of Depreciation (Compounded) %</u>
	<u>1946</u>	<u>1956</u>	
Switzerland	100	86	1.5
Germany	100	72	3.2
India	100	72	3.2
United States	100	71	3.4
Venezuela	100	70	3.5
Netherlands	100	67	4.0
Canada	100	65	4.2
South Africa	100	65	4.2
Sweden	100	65	4.3
United Kingdom	100 *	65	4.6
New Zealand	100	59	5.2
France	100 **	58	6.5
Mexico	100	47	7.4
Australia	100	46	7.5
Brazil	100	26	12.7
Chile	100	5	25.3

* 1947

** 1948

(First National City Bank Monthly Letter, Dec. 1956)

THE CHANCELLOR'S BANK HOLIDAY.



Child: "Who keeps it going Mummy?"

Mother: "The man at the wheel, of course, my dear."

FOOLISH and KNAVISH STATEMENTS

ON INFLATION.

SHIFTING THE BLAME. "The only answer to inflation is to increase production. That is where the real hope lies. The Government cannot solve the problem alone. We are all in it - Government, industry, the general public. What we need is restraint and common sense - restraint in the demands we make, and common sense on how we spend our income." - Prime Minister at Bedford, 20 July.

COAL PRICE INCREASES. "Does my right hon. friend agree that the recent increases in the price of coal are the prime factor in the inflationary spiral." - Mr. J. Jennings in H. of C.

COSTLY LETTUCES. "Is the Minister aware that we are still paying 1s. in Newcastle for a head of lettuce? Is he aware that this applies not only to vegetables but also to fruit, and that we are paying 7d. each for apples? Does not the Rt. Hon. gentleman agree that this sort of petty profiteering right through the economy is one of the major causes of inflation?" - Capt. E.W. Short, Labour, Newcastle-on-Tyne, in H. of C.

SAVING. "If each one of us will save only an extra nickel out of every dollar we earn, we will strike a mighty blow against inflation." - Insurance Advertisement, Canadian Magazine.

BANK LOANS. "Another cause of inflation can be too much lending by the banks. By steadily expanding their total of loans since 1945, the banks have undoubtedly added fuel to Britain's inflationary fire." - Douglas Jay, Daily Herald, 23 July, 1957.

DISTORTED MIRRORS. The world-wide inflation reflects many things. It reflects big spending by government in most countries. It is influenced by huge demand for capital to rebuild and to expand industry and to provide people with homes. It grows, in part, from the immense unfulfilled wants of people who are getting higher pay with which they can fill those wants. - U.S. News & World Report, Aug. 2, 1957.

"If a nation pays itself 7 per cent more for doing no more work, as happened last year, price increases will follow as night follows upon day." - Peter Thorneycroft (Chancellor of the Exchequer).

"We have been hearing particularly in the past ten years, a great deal about the evil of inflation. What this bill (Agricultural Bill) does is to make agriculture, as it were, an island of deflation in a steadily rising flood of inflation." - Lord Archibald, H. of L. 25 June, 1957.

THIS IS INFLATION

HOW INFLATION STARTS

Last week the Treasury had to help the British Transport Commission deal with its accumulated deficit, to the tune of a cool £20 million or so. To finance this, along with its other operations, the Treasury was compelled to issue more short-term debt, in the form of Treasury Bills. This situation highlights the dilemma facing the monetary authorities. On the one hand they find it extremely difficult to sell medium- or long-term securities in the present unhappy state of the gilt-edged market. On the other hand, they are all too aware that if they issue short-term debt, most of it will get into the hands of the banking system, which will treat it as an addition to liquid reserves. (Observer, 14 July)

PLAIN WORDS

"Inflation means too much money. The way to prevent inflation, then, is to close down the money factory. It is just that simple. All the complicated gibberish one hears and reads about inflation simply blocks an understanding of the essentials of the problem - although it may impress the ignorant or hide the negligence of those who are responsible for inflation by making the task of preventing inflation seem hopelessly complicated."


