

HENRY GEORGE SCHOOL MAGAZINE

JUN 1956



HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

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(Edited by a panel of Tutors)

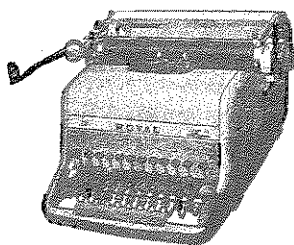
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Volume 5, Number 6.

June, 1956.

Editorial



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.

In the House of Commons on 5th June, Mr. Macmillan, Chancellor of the Exchequer, gave some very unsatisfactory replies to points raised on inflation. The uncouth, when put "on the spot" with difficult questions, resort to abuse, but gentlemen resort to ambiguity. Mr. Macmillan is a gentleman. Mr. C. Osborn, (C., Louth) in asking the Chancellor to reduce the bank rate, got to the heart of inflation, when he questioned the controlling of the use of money from a cost point of view though a high bank rate, while leaving the volume uncontrolled.

Mr. Macmillan said the the trend of the various weapons, of which monetary policy was one, would be successful in overcoming our difficulties and that monetary policy remained flexible, and the bank rate would be varied as circumstances required. Hardly answering the point!

Mr. Harold Wilson (Lab., Huyton), got little satisfaction on the same issue. He said the high bank rate was not having the effect the Chancellor wanted it to have on bank advances and would not, so long as the Bank of England continued to keep the joint stock banks replenished so far as their cash basis was concerned.

To this Mr. Macmillan said we had not yet absolute proof on whether the re-introduction of these methods would succeed or not. "I am

confident that as a result of the last few months, we are beginning to overcome our difficulties - so long as we do not throw unnecessary spanners into the works." We are wondering what necessary spanners Mr. Macmillan considers should be thrown into the works.

When the Chancellor was asked by Mr. Gaitskell why, if things were going as well as suggested, he kept on making speeches about coming disaster, Mr. Macmillan replied, "I do not say they are going well. I say that if we use these weapons sensibly and carry on a wise policy, we shall overcome our difficulties."

We are reminded of the speeches of Ramsay Macdonald in his later years, and particularly of his almost famous words: "... We must go on and on and on and up and up and up." That Mac did not last long after he started to talk this way.

A PRACTICAL PROPOSITION. "Where do we go from here?" is a question often asked by students who have completed one or more courses at the School. It is an important question. Here is our brief reply. There is work to be done in the political field. If you are a member of a political party or organisation, there are numerous ways in which you can bring the principles learned at the school to the notice of your fellow members. The School will gladly put you in touch with many past students who are working in this way.

If you eschew political-party battles, you can join the political but non-party independent organisation of ex-students and others who, under the title "Land Value Taxation League", are actively engaged in promoting by a variety of means the principles taught at the School. Particulars of membership, branches, and current programmes are obtainable from Mr. J.G. Bathe, Hon Secretary, Land Value Taxation League, 4 Great Smith Street, S.W.1.

The dusty arena of political action does not attract all who would advance the principles of equal rights and freedom. They can, however, give invaluable service in the many ways open to them by the educational work of the School. A postcard or telephone call to Mr. Blundell will answer the query as to the manner in which you can help. Need we add that the School needs money to maintain its work? The School is steadily expanding, and it is the past students who are doing the pushing!



CLEAR EVIDENCE - CLOUDED JUDGMENT

A long essay entitled "The 'Industrial Revolution'", by Ludwig von Mises, appeared in "The Freeman," U.S.A., February 1956. The essay was an "examination of the so-called horrors of the 'Industrial Revolution' and the persistent myth that industrial progress is a plot against employees." (Dr. Mises is Visiting Professor of Economics at New York University). We asked Dr. F. Jones of Cardiff to review the essay. This is what Dr. Jones says :

Professor Mises' article on the Industrial Revolution is an analysis of British industrial development and the myths which have sprung up to account for it. It has only one shortcoming, a persistent refusal to admit the obvious conclusion that the system of land tenure always determines the economic prosperity of a country no matter what its industrial development may or may not be. For, although the arguments used point inevitably to this conclusion, the writer seems perversely determined not to draw it.

One wonders why this is so. Professor Mises has certainly been courageous and outspoken in his rejection of socialistic mythology, a shibboleth which has been rendered so holy of late that even die-hard Tories are mesmerized by its 'objective truth'. Mises denies that Trade Unions and Government interference have ever brought about a ~~material~~ alleviation of the working man's burdens. His argument for this is irrefutable, however slick and abstract it may appear at first. He says: "As far as labour legislation and union pressure did not seek to exceed the limits of what the workers would have got without them as a necessary consequence of the acceleration of capital accumulation as compared with population, they were superfluous. As far as they exceeded these limits, they were harmful to the interests of the masses. They delayed the accumulation of capital, thus slowing down the tendency towards a rise in the marginal productivity of labour and in wage rates. They conferred privileges on some groups of wage earners at the expense of other groups."

The truth was, he adds amusingly, that labour legislation was a device of the aristocracy to 'get their own back' on the 'nouveau riche' in the industrial classes, who were slowly outshining them in power and affluence. It thus seems as if the present day Labour Party and, to some extent, the Communist Party are both on the side of the 'Aristes' in their belated plot to syphon off the surplus wealth of the capitalists. But, a by-product of the plot is that it slows down the development of the country as a whole, impeding as a consequence the natural rise in the standard of living of the masses.

