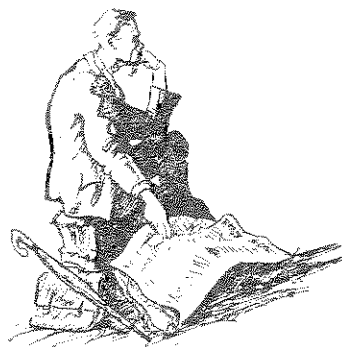


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HENRY GEORGE SCHOOL MAGAZINE



HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

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(Edited by a panel of Tutors)

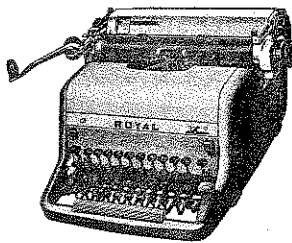
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Volume 3, Number 12

December, 1954

Editorial



An admission that Government statistics contain traps for the unwary was made by Sir Dennis Robertson, Professor of Political Economy at Cambridge. In an apology, 23rd November, he admitted that when addressing London University students earlier in the month he had "fallen headlong" into two major traps in a Government Blue Book of statistics, and that most of the figures he had given were wrong. Those figures he had taken from the 1953 Blue Book on National Income and Expenditure, which is compiled by the Central Statistical Office and published by the Stationery Office. It contains 70 pages of statistics and more than 20 pages of notes.

"In picking my way through the minor traps in the official statistics, I fell headlong into two major ones", said Professor Robertson. "I failed to observe a note that shop assistants' pay, which for 1938 was included in Salaries, was now included in Wages."

We sympathise with him. Yet what are minor traps to Sir Dennis would be major traps to the less experienced. As for the major traps It is bad enough to separate wages from salaries - a completely useless economic distinction - but to switch these about as suits the compiler's convenience does not engender confidence or respect in those who have to rely upon statistical information from official sources.

Readers will find this theme developed in the article "Statistics and the State", by Dr. H.G. Pearce, which appears in this month's issue.

RING OUT WILD BELLS...

Ring out, wild bells, to the wild sky,
The flying cloud, the frosty light:
The year is dying in the night;
Ring out, wild bells, and let him die.

Ring out the old, ring in the new,
Ring, happy bells, across the snow;
The year is going, let him go;
Ring out the false, ring in the true.

Ring out the grief that saps the mind,
For those that here we see no more;
Ring out the feud of rich and poor,
Ring in redress to all mankind.

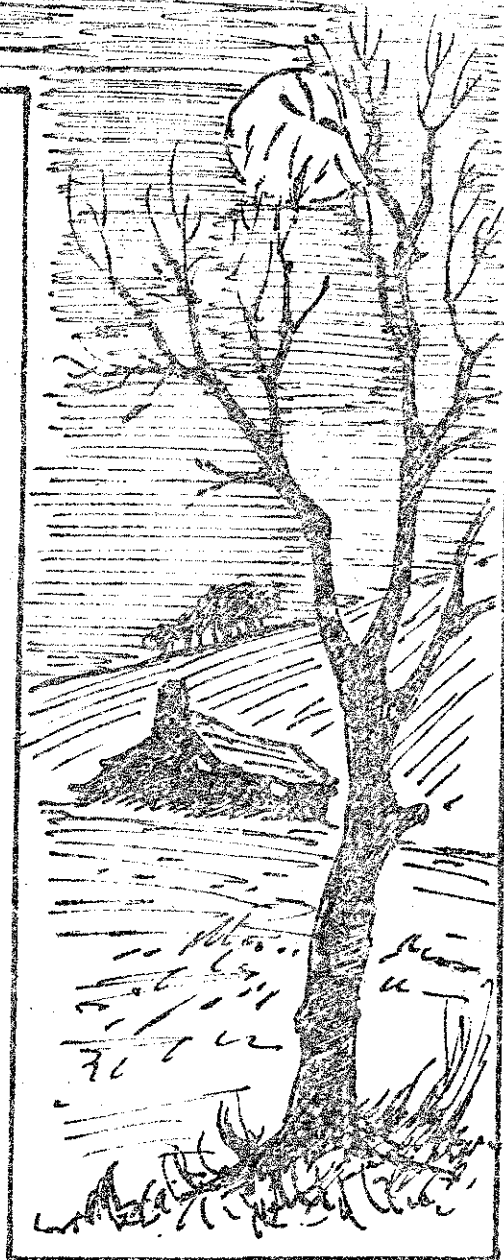
Ring out a slowly dying cause,
And ancient forms of party strife;
Ring in the nobler modes of life,
With sweeter manners, purer laws.

Ring out the want, the care, the sin,
The faithless coldness of the times;
Ring out, ring out my mournful rhymes,
But ring the fuller minstrel in.

Ring out false pride in place and blood,
The civic slander and the spite;
Ring in the love of truth and right,
Ring in the common love of good.

Ring out old shapes of foul disease;
Ring out the narrowing lust of gold;
Ring out the thousand wars of old,
Ring in the thousand years of peace.