(Dr. F.A. Harper - in his booklet "Inflation")

HOW IT WORKS

Treasury Bills, Bonds, etc., are sold to the public (or the Banks or the Money Market) first, and find their way to the Bank of England only when the holder wants his cash back. The Bank of England are statutorily bound to accept any "Government paper" offered to them. With the Ways and Means Advance, the "I.O.U." never goes to the public. It goes from the Treasury to the Banking Department of the Bank, and it is treated as a cheque received on behalf of the Paymaster General's account. When, later, cash is required to pay to the contractors, etc., if there is not sufficient cash in the Banking Department, a security is transferred to the Issue Department who hand over newly-printed notes in exchange. The Issue Department, thus, should have Government "IOUs" for every £1 they have issued. The Banking Department's books would show a drop in the total of securities balanced by a rise in the amount of notes. It all balances up very nicely. The cause of all the trouble, then, will be the great pile of Government "IOUs" (Securities) held by the Issue Department as their authority for their printing of notes. (B.W. Brookes, from a letter to the Editors)

"GUILT" EDGED SECURITIES

The credit squeeze is again threatened by a flood of Treasury Bills. The state of the gilt-edged market is such that the Treasury is having to rely entirely on bills for its needs, and with the nationalised industries' demands to be met these are considerable (issues from the Exchequer this financial year already amount to £54 millions). The result is seen in the latest clearing bank figures: between the middle of May and the end of June Treasury Bills in the bank portfolios increased by nearly £50 millions. (Manchester Guardian, 17th July 1957)



WHERE PLANNING

FAILS.



A Report just published by the Institute of Community studies (Family and Kinship in East London, Routledge.), following a three years' investigation, throws a curious light on planning for communities. After the War the very word "Plan" carried with it a sort of magic. A famous clown, Dan Leno, used to give a comic turn in Victorian days describing his experiences with a crook money-lender. The refrain, following each illustration of the Shylock's chicanery, was this: "But I knew he must be right - he had the book." So with our state planners in the days immediately following the War: all argument was at an end whenever the assertion was: But they have a plan!

In the survey, the investigators followed up the social consequences of a major population shift. It involved the people of London's East End - a district, by the way, far less slummy and horrid than is generally supposed, and one in which one may come upon some lovely old Queen Ann houses. In March, 1956, just over a quarter of the people who had been persuaded to leave their East End homes for the new model estate complete with modern houses, well-laid-out thoroughfares, etc., decided that they preferred Bethnal Green.

Now, when the planners undertake to shift sections of an urban community to a new town or development in or beyond the green belt, they tackle a problem far more complex than a mere housing improvement. Directly any such shift is made, numerous factors which were not recognized as existing or, if that, of any importance, become dynamic to determine failure or success, and some of these are of the Imponderable variety.

Folk who live in seedy or shabby parts don't much mind if they look shabby or seedy themselves. They feel "cosy" and that satisfies a deep human need. They are close-knit as family units, often with a bias towards the matriarchal way of life, Mum dominating each family group and always "knowing best." These close-knit family groups form part of a larger pattern of families in close friendly relations, and such relations are kept green mainly by way of the familiar facility of "pub," or cinema or dance hall.

Now what happens in the "ideal" town is for the women loneliness and for the men increased expense. The women feel how shabby are their domestic effects when dumped down in this grand new place - and their clothes, too. They start to buy on the HP. Now comes the first domestic complication: the new furniture and clothes are made possible only by cutting into the larder allocation. The man finds that whereas in Bethnal Green he could walk or ride on a bus to his job, he now has to commute, thus adding a considerable item to his weekly overhead. Bethnal Green, again, had a pub for every 400 people, and one shop for every 44 - the New Town has one pub for 5,000 and one shop for 300. The nearest cinema is a shilling car ride distant. The rent is treble the old. Gone are the old familiar friendly pub, the street corner for the chat, the dance hall where young folk meet to dance. On all sides expenses mount and the normal pleasures of family life decrease. Folk in London's East End seldom have the telephone. They don't need it - pals are round the corner. Now, the newcomers from Bethnal Green are finding that the telephone is essential - to keep in touch with Mum, with sweethearts, with friends. There are also the psychological effects of such moves. "They're all Londoners, but they get highbrow when they get here," is a comment in this Report. Again: "Getting-on becomes more important to the ex-Bethnal Greeners because they are facing the new world on their own instead of belonging to 'Mum's' small local group."

More than twenty years ago a medical officer of health, making a control check on a town-section migration to a new town, found that health and intelligence and happiness all declined there. And the writer remembers being conducted through Birmingham's new green belt development - all laid out so beautifully, all so perfect in theory, and yet, as one walked and drove around, all so utterly lifeless and dead.

What, then, is the answer if the new towns starve the human spirit and also bring about serious economic problems for those moved into them? It is, perhaps, the necessity to recognize that a town, like a seedling plant or any other organism cannot be created, but must grow: first the hamlet, then the village, then the town and last - alas, the great city.

EDITORS' NOTE.

It is not lack of Government planning that has produced the Bethnal Greens, therefore, Government planning is no remedy for bad housing conditions. The Government's task is to see that the right opportunities - equal opportunities - exist for natural growth.

Condensed from:

"A Letter from England" - (Manas June 3, 1957.).