Professor Mises' own view of the Industrial Revolution is highly analytic, although it is rendered innocuous by his failure to recognise

the consequences of land monopoly. He rebuts the idyllic picture of pre-revolution England and stresses the fact that the poor- houses and jails were filled with large numbers of dispossessed peasants who had become beggars as a result of the Enclosure Acts. But, he will not admit that it was because of dispossession from the land that these people were reduced to crime and begging, he is far more interested in pointing out the philanthropy of the industrialists who offered these people work, where there was none before. To him there was surplus population and that was an end to the matter. The idea that men were forcibly restrained from cultivating the land which had nourished their forbears for countless generations does not seem to have entered his head. Rather, he stresses, that these beggars were



given work, even though conditions were appalling, and that it is in the nature of things that conditions improve. However pleasant it is to see an economist asserting the truth of man's perfectibility, it seems a tenuous argument to base a scientific thesis on. The fact is that conditions were appalling because the beggars had no choice, they either rotted in jail or worked for whatever the capitalist offered. But, if they had not been turned off their land in the first place, then they would have been satisfied only with conditions better than they already had. The moral

is obvious, but von Mises does not even imply it.

Through not drawing the right conclusion, the writer is drawn into a web of half-truths and shifty statements. These serve only to confuse the uncritical reader. He considers a free market economy a solution in itself and points out, somewhat irrevelantly, that mass production improves life for the masses and rarely serves the aristocracy who cling to hand made goods! Furthermore he is convinced that selfish capitalists realise that improved health for their workers means more production for them. This may well be so, but he blithely ignores the power of the land speculator to lower the tempo of production by pricing land out of the industrialist's economic reach, thereby causing all the misery of slumps. He does not believe in his own arguments that private monopoly in land forces men to accept any conditions of life offered to them: He says "... the fact remains that for the surplus population which the enclosure movement had reduced to dire wretchedness and for which there was literally no room left in the frame of the prevailing system of production, work in the factories was salvation."

This lack of logic vitiates his whole article. It also leads him

on, in the end, to formulate a strange and dangerous doctrine of 'industrial hubris'.

He talks of industrial development taking place in South America and in Asia and says: "They must go through all the stages through which the evolution of Western industrialism had to pass. They must start at comparatively low wages and long hours of work." He, therefore, sees no easy industrial revolution in any non-industrial country, all must suffer their quota of misery just as the Greeks had to submit to ineluctable fate. And, worst of all, land monopoly is to be fostered in order to drive the masses into the "dark, satanic mills". Let us at least hope that this is not the message that the industrial West holds out to the East now in the throes of its own industrial revolution.

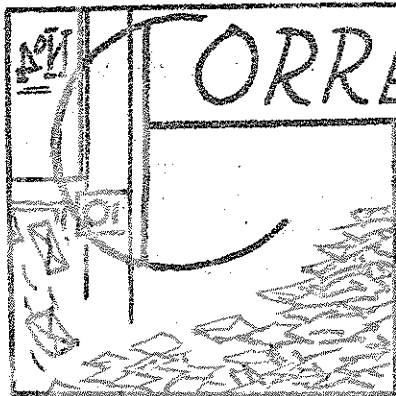
BUNGLED BIOGRAPHY The June issue of "The Draughtsman" contains an article on Keir Hardie, and in it is the following:

"In the 1880's there were significant stirrings in England. In 1879, Henry George had published his "Progress and Poverty" in America. Two years later he came to the United Kingdom and went on a lecture tour. His book dealt with the poverty of the wage-earners as a class, and advocated the imposition of a single tax and the nationalization of the land. Although his panaceas were more relevant to American conditions than British, Henry George was one of the great formative influences in the political thought of the time."

It is surprising how much misunderstanding can be packed into one paragraph. Henry George did not deal with the poverty of wage-earners as a class; he dealt with wage-earners, capitalists, land-owners and monopolists; and dealt with their relationship to each other.

Further, he did not advocate the imposition of a single tax, but the "Single Tax" - a necessary correction in view of the fact that the writer makes no attempt to explain what the "single tax" was - it might have been Income Tax or a poll tax for all his readers know. This point is particularly important in the light of the statement that Henry George advocated the nationalisation of the land. George was against land nationalisation and proposed the taxation of land values.

Finally, Henry George did not claim his remedy for the unequal distribution of wealth was a panacea and specifically says so in "Social Problems". As for his principles (panaceas) being more applicable in the U.S.A. than in England, this statement simply betrays ignorance of what those principles were. The writer, in these circumstances, would have done better to omit any reference to Henry George at all.



CORRESPONDENCE—

Dear Sirs: For once I have failed to say what I mean. When referring to "that conception", viz., freedom of competition, I did not mean to imply that Darwin's idea of it excluded land monopoly or contained any explicit reference thereto. When I asked how to determine individual reward, I had in the back of my mind wage payments as related to

currency and its instability.

If money be the medium of exchange, then payment in money is vitally linked to commodity production. In any economic system wholly based upon exchanges, it is fatal to depend upon credit and paper money; for where no one is consciously regulating the supply of this medium of circulation, fluctuations on the market must affect the value of currency unless it has intrinsic value.