- TENNYSON.



STATISTICS AND THE STATE

"In a society where statisticians thrive, liberty and individuality are likely to be emasculated."

This is the verdict on statisticians given by a prominent statistician, M. J. Moroney, in his book "Facts from Figures", published in the Pelican Books (1953).

He points out that statistics arose historically as a State Arithmetic used, as it is still used, to enable rulers to find out how far they may safely go in picking the pockets of their subjects. Psychologically statistics are dangerous because it is so easy to do arithmetic and so difficult to interpret figures. And logically they are dangerous because it is fatally easy to think that accuracy in arithmetic is equivalent to accuracy in knowledge.

He is very hard on the "academic tomfoolery" called Index Numbers which he describes as a symptom of the modern disease of trying to keep a check on everything. He says that so many of these index numbers are so completely devoid of practical value that "their regular calculation must be regarded as a compulsion neurosis". He regards the tying of wages to cost-of-living indexes as a scheme which is "positively Machiavellian in its acceptance of deception as a necessity in politics."

In his Chapter on Time Series he says that "economic forecasting, like weather forecasting in England, is only valid for the next six hours or so. Beyond that it is sheer guesswork" and he compares these statisticians with the astrologers who counselled the medieval planners. He predicts that "one day they will be relegated to the Sunday newspapers to displace the astrologers from their last refuge". He calls such economics mumbo jumbo and trembles to think of "the hordes of students of commerce and economics who are tested in their proficiency at sorting out the seasonal variation and long-term trend".

He longs to do battle with index numbers and time series analysis as "curses on modern civilisation" and a dragon of superstition. But it is sad to think that popular superstitions are always so

popular. After Professor von Neumann's description of the mathematical antics of economists as "inadequate and inappropriate use of a powerful instrument that is very difficult to handle" ("Theory of Games and Economic Behaviour" 1944), this is another blow at that invasion of thought by mathematical symbols which Professor Stephen Leacock described ("Funny Pieces" 1937), as tommyrot in a hundred recent books by a hundred recent authors whose total utility was to teach readers "to surrender their economic thought to the dictation of the elite" - the mathematics that does not help thought but impedes it, and "merely helps to turn economics into an esoteric science", as a technique for covering up their ignorance of social realities. In short, said the late Professor, "economics is what is called in criminal circles, a racket".

But Henry George woke up to this racket when it first reared its head. He said (The Science of Political Economy, p 100) that the attempt of the Professors to pass off their laws of mathematics as laws of economics was "essentially dishonest" and a technique whereby "questions that must be met in a true political economy, may be easily avoided by those to whom they seem awkward". And in the same work (p. 143) he put his finger on the folly of certain statisticians when he wrote "Statistics cannot aid us in the search for a thing until we know what it is we want to find. It is the Tower of Babel over again. Men who attempt to develop a science of the production and distribution of wealth without first deciding what they mean by wealth, cannot understand each other or even understand themselves".

FIGURE THIS OUT:

- Dr. Henry G. Pearce,
"The Standard" (Australia), Sept. 1954.

The danger of relying on statistics, even Government statistics, is well exemplified by the annual Economic Surveys issued by H. M. Stationery Office about two weeks before Budget Day. In this survey the national income is divided into Wages, Profits, Rent, etc and the income from Rent is shown as somewhere in the region of £500 million. To the unvary this seems an exceptionally low figure but the catch in it is that it is not economic rent at all, for it excludes the rent of land where that rent is not actually paid from one person to another. Furthermore the figure excludes values of unused or idle land. Where the figures do take in the economic rent received it is only the amount paid over not the market rent. An enormous amount of economic rent today is concealed in the word "profits" so that when these Government figures are examined they present a distorted picture of the position - Rent is shrunken and Profits inflated. Of what value, therefore, can these figures be to the economist who recognises the essential difference between incomes from labour and capital and incomes derived from the ownership of natural resources? Indeed one wonders just how reliable the other figures in the survey can be when one is not familiar with the process of their compilation and the ideas in the minds of the compilers.

AID TO UNDERDEVELOPED COUNTRIES

Having visited the Middle East and Asia, Justice William O. Douglas of the United States gives some food for thought to those who would raise the standard of living of 'underdeveloped' countries. In an article in the New Republic (28.4.52), entitled "The Power of Righteousness", he writes:

"... The Middle East and Asia have a feudal economy, a feudal political, social and economic system. That system was long supported by the British and made very romantic by the British. But those who want to stabilize that situation are the most dangerous people in the world. They are the ones most apt to accelerate the trend of that part of the world to Communism. You can't stabilize feudalism in the world today and expect to survive.

What begat Communism in Russia? Feudalism. What is the great political strength of Russia in any part of the world? Feudalism. As long as there is an opportunity for people to work and to meet the ordinary requirements of life, none of these desperate creeds will have any appeal to our people; nor will they appeal to other people.