There once lived a King who always got everything he wanted. When he wanted a new carriage or new robes, he bought them. If he was a little short of cash, he simply said, "Charge it, please." For the King had always been a Good Credit Risk. Then one day things changed.

When the King said, "Charge it, please," the merchant dumbfounded him by replying, "O King, I'd like to do this, but I'm tight for cash myself!"

The King was so hurt that he decided to Take His Custom Elsewhere. But at the next place the man also hung back, murmuring, "Tight Money." The King departed in a huff.

The King summoned his Chancellor of the Exchequer. "Money is Tight," he told him. "Ink up the Royal Press and run off enough for everybody."

The Chancellor paled. "That would bring Inflation, Your Majesty," he said. "Remember what happened to the Kingdom next door? Wild Inflation - money was so cheap, you were better off with a basket of potatoes."

The King frowned. The problem was beginning to look complicated. He commanded his Royal Economists to prepare a short, simple text on "Tight Money - What to do about it." After many weeks they brought him volumes filled with charts - all above his head. In fury the King banished one economist after the other, until only one was left.

"Your Majesty," this junior economist quavered, "I have reduced

the subject to nine words: 'There is no such thing as a free lunch.'" The King turned a Royal Purple. But as he raged, he thought. Suddenly his anger subsided. "You may have something!" he exclaimed.

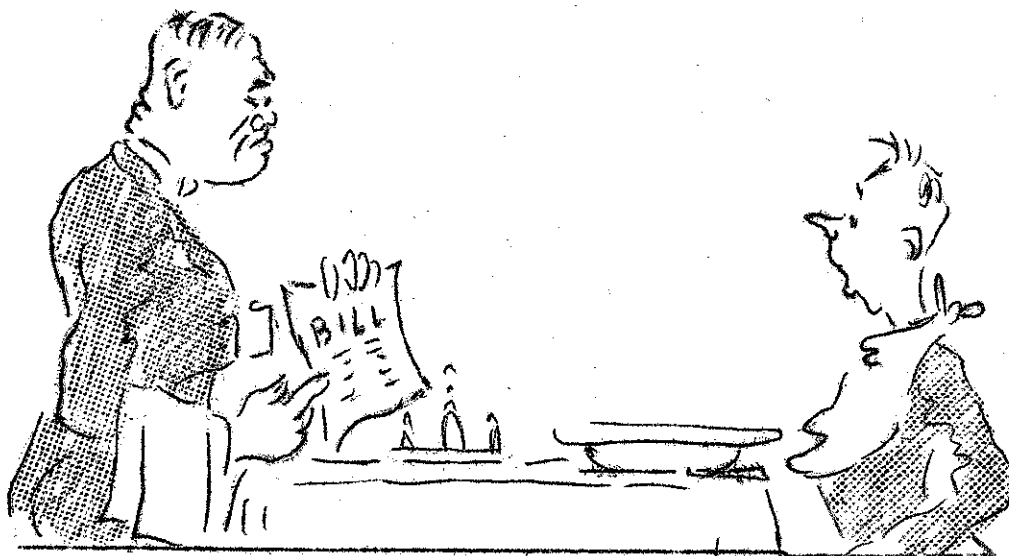
So the economist continued, "When people borrow more than they save, soon there is a shortage of money." "And then even a King can't borrow, unless he is willing to start up the printing presses," said the King wisely. "For as I said before, 'There is no such thing as a free lunch.'"

[This tale is condensed from an advertisement by Harris Trust and Savings Bank, in the Wall Street Journ l. But this is not the end of the story. It is spoiled by a misleading ending, which suggests that saving can cure inflation. The wise alternative to the printing of paper money is for the Government to tax the people honestly (if taxation can be considered as honest) or to cut expenditure. But then, we must make allowances for the advertisers - they have an axe to grind! You may now read on :/

"A wise saying, O King," said the economist, " - but, if people were to save more, there would be plenty to lend and Inflation could be avoided. Soon our "Tight Money" would go away."

"All it takes is more savings!" the King beamed. So the King opened a savings account himself and began putting some of his pay cheque away each pay day. And he decreed that each of his subjects should do likewise. And sure enough - before long, money stopped being 'Tight.'

Moral: If each of us Kings will save something extra each pay day, we too will put an end to our 'Tight Money.'



'There is no such thing as a free lunch'

Tiger

at the

Gate

Today's "tiger at the gate" is the new federal highway program, a tremendous concentration of energy that is busting loose in all directions - a THING, a great creature, all 41,000 miles of it. It's already quite clear that the new highway program is the greatest invitation for land speculators since Congress opened up the old west a century ago with land grants to the railroads.