I have not studied Marx deeply enough to be sure his view is entirely superficial. But in his "Capital" (Vol.II, P.607) he suggests that as the powerful tendency of profit-seeking production is to expand without limit, unlimited supplies of credit must lead to inflation. Given an economy such as Georgeists desire (one regulating itself by laws of the market), Marx insists on metal for the balancing of international, and to some extent also of internal, commerce. In that respect he may not be profound, but some ardent Keynesians seem even more shallow by comparison.

The aim of my last letter was to get a somewhat condensed editorial expanded. In that, at least, I seem to have succeeded. This time, I bait my line with money as a theme for discussion.

Leo F. Desmond (Leeds)

EDITORS' NOTE. We are not quite sure what is meant by "payment in money is vitally linked to commodity production." Payment in money for much of the services and goods rendered is a necessity of the civilised world, and the medium of exchange is vitally linked to the integrity of those who issue it!

Fluctuation on the (goods) market does not affect the value of currency, whether the money has intrinsic value or not.

Paper money is all right if it is convertible on demand into the metal it represents (gold or silver). It is fatal to depend upon paper money only when it is made inconvertible (carte blanche for

a government to issue paper money at will - inflation). Otherwise there is nothing wrong with paper money.

Paper money does not need regulating - except to exchange clean notes for dirty ones. When linked to gold it will regulate itself. If more money is required by society, more gold as coins would tend to come into circulation. A government could substitute paper for this gold also, provided again that the new money, like the old, was convertible.

Marx is wrong about inflation and, as quoted or paraphrased, guilty of a non sequitur. Unlimited supplies of "credit" do not lead to inflation unless the "credit" is in fact unbacked newly-created paper money. I.O.U.s or cheques, no matter how abundant, can never lead to inflation.

* * * *

Dear Sirs: Mr. Desmond has raised an interesting point. May I suggest that the answer is this : Land is freely provided by nature for the use of men, but nature does not provide men for the use of other men - that would be a contradiction in terms.

The supreme argument for the taxation of land values is that the man who uses the best resources of nature to the exclusion of other men should pay, as a compensation to his fellow men (for his denial of their natural rights), their share in the benefits he receives from his advantage.

Now suppose Mr. Superman earns exceptionally high wages through his exceptional ability. Does he deprive his fellow men of any of their natural rights? If not, what moral claim have his fellow men against him?

S.W. BRODER (London E.5)

Dear Sirs: The value of the ability of anyone can be decided on the open market where the results of labour are exchanged for the results of labour; but can we always be sure that the ability of an individual is the result of the beneficence of nature?

Other things being equal, a University graduate with a good environmental background will, generally speaking, have more to contribute to society than a person who has not had these advantages, and will usually be able to command more for his services - but how much of this ability is inborn? In many millions of people throughout the world today there is latent ability, but many of them are denied the opportunities that would permit them to develop this ability to its fullest.

So the argument brings us back to the fundamental issue of equal

rights. Much personal ability (but of course by no means all) has been acquired as a result of superiority of opportunity, and this can very often be traced to the inequitable distribution of wealth and services resulting from a monopoly of Mother Nature and kindred privileges. That many succeed in developing their ability to the fullest in spite of obvious disadvantages, in no way invalidates the argument.

Let us not worry about sharing "the rent of ability", but concentrate on securing equal opportunities for its development in all men.
P.G. (Waltham Cross)

Dear Sirs : I have been interested by recent references to so-called "irresponsible agitators" in connection with the outcry against the new rating assessments, because I have been studying a period of our history (i.e., the last 150 years) during which quite a number of such reprehensible characters appeared to have stirred up trouble of one kind or another for the governments of the day.

At the beginning of the period, there was that sinister group of agitators known as the Chartists, who demanded such unheard-of things as the secret ballot and votes for all men over 21. Then there was William Wilberforce, who made endless trouble for the government in his determination to achieve the abolition of slavery. And Lord Shaftsbury, too, who agitated most irresponsibly against the employment of children in our mines and factories.

And then there was Samuel Plimsoll, who so violently disturbed the peace of the House of Commons on behalf of the men of the merchant navy, and who lived to see his life-saving line painted on thousands of merchant ships. Finally, in more recent times, we have experienced the militant agitation of that most irresponsible group known as the Suffragettes, and have seen the extension of democracy which resulted from their efforts.

Irresponsible? Agitators? Perhaps. And yet, when one reflects on the benefits which we, in our time, owe to the work and sacrifice of these reformers, is it not the moral that the irresponsible agitator of today may be the revered benefactor of tomorrow?

B.W. BROOKES (West Wickham)

WHAT PRICE KILLARNEY? The lakes of Killarney are for sale. The area to be sold by Messrs. John D. Wood, the London estate agents, comprises over 8,000 acres, including the middle and lower lakes, the island of Inissfallen, Ross Castle, the Abbey of St. Finian, Kenmare House and Glenna Mountain. Mr. J.A. Nugent, chairman of the Irish Tourist Board, spoke at the week-end of his hope that "whoever acquires this estate will show the same enlightened and sympathetic attitude to the tourist industry as that displayed down the years by the Kenmare family." (Manchester Guardian, 13th June)

LET THE BUYER BEWARE

The Managing Director of the Alliance Building Society, Mr. Lewis C. Cohen, writing in The Investors' Chronicle, May 5, used a quotation from Progress & Poverty to support his argument that building societies with surplus funds available to invest should turn their attention to central properties.