One who is down at the bottom - as you would be if you were a peasant in the Middle East - would have to take desperate measures to escape. The desperate measures are the measures to get rid of feudalism. I have heard American officials talk about underwriting the status quo in the Middle East and Asia. That means in plain language underwriting the 200 men in charge of a country - stabilizing the political control of a government of, and for, the landlords. With all the wealth of America, it can't be done. With all the atomic bombs of America, it can't be done. This is a revolution that is going on - a revolution against the control by a few men of the destinies of the great masses of the people. I've been among them - I've eaten with them - I've walked with them - I've shivered with them.

They are wonderful people - as fine as the people in our communities here. I say that when we go with the Point Four program, let's be prepared to make up our minds whom we are for.

Are we for the people or are we for the landlords? Don't think we can avoid the issue. We won't be there - our Point Four people won't be there - a week before we'll have to take sides. It can't be avoided. The peasants will ask, "For whose benefit is this increased production going to accrue? Is it going to accrue to us or is it going to accrue to the

man who lives in Paris? ...

...We could send our agricultural experts and we could increase the production of the land 10, 20 perhaps 50 percent. In large portions of this part of the world of which I speak, the net return to the man who works the land is between 5 and 10 percent of the crop; the rest of it goes to the landlords, many of whom are absentee landlords. Most of them live in Paris, Rome or Beirut. Those people who get the 5 to 10 percent of the crop have barely enough to live on. They don't have enough to send their children to school. They don't have enough to have medical care or hospitals. They don't have enough to provide what we call material civilization, such as bathrooms, water taps, electric fans, radios, rugs on the floor. These people live in dirt and misery. Increase the production of that land 10, 25 or 50 percent and most of it will go to the man who owns the land. Some of those countries are owned by 200 men for whom 3.5 million people work. Increase the productivity of that land and you make 200 men wealthier..."

* * * * *

LAND MONOPOLY IN SOUTH AMERICA

In Buenos Aires province, with a population of 3,500,000, 320 aristocratic families monopolise the land. In Curico province of Chile, 437 great plantations take up 83 per cent. of the land, leaving only 17 per cent. of the province for 5,937 small proprietors. Brazil, with the same population as France and an area fifteen times as large, has only half as many individual properties (1,900,000 compared with 4,000,000). There is the reason for the fact that only 2 per cent. of Brazil is under cultivation, and only 1 per cent. of it is devoted to the production of food.

(from p.89 of Dr. de Castro's book,
"The Geography of Hunger".)

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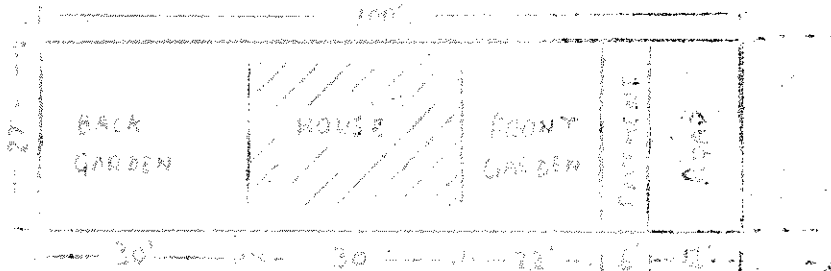
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HOW MUCH LAND DOES
HOUSING NEED?

Homer Hoyt in 'One Hundred Years of Land Values in Chicago', tells us that "The State of Illinois could house all the people of the world on 25' x 100' lots in groups of 5 leaving the rest of the world unoccupied". (Area of Illinois 56,665 square miles).

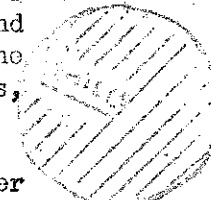
The British Isles with its 51,000,000 people is, we are told, a small overcrowded group of islands. Yet the area of land needed to house its whole population on 27' x 100' lots in groups of 4 is 1,260 square miles. A circle with a 20 mile radius gives us this area. Per acre there would be 16 houses with 4 persons to a house, giving a density of 64 persons per acre, which is less than the 100 to 200 that is the average in most built up residential areas.