What these new highways are doing is simple and spectacular: they are shifting land values all over the map. Around the new interchanges, the impact is tremendous. Landowners are suing each other right and left, slugging in the clinches. You can't swing a subpoena without hitting a witness in a zoning suit. And the price of land went out of sight the minute they opened the first bids on 4-leaf clover intersections.

The old-time highways brought money and business to Old McDonald and his farms all up and down the road. But the new limited-access roads concentrate values - principally around the intersections, but also along the access and service roads. They will open thousands of square miles of "development" - more tigers at the gate.

Even if we assume only one interchange every 10 miles, this means 4,100 centers of unearned increment, nuggets of pure gold for the happy few who own land. Their fortunes are assured by accidents of geography, whims of location engineers, the logic of history, and certainly by the decisions of many planners.

Hell hath no fury like a woman scorned, unless it is the owner of property that has been by-passed by the latest expressway - the fellow who sees his neighbour reaping benefits he might have had... I don't have to tell planners about the outraged and anguished cries of property owners who whom a highway spells the difference between passing on to their children a worthless, worn-out farm, or a fat portfolio of shopping-center leases.

(For commentary on above
article, see facing page)

GRADY CLAY, Real Estate Editor,
Louisville Courier-Journal

James C. Carson, writing in the "Bluebird" Newsletter, U.S.A., makes the following commentary on the article on facing page :

Here, in the highlights from Grady Clay's address to the ASPO conference in San Francisco, we see exposed the viciousness of financing our multi-billion dollar highway program with levies on the fruits of a man's industry while neglecting to collect that value which attaches to land by reason of the presence of population - the neglect that awakens the "tiger" in man's nature, inducing him to quarrel and fight over titles to choice locations, not for the purpose of putting them to use, but to prevent their use until capital and labour bid up the "fee" for right of access.

If ever Satan came upon this earth, he came in the form of that cunning English land pirate who rose in the House of Lords in 1660 and announced his discovery of indirect taxation. Indirect taxation - that murderous instrument for enslaving the greater part of the human race has not only created untold havoc for centuries but it now threatens to force upon us what may prove our last big squabble over the monopoly of this earth.

Send to me today a real estate agent with an offer of a title to land. Nothing he could say could interest me in making a purchase for the purpose of establishing a business. The first stick on that site would lead me with a vast armada of taxes and government red tape. A business would oblige me to face endless quarrels with union labour organisations. It would saddle me with the necessity of fighting for a market in an economy that is crumbling under the weight of inflated currency, tightening credit, and consumers increasingly anxious to stretch every penny to cover the increasing costs of living. I would have all the grief of responsibility that goes with free enterprise and little if any of the rewards that make that responsibility worthwhile. No, I would only be interested in a title to land as a speculation: will the increase of population around the location send up the land value sufficiently to make it profitable to resell or to lease to the victims of our vicious tax set-up? Until our government moves to collect that value which attaches to the land by reason of the presence of the population, I shall be interested in titles to land only as are the "tigers at the gate" described by Grady Clay in his address.

* * * * *

"Economics is not exact. It is a matter of opinion."

- from an article on Inflation
in The Railway Review, 2 August 1957

Contemporary Comments

"NOT RULED OUT" Mr. H.D.S. Stiles, of Brighton, a leading expert in rating problems, forecast at the annual conference of the Royal Institution of Chartered Surveyors at Nottingham today that rates would be considerably higher.

He said: "One cannot rule out the possibility that there may, in the future, be some form of local income tax or land value tax, but there are no firm proposals for them at the present time."
- South Wales Echo, 19th July, 1957.

AIR DETECTIVES ON THE WATCH The International Air Transport Association, which fixes the conditions of air travel, including the fares, for the benefit of its member airline companies, is now employing a dozen private detectives to maintain a watch on the activities of its members. These detectives are called "I.A.T.A. enforcement officers." Some are stationed at air traffic centres, while others move about on the air liners watching for breaches of the association's rules.

Thus if an airline charges a lower fare than that specified by I.A.T.A., it will be reported by the enforcement officer and will be punished. Penalties are assessed by panels of airline executives but, according to a spokesman of I.A.T.A., the main objective is not punitive. The central enforcement office of I.A.T.A. which, like all I.A.T.A. activities, is paid for in the last analysis by the air traveller, was organised in 1950. The association now has 79 companies among its members.

- Manchester Guardian, 28th July, 1957.

A FIFTH One-fifth of the World's 57 million square miles of land areas has oil potential. Of that one-fifth, much less than 20 percent is located in the United States. Yet the United States has produced 60 percent of all the oil produced to date. Last year alone, our oil producers achieved an output of more than 7 million barrels a day.