The securities worthy of attention are those situated in the acknowledged heart of the business life of our major cities; those properties occupying sites for which the great 'multiple' traders (whose names are household words throughout the country) are ever ready to compete; the premier trading thoroughfares to which our massive population is increasingly drawn for more and more of its requirements.

I should like to conclude these observations with a quotation from a notable work on the subject of land values, which is worthy of further study by those who are interested. It is by that great and farseeing economist, Henry George. Those who are familiar with his teaching will know that he believed in a constant increase in land values in central sites: that was indeed the basis of his teaching and if we take the history of any major town in any civilised country in the world over the last hundred years, his teaching is proven overwhelmingly correct.

To go even further back, if we read the histories of ancient Roman philosophers, we find that even in those distant days they were emphasising how values increased in the heart of their own cities. The same is true today.

Henry George, writing of such cities as Chicago, St. Louis and San Francisco, says :

"Hither run all roads, hither set all currents, through all the vast regions round about. Here, if you have anything to sell, is the market; here, if you have anything to buy, is the largest and the choicest of stock.

"All these advantages attach to the land; it is on this land and no other that they can be utilised, for here is the centre of population - the focus of exchanges, the market place and workshop of the highest forms of industry. The productive powers which density of population has attached to this land are equivalent to the multiplication of its original fertility

by the hundredfold and the thousand-fold.

"... That this is the way in which the increase of population powerfully acts in increasing rent; whoever, in a progressive country, will look around him, may see for himself. The process is going on under his eyes. The increasing difference in the productiveness of the land in use, which causes an increasing rise in rent, results not so much from the necessities of increased population compelling the resort to inferior land, as from the increased productiveness which increased population gives to the lands already in use."

Inflation

in a Nutshell

ITS VALUE. Mr. A.W.J. Lewis (Lab., West Ham N.) asked the Chancellor of the Exchequer what had been the depreciation in the purchasing value of the pound sterling since June 1954.

Mr. H. McMillan replied: "Taking the internal purchasing power of the pound as twenty shillings in June 1954, the corresponding figure for April 1956 was 18s.3d. This estimate is based on the consumer price index for 1954-55 and the index of retail prices thereafter." (Manchester Guardian, 3rd May).

HOW AND WHY IT FALLS. Fiduciary issue raised. £25 million increase. The Bank of England return to last Wednesday shows an increase in the fiduciary issue of £25 million to £1,900 million. A similar increase was made in the week ended May 4 last year. (Times, 25th May).

THE REMEDY. Failure to take the necessary measures to maintain since the war a reasonable measure of stability in the purchasing power of the pound "has been the largest brick that we had thrown into the international economic pool," Sir Arnold Plant, Sir Ernest Cassel Professor of Commerce in the University of London, said last night.

He had no doubt that all our troubles arising from the present inflationary position would cease as soon as a British Government decided to accept the full responsibility of their position as the sole controller of currency issues. "One certain way to arrest the continuing inflation is for the Treasury to instruct the Bank of England that in any year from now on it must not increase the fiduciary currency note circulation above the peak figure for the previous year," he said.

(Times, 1st June 1956).

CONTEMPORARY COMMENTS

NOT OMINOUS FOR THE CONSUMER!

An "ominous" rise in the import of cheap footwear was emphasised by Mr. J.L. Petcher, retiring President, at the annual meeting of the Leicester County Boot Manufacturers' Federation yesterday. Imports of leather shoes had increased from 1,500,000 pairs to 2,500,000 pairs, he said, and in contrast to our own rising export prices for footwear the average price per pair entering Britain fell by 2s. Cheap rubber footwear being brought into the country from HongKong, and so escaping tax, rose by 30 per cent and reached a total of 11,500,000 pairs. (Manchester Guardian, 16th May)

BUT THIS IS

Australia is to raise her tariffs on footwear with effect from today. The preferential tariff on boots, shoes, and slippers from Britain rises from $22\frac{1}{2}$ per cent to 25 per cent. The increases were announced in the House of Representatives today by the Minister of Customs and Excise, Mr. Osborne. (Manchester Guardian, 17th May)

It seems to be a crime to buy in the cheapest market these days - yet consumers themselves support these restrictions on trade. The increased Australian tariff on British shoes may well be used as an argument for an increase in British tariffs on foreign shoes, for will not British manufacturers need "compensation" for lost trade? Eds.

HOW WE GET SOAKED

The rain it raineth every day
On the just and on the unjust fella!
But it raineth harder on the just,
Because the unjust hath the just's umbrella.
Anon.

AND THE DISPOSSESSED ARE OVER-POPULATED!

Startling figures of the under-cultivation of vast farmlands held by whites in Rhodesia are given in a report drawn up by Dr. H.G. Weizmann for the inter-Governmental Committee for European Migration, of which Rhodesia is a member. He says that of 30,500,000 acres held by Europeans in Southern Rhodesia, only 1,100,000 acres are under crops. Some of the individual holdings are over 20,000 acres. In Northern Rhodesia, European farmers hold 4,500,000 acres, of which only five per cent were under cultivation in 1954.