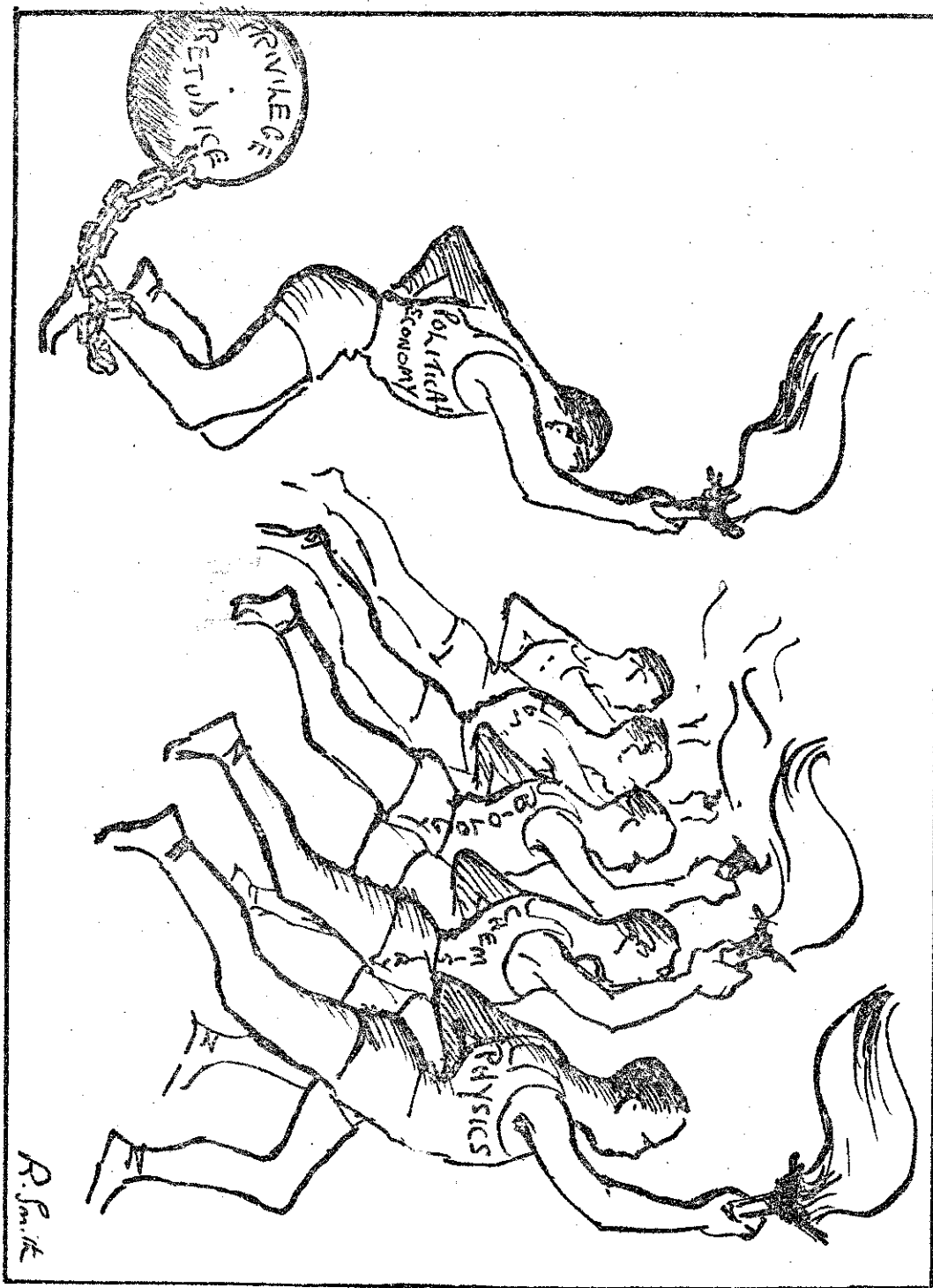


this allows
gardens, 24ft
wide roads and
6ft pavements

If every four persons were housed thus and if we took Charing Cross as our centre the result would be as shown below, leaving the remaining area of the British Isles for farms, mines, factories, parks, etc. etc.

Please note: It is NOT proposed that the whole population of the British Isles be housed within a 20 mile radius of Charing Cross. This is purely to demonstrate the total area of land needed to house all the people of these islands, giving them enough living room. Heaven protect us from any planner who would put us all within a 20 mile radius!





NATURAL LAWS IN SOCIAL LIFE

Whenever a social problem is traced back to its root cause in some social injustice, the explanation is set aside as doctrinaire by well-intentioned individuals who are more concerned to "do something here and now" to palliate the resultant suffering than to remove the injustice from which it springs. The victims of the injustice are led to believe that their suffering is due to natural causes or to the faulty of human nature. This doctrine has led countless thousands to question the existence of beneficence in the great "Order of Things"; yet Henry George showed beyond a doubt that undeserved poverty, side by side with undeserved wealth, is not inevitable but is directly traceable to man's violation of natural law.

Superficial critics assert that the simple remedy proposed by Henry George cannot achieve the great results which are claimed for it. The remedy proposed is to substitute justice for injustice in the relationship of men to the only source from which they can supply their needs. Is it, after all, such a small thing to substitute justice for injustice? A tree is known by its fruits. Under present conditions we see on every hand the fruits of injustice. Will it be very remarkable if the substitution of justice produces very different results?

The question now arises - can this injustice be removed in the complexities of modern life by a method that will lend itself to modern industrial conditions? Starting with the principle that all have common rights to what nature provides, how can this just principle be made effective? It is here that a natural law, the economic Law of Rent, points the way, for it discloses the superiority of any land over the poorest land in use. If, therefore, the higher values disclosed by the economic rent line are taken for the community, and land having no economic value is left free, it follows that every member of the community will be put on an equality in reference to the bounty of nature. The law of rent is the keystone of the whole social structure and an intimate knowledge and clear appreciation of this law throws a flood of light upon every social problem from the centre to the circumference of the Body Politic.