- Internal Affairs, April, 1957.

FREE LITERATURE. Land & Liberty Press Ltd., has a number of books and booklets in excess of its current requirements. The books are on economics and various aspects of the land question, and related topics. Write or ask for list.

- then they stopped
thinking



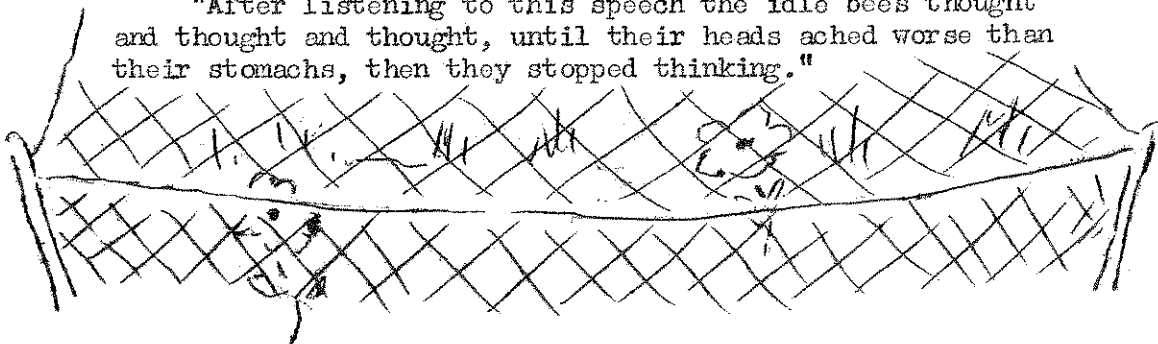
"And so it had come to pass that the drones owned all the large fields and had fine wire screens placed over them, with large signs here and there warning the busy bees to 'keep off' the flowers under penalty of the law.

"In addition the drones hired a lot of fierce hornets with long, sharp stingers and fed them well to see that the laws were enforced.

"As a result, the busy bees were idle, discontented, ragged and hungry, so they held meetings in the public squares and passed resolutions and appointed committees to call on the drones and demand that the signs be removed and that they be allowed to build hives on the vacant fields and gather honey from the unused flowers.

"But the drones paid fat bumbles to preach to them and tell them the reason they were poor and unemployed was not on account of the fields being monopolised, but BECAUSE they were too fond of the juice of the hop and malt flower, and too many bees were born yearly, which caused over-population, and they should have a higher tariff to keep out foreign pauper honey, which caused over-production, and they should never forget that there had always been poor, idle, hungry, ragged bees ever since anyone could remember, and the more drones they had the better they would be off, for the drones ate lots of honey, which gave them work gathering more honey, and if it wasn't for the drones they would not have anyone to eat their honey and they would starve to death for the want of work, and they should always remember that the monopoly of the fields and flowers was the very foundation of society, which was fortified by a pile of statutes and endorsed by the pillars of society from time immemorial.

"After listening to this speech the idle bees thought and thought and thought, until their heads ached worse than their stomachs, then they stopped thinking."



NOTES & NEWS.

NEW TERM CLASSES. The Autumn term classes of the Henry George School will begin during the week commencing September 23. Courses will be run in Westminster and London Suburbs, Liverpool, Glasgow, Dundee and Portsmouth. It is hoped to extend the School's activities to Eltham, the Isle of Wight and Cardiff and plans are in hand for the formation of Branches.

Students who have attended the Basic Course are invited to enrol for advanced courses. A full schedule of all courses to be run and their location will be published in our next issue.

THE STORY OF ARTHUR MADSEN AND THE HENRY GEORGE MOVEMENT.

A meeting in memory of Arthur Madsen, late principal of the School, has been arranged for Saturday, 7th September, 1957., at 6.30 p.m. in the Convocation Hall, Church House, Westminster (opposite our offices).

The meeting will review the activities of the Henry George Movement over the last 50 years as a background to the life and work of Arthur Madsen and will be entitled "The Man and the Movement". It will tell the story of the land question in and out of Parliament during the last half century, the story of the Movement which grew around Henry George's "First Great Reform", the taxation of land values, and the story of the man who led it - Arthur Madsen.

A full programme giving details of the speakers, etc., will be published later.

MONTHLY LECTURES. A series of monthly lectures are being arranged to be held on Wednesdays, beginning in October. Included will be the following:

"The Partition of Ireland".

"Chattel Slavery Today".

"Economics at the Street Corner".

"Human Relations in a Closed Prison".

They will be held at Church House, Westminster, (opposite the School) at 7.0 p.m. with full period for questions and discussion.

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