£73,000 FOR CHURCH SITE. Nottingham Corporation has agreed to pay the Church Commissioners £73,167 for Holy Trinity Church, in the city centre. The corporation will demolish the church and use the site as a municipal car park. (Manchester Guardian, 6th June)

COUNTY COUNCIL GETS
WISE TO ESTATE
BUSINESS.

Land held for agricultural purposes by a County Council had been sold for £100,000 an acre, and other land compulsorily acquired for road improvements had been offered to a major Oil Company, it was stated at the Committee on Administrative Tribunals and Inquiries in London yesterday.

(Manchester Guardian, 9th May)

EXTRA SUBSIDY
FOR FARMERS.

For agricultural lime delivered during the seventeen weeks, 14th May to 8th September, the present subsidy of 60 per cent of the delivered costs is being increased to 70 per cent. For Cornish sea sand the period is 4th April to 31st July. Farmers do not need to make any special application for the summer subsidy; when the usual claim form is sent in, the extra payment will be added to the 60 per cent subsidy and spreading contribution.

(Joint Announcement by the Agricultural Departments in Gt. Britain)

Thus are a few more feathers plucked from the hapless taxpayer to line the feather-bed of the landed interests!

NO "MARKS"
FOR KEYNES

It is always right to carry out with all possible energy and intelligence the alternative which insofar as consequences can be foreseen will leave the total situation better than any other action that one could have taken.

(J.M. Keynes)

Karl Marx was less ambiguous and perhaps more honest - he simply said that 'the end always justifies the means'.

THE DEAD SEND UP
LAND VALUES.

Overcrowded Japan, with its population increasing at the rate of nearly 1,000,000 a year, is short of space for everything - including cemeteries. Burial plots in many cities are in such demand that only one in every eight to ten applicants can be accommodated; in Tokio sales are decided by drawing lots. To relieve this acute shortage in the capital, the Tsukiji-Honganji temple, a Buddhist shrine, and an Insurance Company have together devised a plan to erect Japan's first "apartment house for the dead" in the form of a four-storey building with 872 lockers (each to hold six urns containing the ashes of the departed) - to be sold at a price of about £50 per locker, including caretaker service. It is due to be completed this year, and is successful the promoters plan to erect further "apartment cemeteries".

(Manchester Guardian, 2nd May)

NOW'S YOUR
CHANCE!

Mink is 15% below market prices only because our Show-rooms are away from the high rental area. You are invited to inspect the loveliest new mutation colours from Natural and Champagne Mink to Black Diamond.

(Advert. in the Daily Telegraph, 29th May)

Millions on Relief in the U.S.A.

In good times and bad, government spending for welfare and relief keeps rising, now exceeds 11 billion dollars a year. (1 billion = \$330,000,000). Aid programs that started small, "temporary", have lingered and grown. After 15 boom years, there are millions on relief. The taxpayer is finding out that there is no ceiling on the amount of his money that is to be used to help support his fellow citizens when in need.

The rise in relief is taking place at a time when nearly everyone who wants a job can get one, when wages are higher than ever before, when the country as a whole (!) is enjoying unprecedented prosperity. At such a time, the total cost of welfare in the fiscal year from July 1st, 1956, to June 30th, 1957, is expected to be more than 11.4 billion dollars and possibly more than 11.6 billions. That would be a new - but not lasting - record. Such is the outgrowth of a few small outlays for charity.

When the twentieth century began, cities and counties had their poorhouses and some orphanages and hospitals, which were run, in part, at public expense. The Federal Government gave a helping hand to some veterans, if they had been wounded in war and left partially disabled. That was about all. The cost of such programs was a minor part of the public budgets, even though budgets were much smaller than now.

Here is how the annual bill for helping people looks, after two decades of social insurance and more than a decade of boom times:

Relief of the needy, including children, the blind and aged: a little more than 3 billions.

Hospitals, medical care for non-veterans: a little more than 3 billions.

School lunches, child welfare, orphanages, other institutions and training the disabled: about 800 millions.

Veterans' benefits, including pensions, medical care, education: nearly 4.7 billions.

Federal share of all that is more than 6.6 billions a year. States and local governments spend more than 4.8 billions.

(U.S. NEWS & WORLD REPORT, March 1956)

This is Progress and Poverty with a vengeance. Some needy there will always be, but why is it that in these prosperous times a man

cannot provide for his own children? Why can so few people reach old age independent of charity? It is not that there is not enough wealth to go round; it is rather its inequitable distribution.

The following relevant extract is from "ECONOMICS SIMPLIFIED", by E.E. Bowen, M.D. -

"Since political economy (economics) is the science which treats of the nature of wealth and of the natural laws governing its production by and its distribution among men living in society, and since we wish to discover what it is that prevents the full enjoyment of Life, Liberty, and the pursuit of Happiness - what it is that causes our economic problem - it is to the science of political economy we must turn.

If anyone doubts that the problem lies somewhere in the field of production and distribution of wealth, let him consider those figures published by the life insurance companies. Given 100 men at age 20, follow their history for 40 years; at age 60 we will find that 35 of these will be dead (X); of the remaining, one (W) will be wealthy; four (O) will be moderately well-to-do; five (V) will be poor but self-supporting; and the other 55 (D) will be dependent on others for their support. Certainly we cannot believe that 55 men (or 60, if we include those who are poor) out of 65 have been so lazy or so incompetent that in 40 years, if given a fair chance, they could not have produced and saved enough to give them a competency for their old age.