This law of rent discloses what should be treated as a communal value, a value which increases as population grows, civilisation advances and public needs arise. New inventions which increase the efficiency of labour and capital in the production of wealth crystallize into economic rent. If, therefore, economic rent were taken for the community, it would ensure that the whole community

would share, in common, the advantages of an advancing civilisation. Individuals who have given but little consideration to the law of rent will no doubt consider this an extravagant statement, but it is one that can be clearly demonstrated. The law operates as the result of two natural phenomena reacting upon one another. The first is that the natural element, land, varies in the advantages which it offers for the production of wealth, either on account of its natural fertility, its richness in minerals or its geographical position. The second is that it is a natural instinct in mankind to follow the line of least resistance in producing what is necessary for the satisfaction of material needs. These two phenomena brought into contact call forth the natural law of competition, and the law of competition determines the degree of economic rent. For if two or more men, having an equal right to what nature has provided, are faced with the opportunity of satisfying their needs from land, some parts of which offer greater advantages than other parts, each man will naturally desire to employ himself upon that part which will give the greatest return for an equal amount of labour. Free competition amongst them will induce them to offer a premium for the use of the best land and this premium will measure the full superiority of the advantage which the land possesses. This premium is economic rent. When the full economic rent, disclosed by unfettered competition, is taken for the public, the whole community will secure the full measure of the advantage attaching to anything provided by nature. The law of competition and the law of rent will then be seen working together for the good of the community.

The law of competition, springing as it does from a natural instinct in man to satisfy his needs with the least exertion, is one of nature's laws; and, like any other natural force, it can be made to minister to the good of mankind or be turned into a destructive agent. A fair field and no favour are the essential conditions in which, alone, this law can operate beneficially for the good of all. But this fair field is denied when the majority of men are prohibited from employing themselves according to nature's plan. Nature imposes upon man the necessity to labour to satisfy his material needs, and at the same time provides him with a storehouse from which he may provide himself with everything he wants. But the storehouse of nature is "owned" by a comparative few.

Private property in things that have been produced by labour can be justified on moral grounds, but private property in nature's gifts offends against every moral principle. It enables the owner to command service without rendering service in return, and therefore does not conform to the moral principle of service for service, which is the central law of social development. There is no service rendered in simply giving permission to use something which nature has provided for the common use of mankind.

- Charles H. Smithson.

PRIVATE PUBLIC-ENTERPRISE

The following account of Hull's "private" telephone service (extracted with acknowledgements from an article in "Public Service" October 1954) provides much food for thought. It is of significance in discussing the functions of central government.

Next month, Hull telephone service - the only surviving municipal telephone service in the country - celebrates its jubilee. What has this independence meant to the citizens of Hull? How has the corporation managed to hold its own against the vast post office monopoly? ...

When the first lines were laid in the city in 1881, the privately-owned National Telephone Company started business with 32 subscribers. Twenty-three years later, Hull Chamber of Trade, dissatisfied with the services provided, persuaded the corporation to set up in competition. Thus the Wincolmlee exchange, catering for 1,160 subscribers, was opened in a converted baths on November 28, 1904, with a staff of 30. Since that date, Hull's telephone service has never looked back ...

Its services are generally cheaper than those provided by the post office. Local calls cost only twopence. For £9 a year - £18 for a business line - a subscriber can make as many local calls as he wishes. Installation and rental charges also compare favourably with post office rates. The corporation pays 10 per cent royalties on the revenue from local calls and subscriptions and trading profits are subject to income tax. Yet each year the service shows a substantial net profit - in 1953 it exceeded £45,000. Most of this money is "ploughed back", but profits have occasionally been diverted to general rate relief ...

The department is not content merely to run the local telephone service: it also competes with private enterprise in installing inter-communication systems in business houses and hotels, and has introduced a number of special services ...

One of these has achieved fame far beyond the city's own boundaries, for it has brought Santa Claus to life for thousands of children. The experiment, begun in 1952, was repeated last year with still greater success: 36,000 children from all parts - including some from as far away as the Channel Islands and Sweden - rang Hull Santa Claus during the four evenings before Christmas to hear how the brownies in their workshop were busy sending out toys, and to

listen to carol-singing. A different script, mostly written by the staff, was recorded for each evening.

Throughout the year, the same apparatus is used for "Phonodiary" which advertises local cinema programmes with recorded trailers. And, using the same device, Hull hit the national headlines early this year when it relayed the election addresses of the rival candidates in a Parliamentary by-election. Again, during a temporary ban on radio broadcasts of football matches, the department relayed commentaries of local club matches to hospitals in the area. This is now a popular permanent feature: special telephone lines are provided free, and the staff give their services voluntarily.

Music for parks and pier, ballroom and burial services is also part of the department's service. More than 800 gramophone records are stored in the corporation's studio, and five members of the electronics staff serve as part-time "disc-jockeys" throughout the summer.

* * * * *

No one can be trusted to use the tools of logic fairly unless he is more devoted to the discovery of truth than to the defence of his current prejudices. Logical argument can be impassioned, vehement, involve the pounding of tables and the rending of hair, but the logician is the man who, even in the midst of such histrionics, will grant a telling point when it is made. The logician can be a highly emotional person, but his mind must always rule in the end. He will be willing to follow a train of thought wherever it leads, whether or not he likes where it leads him. Such a man is finally ruled by reason, and such a man, alone, is capable of ruling himself or governing others. The demagogue rends his hair and pounds the table, too, but in a different cause. He is merely trying to mislay the vital issue at hand, and, if things do not go his way, he will drop the argument altogether and take up another highly irrelevant one.

- MANAS, May 1954 -

* * * * *

COST OF "ACQUIRING" IS
THE COST OF LAND

London County Council are proposing to spend £1,450,000 on acquiring, clearing and partly developing an industrial estate of 118 acres of land, which now forms part of the Woolwich Arsenal.

- "Evening Standard", 19th October, 1954 -

* * * * *

REAL ESTATE - AMERICAN VERSION

These advertisements appeared in the New York Herald Tribune (Section 5, Real Estate), 19th September, 1954.

(Note: 'Commuting means getting into town. The American Public School System is the equivalent of our state educational system.)

DRIVE UP TODAY
you may
never see
these values
again
in
ROCKLAND CO.

Buy one of the fine homes advertised now, so you won't be saying next year, "I should have bought that home in Rockland County last year."

WHY?

Because this lovely county is on the threshold of great real estate development. The New York State Thruway and its Hudson River Bridge with direct access to New York City, plus the Palisade Interstate Parkway will make the BIG difference. New people and new business are recognizing the opportunities these new developments will provide and are already investigating this fine, healthful area for homes and business locations.

EASY COMMUTING

It takes less time now to commute from your suburban home in Rockland County than from some sections of the Bronx, Queens or Brooklyn - AND the new parkways and Hudson River bridge will further improve these commuting facilities.

HOMES FOR LIVING

Homes in Rockland County have the larger grounds, the modern conveniences and the outdoor living which today's modern family desires. Its towns are typically suburban with stores and super-markets providing every need. Banks and savings and loan associations with assets running into the millions, theatres, country clubs, fine schools, hospitals and churches are among the best in the metropolitan area, PLUS economical natural gas, electricity and low taxes.

RECREATION, TOO

Rustic pleasures are minutes from your doors. We have the beautiful Ramapo Mountains and other areas of forest and streams. Scenic stretches of the beautiful Hudson River. The alpine State Park, Palisades Interstate Park and Bear Mountain Park with many

beautiful lakes, trails and camp sites. We have hunting, swimming, boating, fishing and access to all the summer and winter sports you could desire. (Sponsored by the Rockland County Board of Realtors.)

* * * *

- WHAT ARE THEY SELLING? -

DEAR MR. & MRS. HOMESEEKER Our office is tired of advertising homes with captions such as "Darien commuting" or "Darien vacinity" as though we were ashamed to admit the homes advertised are not in Darien. Actually some of our bordering communities such as West Norwalk or Rowayton are extremely desirable.

We have done some extensive research on the Norwalk public school system and find that false rumors regarding such system to be the crux of the matter. In our previous letters we have told you how good our Darien Schools are.

Here are some facts regarding the Norwalks Public School System:

1. Norwalk is presently engaged in building 3 modern Elementary and 2 Junior high schools, which phase of the building program is expected to be completed by 1956. Not including these schools, there are 15 Elementary, 3 Junior high and 1 Senior high schools.
2. Many prominent people are located in this area - propably the most publicized being "Mary Martin" of "South Pacific" fame, whose daughter, Heller, has attended the Norwalk Public School for years.
3. Negotiations are being made to purchase land for a second Senior high school.

Sincerely yours, KELSEY BROWN SHERWOOD,
One Post Road, Darien.

* * * * *

GOING TO THE (ISLE OF) DOGS Millwall is one of the best supported Third Division Football Clubs in the country; yet, for the first time since Charles Hewitt became manager in 1936, the club is forced to sell players to keep solvent. The cause of these difficulties, "The Star", November 20th, tells us, is that "two years ago Millwall spent £30,000 buying the freehold of The Den to prevent the ground being sold over its head."

CONTEMPORARY COMMENTS

LAND, OIL AND WAGES There is a dispute between the Ruler of Abu Dhabi, Shakhbut II, and the King of Saudi Arabia about the ownership of some 20,000 square miles of desert.

Until a few years ago it mattered little who owned this tract of sparse seasonal grazing, in which the Oasis of Buraimi is almost the only green spot. Now it may be worth coveting. Across the most static of societies has fallen the shadow of the most modern of money-makers and trouble-makers - oil.

So far none has been found in any of the seven Trucial Sheikdoms under British protection. But prospectors are busy and the minds of the rulers are lit with visions of such wealth as has gushed into the coffers of their neighbours in Kuwait and Qatar.