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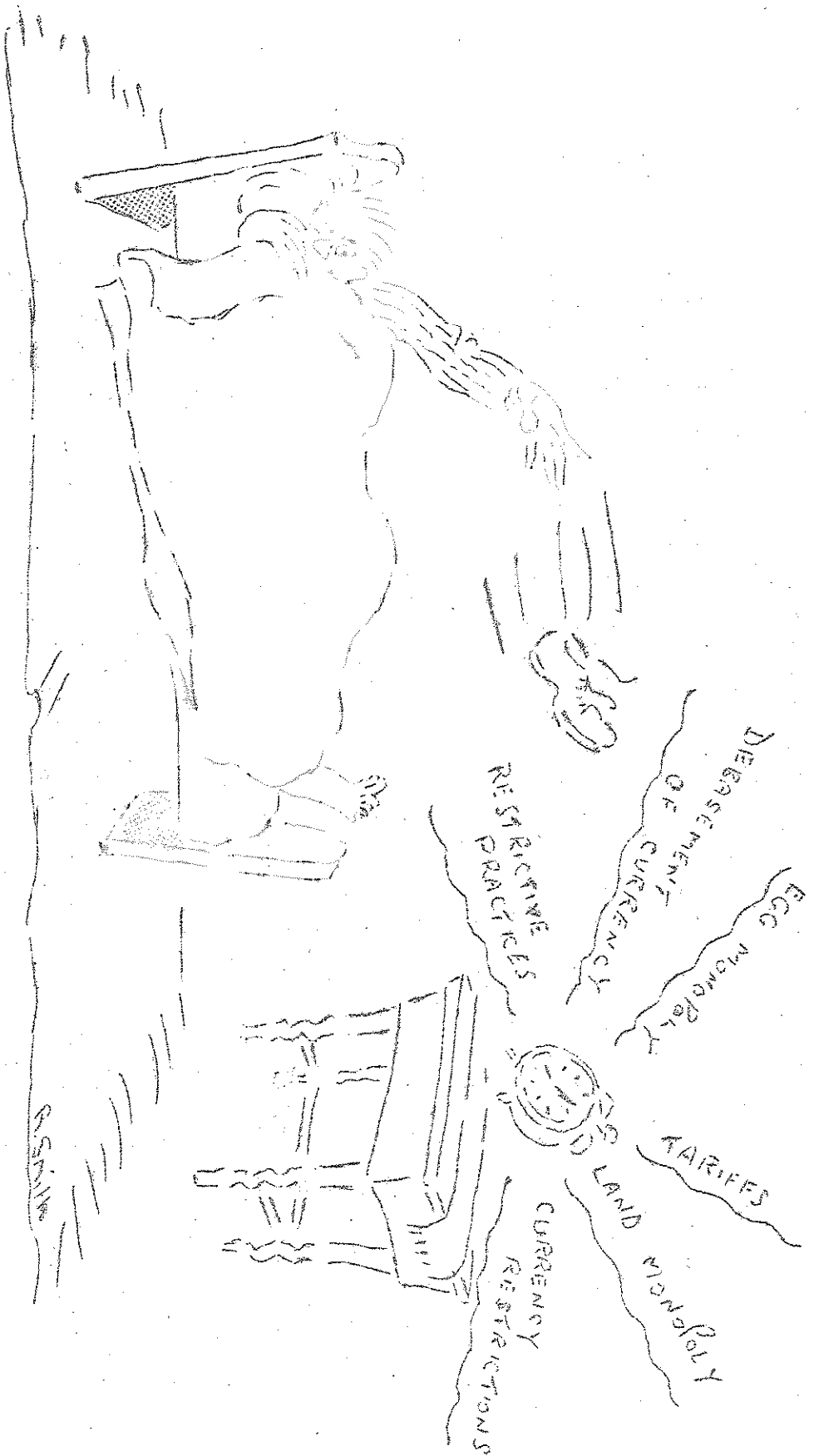
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Why then are they dependent on others? If this is not due to something inherent in the men themselves, it must be caused by something in the conditions in which the men have lived and worked. Both our national wealth and wealth 'per capita' ever increase. Why then does poverty increase with progress and advancing wealth?



The man who didn't want
to wake up!

WHO BENEFITS

FROM THE SOIL BANK ?