Boundaries have suddenly assumed a feverish importance, not least for Britain, who tamed the Pirate Coast into the Trucial Coast 85 years ago. It took its new name from the perpetual truce among themselves which the warring rulers promised by treaty to observe. If oil were now discovered the treaty might come under severe strain.

Pearling, once the great source of income to the Trucial Coast, is being killed, as elsewhere in the Persian Gulf, by competition from cultured pearls and the rival attraction of employment in the oilfields. There is a steady rate of emigration to the oil-producing States of Kuwait, Qatar, Bahrain and Saudi Arabia. The oil companies pay their labourers twice as much as a man could earn, at greater hazard, as a pearl-diver.

(from an article in "The Daily Telegraph", 19th August, 1954)

TOO MUCH FOOD! The pile-up in surpluses of farm produce in the U.S.A. is indicated by Department of Agriculture estimates for commodities to be carried over from 1954. They show increases over 1952 carryovers of 350 per cent for wheat and cotton, 100 per cent for corn, and 400 per cent for butter.

The Government already owns or has under loan these amounts in commodities:

Enough wheat to provide each family in the United States with 1,400 loaves of bread.

Enough cotton to make 117 shirts or 91 house dresses for each family.

Enough corn to provide a six-months supply of pork products

for the entire population.

Enough butter to supply the nation for three months.

It is costing the Government \$700,000 a day - \$30,000 an hour - just to store the surplus commodities it owns. Twenty-five per cent of the butter produced last year went into Government warehouses!

(Chamber of Commerce Report, U.S.A.)

FREEDOM DEFINED The essence of freedom is the right of a minority to do what the majority of the public disapprove of, provided it does no harm to anybody. People are not to be prosecuted for disagreeing with the majority.

(Mr Justice Devlin addressing a Jury who had to decide whether or not a book was fit for publication -

"Evening Standard", October 18th, 1954)

AMBASSADOR FOR FREE TRADE Mr Aldrich, United States Ambassador to Britain, said in New York today that if the United States did not move towards a more liberal trade policy, the nation was "likely to move backward into a morass of greater restriction, narrow bilateralism and lower volumes of trade."

He criticised American action in rejecting foreign tenders in favour of American ones which were higher. "Every time the Buy-American Act is enforced to favour the purchase of some high-costing American equipment over a lower foreign bid, it causes only a small ripple of interest on this side."

("Daily Telegraph", 15th October, 1954)

AMBASSADOR FOR PROTECTION Mr. Harry Chapman, Vice-President of the National Confectioners' Association, told a Government inquiry in Washington that imported sweets and bars of chocolate were forcing United States manufacturers into bankruptcy or mergers. He included British exporters in his complaint.

"We do not mind helping them", he said, "but we do mind committing suicide in the process." The imports were one per cent of the American market. They had increased from 4,121,000 lb. valued at \$674,000 in 1948 to 21,597,000 lb. valued at £3 million in 1953.

("Daily Telegraph", 20th October, 1954)

HE LEARNED TOO WELL! A man who stole eight square yards of paving stones while council workmen were relaying the footway outside his Wessex Gardens, Golders Green, home, was fined £10 at Hendon today. The Chairman told the man, Harold Gearson, £1,000-a-year economist, "Apparently being an economist has not taught you that you cannot take other people's property."

("Evening Standard", 15th November, 1954)



BOOKS

American Customs Officers act as if importing were a criminal offence. Articles not specifically listed are appraised at the highest possible duty. Radar equipment is taxed as clock-like measuring devices at 65% instead of as electrical goods at 15%. Because table tennis balls can be fired from toy pistols they have been re-classified as "ammunition"; the duty was 10%, it is now 95%. Raincoats are taxed 10%. When some British raincoats were imported with a few small lengths of elastic braid between the linings, they were re-classified as "articles in part of braid" and taxed at 45%. Customs disputes and delays are numerous. By the end of 1952, 723,000 import entries had not been decided. Delays of two to four years are common. These are just a few of the crazy results of protectionist notions, that Leland B. Yeager draws attention to in his attractively produced booklet "Free Trade, America's Opportunity", (Robert Schalkenback Foundation, New York. Available through the School, price 2s.)

The one positive argument for free trade, is that it enables a still greater division of labour. This specialisation ensures the production of wealth at the minimum of cost. All other free trade arguments are refutations of protectionist objections. Most of these objections are unwittingly based on the assumption that the free trade premise is correct! The few objections that doubt this premise, contradict all other objections. Mr. Yeager needs little time to expand the moral ascendancy and positive character of free trade. He refutes with skill the objections of protectionists, including such matters as cheap foreign labour, employment and the home market, national defence, infant industries and dumping.

Mr. Yeager's illustration of the Principle of Comparative Advantage is a masterpiece of presentation. The writer spent two hours trying by mathematics to prove the author's illustration wrong, but failed. He shows clearly the link between the protectionist mentality and the mentality of those who oppose new inventions. Many people do not realise that the cause of unemployment is not free trade and inventions, but monopoly. Free Trade and inventions increase the amount of wealth produced. Monopoly decreases the amount of wealth produced. Where they exist together there is always the fear of unemployment. The cause of unemployment is beyond the scope of Mr. Yeager's

pamphlet. He contents himself with showing that free trade is not its cause.