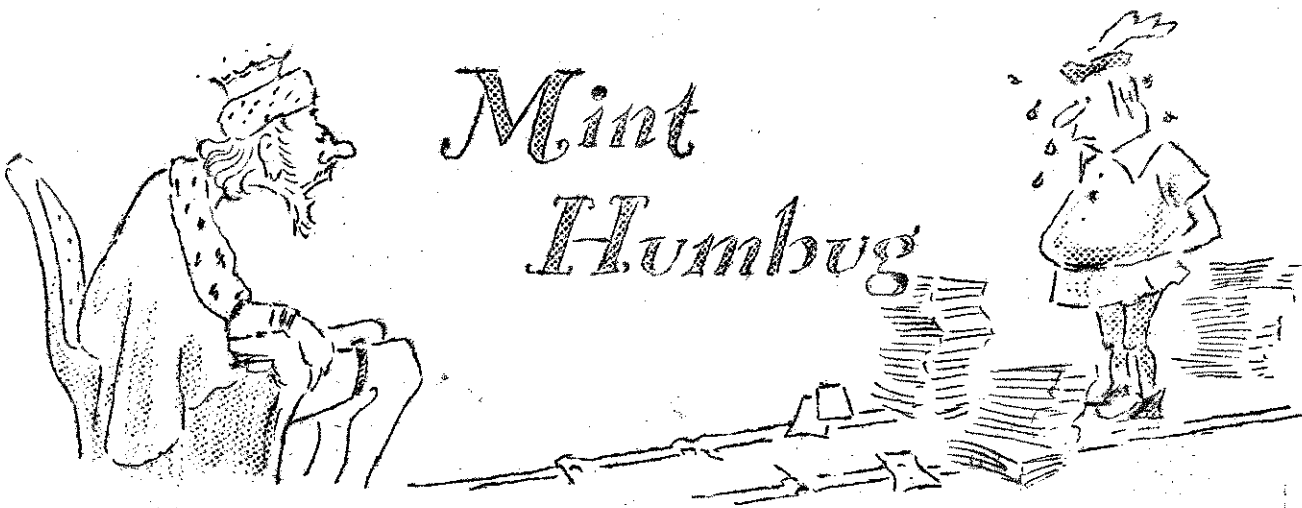
The agricultural policy of the "Soil Bank" is one that plans to legislate land out of use so as to reduce production of farm products now in overabundant and embarrassing supplies due to price supports and guaranteed markets. Compensation is of course payable to farmers by the state for fencing off land and throwing it out of production. Marten Butler of Illinois, who has operated a 275-acre "home farm" in the corn belt since 1947, has this to say of the plan.

The soil bank plans are forms of production control. By reducing use of land without reducing use of capital and labour, the soil bank plans tend to shift the amount of labour and capital used in relation to land. This shift would mean an increase in the share of income going to land and a reduction in the share going to capital and labour. This means that the operator-tenant will be up against more intensive competition when he attempts to rent a farm, and the rental terms will be steeper in favour of the land-owner. This is already happening as a result of past and present government programmes. This increase in land income is reflected in higher land values. We have seen nearly all the benefit of price supports incorporated into the price of land. If the soil bank bill now before Congress becomes law, I believe that land inflation will resume its course, and prices of \$700 and \$800 per acre will not be uncommon in LaSalle County. In other words, when you remove competition from the market place, you replace it with competition for the means of production. No one but present owners can benefit.

About half of the boys and girls born on farms today will choose other employment and leave agriculture. This has been going on for many years and will continue. I have heard enough crying about low prices and the exodus of farmers to the city. Each time a farmer sells out at auction you might think we should hold something like a funeral service. I would regard the occasion more as a cause for celebration - because it means that we are making rapid progress in solving the problem of food production. It means that agriculture has released another man to tackle more urgent problems that press us on every side.

I realize full well that agriculture may not require my services much longer at the price I must ask for them. It disturbs me to find that some men believe that the world owes them a living in the occupation they prefer and in the style to which they would like to become accustomed. I do not believe that many Americans will sell out their heritage of opportunity for the elusive security of a miserable work ration assured by law.

(From "The Freeman")



Once upon a time there was a land which had two industries; the making of bread and the making of cake. The people of this land had conducted a successful war against their enemies but had had to borrow from friendly countries to pay for it. As they had to pay their debts they had arranged to fix their currency rates by decree. The king knew that it would be the honourable thing for their debts to be paid, so he sent for Charlie, his chancellor, and told him to see that their obligations were fulfilled. Charlie instructed Mickey, the Master of the Mint, to see that money was provided to pay their debts.

However, after a while the friendly countries wrote to the king saying that they admired him and his country very much, but as all their people had at least one portrait of him in their homes, they had no need for any more. Nor with the greatest of respect did they need any more autographs of their chief cashier. They were being as nice about the whole thing as they could; they were all very tired of wars - they would prefer, in future, to be paid in their own currency or they would not be so friendly.

The king sent for Charlie and asked his advice. Charlie said that it was obvious what the trouble was, the country was not exporting enough cake, the people had been eating too much cake instead of exporting it to pay their debts. They must stop eating cake until their debts were paid. The next day he announced that the people must make a sacrifice for their country's honour and for a while, until their debts had been paid, the people were to live by bread alone. None-the-less, they would all go forward hopeful in the future, taking with them the certainty that this great sacrifice would lay the foundation for a great and glorious age.

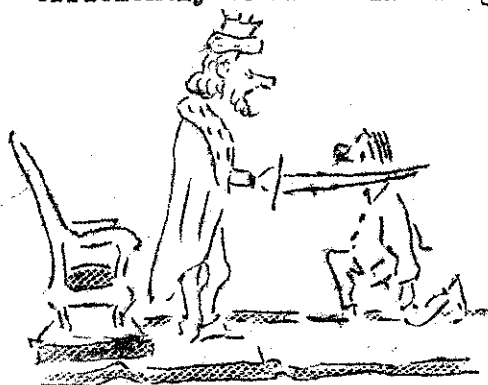
The Chancellor's announcement awoke the social conscience of the entire community and they all worked harder than they had done before - they had to! The output of cake per man went up steadily, because unfortunately all the money that Mickey the Mint Master had made, could only buy bread - and bread was very expensive. Although the rich had plenty, the poorer people found it almost impossible to get

sufficient to live. Now it was only fair that the poor should have more wages, so all the workers were given more money ... eventually a little for the pensioners. This made Mickey very busy indeed, but he was both a conscientious and a clever civil servant and rose manfully to overcome the new challenge to his efficiency. After all, the paper money which the foreigners would not accept - the people at home had to!

Although it had been a common practice for the poorer wives to go out to work, the not so poor wives had to go out to work too, in order that they could have as much bread as their compatriots. However, they were all very patriotic and pretended that they really didn't have to do it at all, and called it "pin money" as they couldn't pin down where it all went to. Let none decry the Chancellor in this matter. There was none more patriotic than he - only he called it "emancipation", which is a far better word to use in speeches.

More serious was the problem of the export of cake; the increases in the cost of bread, with resulting increases in wages, had increased the costs of production of cake and it was becoming harder and harder to sell. In fact some of their customers were making their own. The king didn't know what to do; everything Charlie had done turned out wrong. So he called the Chancellor to him and told him he was not satisfied at all; his people were poor - many did not have sufficient bread - and the country was unable to pay its debts. Charlie said it was obviously the money that was the cause of all the trouble, even the children of the poor had ten times as much pocketmoney as he had when he was a boy. The king said there was a lot of nonsense somewhere and he was going to sleep on it but he was fed up with Charlie as a Chancellor and Charlie would sleep that night in one of the castle dungeons.

Thinking over the money problem the king remembered what a good job Mickey had done. It was clean, cheap money which Mickey had supplied efficiently to meet all the government's needs. Mickey must be rewarded!



He had, as a public servant, carried out his orders and must not be blamed for the orders that he had carried out. So when he ordered his guards to take the Chancellor and lock him up he called for Mickey and made him Sir Michael, Grand Master of the Mint. Which of course is the origin of the expressions "Oh, what a Charlie!" and "Don't take the Mickey!"

Who succeeded Charlie? Oh! David the Devaluer, but that is the same story!

R.H.H.J.

JUSTICE AND BENEVOLENCE

"That justice is the highest quality in the moral hierarchy I do not say; but that it is the first. That which is above justice must be based on justice, and include justice, and be reached through justice... As the individual must be just before he can be truly generous, so must human society be based upon justice before it can be based on benevolence." (H. George)

Now read the following, written by the Scot, Patrick Edward Dove, some thirty years earlier :

A very simple consideration will place in a clear enough light the difference between the negative character of justice and the positive character of benevolence. If all men were socially passive, and did not in anywise interfere with each other, there would be the perfection of justice, while there might be the total absence of benevolence.

No rule of justice can ever originate an interference. All interference based on justice is consequential; that is, the consequence of a prior act of interference, which requires to be corrected. All primary interference, contrary to the will of the person interfered with (he being of sound mind, sober, etc.) is an injustice. The essential character of injustice consists in the forcible interference of one man with another; nor is any man justified in constraining another to receive even a benefit (or what nine hundred and ninety men out of a thousand would pronounce a benefit) against his will. The essential character of injustice is, the overbearing of one man's will by another man's force or fraud. And no rule or principle of equity can ever originate such an interference.

The whole scheme of justice, therefore, is essentially and radically restrictive, and all its positive rules, or rules which justify or command interference, will be found to consist of those which justify the restoration of things to that condition in which they would have been had there been no interference. That is, whenever the negative state of non-interference has been departed from, and the equilibrium of equity destroyed, justice furnishes rules for positive interference, whereby the negative state may be restored, and the equilibrium of equity re-established.

Benevolence, on the contrary, supposes that men shall be socially active; not that they shall interfere with each other without consent, but that they shall take a constant interest in each other's welfare, and be ready to offer the helping hand of sympathy when sorrows fall upon their brethren. Benevolence cannot infringe justice, it only superadds more than justice could require.

Dates for — — Your Diary

Westminster Thursday 21st June, (from 6.30 p.m.) Great Smith St.
Social evening and film strip "Too Little Spending"
(Keynes Employment Theories). Review and critical discussion. Refreshments.

Westminster Tuesday 26th June, (from 6.30 p.m.) Great Smith St.
Social evening. Mr. D. Soughan will present personal travelogue covering mountaineering in the Southern Alps and in the Himalayas and also general travel pictures of Singapore and Malaya, Burma, Pakistan, Italy and France with the aid of coloured stills and projector. Refreshments.

Westminster Thursday 5th July, (at 7 p.m.) Church House, Great Smith Street. Mr. R. J. RENNIE who has just returned from Russia will give an account of his impressions and show pictures he took during his visit as a delegate of the Electrical Supply Industry. Mr. Rennie is Director of the Scottish Henry George School.

Ilford. Wednesday, 4th July, (from 7 p.m.) Ilford Club. Social evening and film strip "Too Little Spending" (Keynes Employment Theories). Review and critical discussion. Refreshments.

Palmers Green. Wednesday, 20th June, (from 7 p.m.) Samaritan Hall.
Social evening and film strip "Too Little Spending" (Keynes Employment Theories). Review and critical discussion. Refreshments.

Tutors Conferences

Three one-day conferences for tutors and potential tutors are to be held at 4 Great Smith Street from 10.30 a.m. to 5.30 p.m. on June 30th; July 14th and July 28th.