What are the chances for free trade in the future? The popularity of an idea does not depend upon logic nor upon the capabilities of its advocates, but on people being hurt. When the Corn Laws were thrown over, the credit was not so much due to the theorising of Adam Smith or the speeches of Richard Cobden, as to the three weeks of rain which ruined the British harvest and threatened the population with death from starvation. Overnight the British people and Prime Minister Peel became free traders. Today people are being hurt by having to pay more for goods than they need do, but they are ignorant of the part protectionism plays. Mr. Yeager's booklet will do much to dispel such ignorance.

- JOHN BATHE

VIEW POINT

Because we think this represents what is perhaps an unorthodox point of view and because it throws light on a particular aspect of liberty of

the individual we print the following letter which appeared in the "Manchester Guardian", 17th October, over the initials "A.H.". Comments are invited.

"Is it not time that we had a little clearer thinking on the question of the so-called "colour bar" in this country - which you go so far as to refer to as "apartheid" in a headline over a correspondent's recent letter. There surely is no such thing in this country. "Apartheid" is something imposed by law and as far as I know our laws do not discriminate against coloured peoples. The incidents reported from time to time in the press - regrettable though they are - are an exercise of the individual's right to associate with whom he pleases. It must be remembered that discrimination of this kind is not limited to colour. It can and does operate against white people, and it certainly operates among the coloured peoples themselves.

"I can see no reason why any man or group of men should be placed under any sort of compulsion to accept a man, coloured or otherwise, if his presence is not welcome. If I may give an example: I do not regard myself as being particularly "undesirable", but I am pretty sure that if I applied for membership in certain London clubs I should be promptly turned down. I do not feel in the least aggrieved about this: I think it right and proper that men should be entirely free to choose their friends and associates."

What You Pay For

People say that prices of goods we buy are determined by what it costs to produce them. What cost? The cost of the best situated producer, of the average producer, or that of the worst situated producer who has the highest cost? Couldn't we agree that the going-price hovers around this last cost - the cost to the last producer who is necessary to fill the demand? And this means the man producing on the poorest land in use.

HOW DO ECONOMIC PRIVILEGES In looking for the factors that decide
EFFECT PRICE? cost, how do the basic economic privileges help decide what we pay for our goods? First, if land speculation (holding land idle for a higher sale price) pushes production to still poorer land, more labour and more capital are required per unit of product than would be necessary on better land. So we can say land speculation raises prices. Are there any other reasons for rising costs of production? What about the patent royalties on a piece of equipment needed in farming, mining, manufacturing? Don't those royalties increase the cost of that equipment, which in turn increases the cost of that equipment's products? How about tariff duties which have been paid on such equipment? Can they have any other effect than an increase cost on the consumed products?

Taxes all along the line increase costs, we must agree.

WORKERS VERSUS WORKERS Is there still another item in the cost of production which could be dispensed with, without diminishing the products? If a farmer has no alternative than to buy his equipment from a unionized shop, where the pay rate is higher than it would be without the union, doesn't that union rate reflect in the price of the equipment? And isn't the farmer obliged to pass the increased cost (or go broke) on to the consumer of his crops?

And so we see that no matter how a "privilege" masquerades, it still operates for the benefit of the few and to the disadvantage of the many, because it is scientifically impossible for each producer to enjoy a legalized advantage over everyone else.

There may be other privileges arising from time to time but they can all be abolished by dropping the laws which created them, and when privileges are gone, only equal rights remain.

- Robert D. Benton,
in "The Interpreter".

NOTES AND NEWS



- GRAND CHRISTMAS PARTY -

Saturday, December 11th, 6.00 to 11.00 p.m.

Admission, including Buffet Supper 4/6d. (Double 8/-d.)
(Tickets at the Door)

BALLROOM DANCING - SQUARE DANCING - STAGE SHOW

Note the Address: Portcullis Theatre, 9 Monck St., S.W.1
(Off Gt. Peter St. - 3 mins. from School)

Discussion on

"THE REDISTRIBUTION OF WEALTH"

Room 3, Church House, Great Smith Street, Westminster, S.W.1
(almost facing the School)

WEDNESDAY, 15th DECEMBER, 7.00 p.m.

"The Octopus of State Economic Planning" - Mr. Charles Aitken

"Housing - Tragedy and Farce" - Mr. V.G. Saldji

"The Mirage of Increased Wages" - Mr. V.H. Blundell

ONE DAY SCHOOL

Bromley Central Library, High Road, Bromley

SATURDAY, 8th JANUARY, 1955, 11.00a.m. to 8.30p.m.

(It is hoped to arrange an informal Social Evening from 8.30 onwards)

"ECONOMIC PROBLEMS - ROOT CAUSES AND RADICAL REMEDIES"

(Taxation - Trade - Bureaucracy - Inflation)

ADMISSION FREE

LUNCH AND TEA AVAILABLE